

The Government of Vanuatu

Ministry of Lands and Natural Resources (MoLNR)

Vanuatu Affordable and Resilient Settlement Project (P173278)

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

ESMF VERSION: DRAFT

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ABBREVIATIONS AND ACRONYMS

ACM	Asbestos Containing Materials
CoEP	Code of Environment Practice
E&S	Environmental and Social
ESCP	Environment and Social Commitment Plan
ESIA	Environmental and Social Impact Assessment
ESHS	Environmental, Social, Health and Safety
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
E&S	Environmental and Social
FM	Financial Management
GM	General Manager
GRM	Grievance Redress Mechanism
IPF	Investment Project Financing
LMP	Labor Management Plan
LMS	Land Management Information System
MoLNR	Ministry of Lands and Natural Resources
OHS	Occupational Health and Safety
PDO	Project Description and Objectives
PEA	Preliminary Environment Assessment
PMU	Project Management Unit
PPE	Personal Protective Equipment
SC	Steering Committee
SE	Stakeholder Engagement
SEF	Stakeholder Engagement Framework
TA	Technical Assistance
UNELCO	Union Electrique Du Vanuatu
VARS	Vanuatu Affordable and Resilient Settlement
WB	World Bank
WMP	Waste Management Plan

1. BACKGROUND

Vanuatu is a small island nation located in the South Pacific approximately 2,000 kilometers to the east of Australia. The population is 300,000 residents and the country is administratively divided into six provinces – Malampa, Penama, Sanma, Shefa, Tafea, and Torba. Shefa Province includes Efate Island in which the capital -- Port Vila – is located. The archipelago of 83 volcanic islands (72 of them inhabited) with approximately 12,200 square kilometers land area, is dispersed over an exclusive economic zone of about 827,000 square kilometers.

The economy is characterized by a formal sector driven by tourism and agriculture, and informal subsistence activity outside the main urban centers of Port Vila and Luganville. The country's poverty rate, based on the national basic needs poverty line, is estimated to be 12.7 percent of the population in 2010. A large proportion of the population (20-50 percent) is concentrated marginally above the poverty line and is highly vulnerable to falling back into poverty. The country ranks 140th out of 189 on the 2019 United Nations Human Development Index, placing it in the 'medium human development' category.

A significant development challenge facing Vanuatu is high exposure to hydrometeorological hazards (tropical cyclones, floods, and droughts) and geophysical disasters (volcanic hazards, earthquake-related hazards, and tsunamis). In addition, concentration of people and settlements in hazardous areas is significantly increasing the country's risk profile.

Port Vila's municipal boundaries enclose a population of approximately 66,000 (extrapolated from the 2009 Census), but Greater Port Vila – as a functional city with economic and social connectivity – is home to closer to 114,000 people. Informal settlements are an important gateway to urban opportunities and services for low- and middle-income people alike, providing "access to the city" for a wide range of socioeconomic groups. The majority of population growth in Vanuatu (74 percent) currently occurs outside the Port Vila municipal boundary, in unplanned, un-serviced settlements in hazardous areas. As informal settlements continue to expand in an unplanned manner, it increases the exposure to hydrometeorological and geophysical hazards.

There are significant demands on land to absorb growth, but there is also an available supply of underutilized land in Greater Port Vila. The impediments to accessing available land include slow and inconsistent planning regulations and approval procedures as well as weak land administration and management processes, including the numerous and lengthy processes for registering a lease (estimated at 632 days). Second, restrictive conditions on housing loans and the cost of housing in Vanuatu mean that a family on the minimum wage cannot realistically afford a small house on the private market. Due to high demand and limited accessibility or affordable supply, people have crowded into the city's existing housing stock or accessed land through unrecorded, informal occupancy arrangements or kastom (custom) tenure arrangements.

To improve management of human settlements and improve housing, the Government of Vanuatu (GoV) has secured a US\$25 million project in financing the Vanuatu Affordable and Resilient Settlements Project (VARs) . This project directly responds to the need to improve health, economic and social standards of settlement dwellers. This project is inherent to the overall concern for settlements upgrade, sustainable urban drainage, and institutional strengthening to solve future unplanned settlement and urban land use.

1.1 Project Development Objectives

The Project Development Objectives (PDO) is to: (i) improve access to and resilience of infrastructure and services in selected settlements, and (ii) strengthen relevant public institutions' systems to manage human settlement. It is the desire that at project conclusion, the VARs is able to:

- Deliver for the people in existing settlements improved urban living conditions, including climate and disaster risk reduction (disaggregated by gender)
- Complete the foundations of a new residential development site provided with resilient basic infrastructure and services area. Note housing will not be provided under the project, only housing sites and basic services.
- Provide tenure security for residents with existing registered tenure (head- and sub-leaseholds, held by both spouses). Note the project will not support titling of unregistered land.
- Build institutional capacity for disaster- and climate-risk informed urban and land management for responsible agencies as per the National Land Subdivision Policy.

1.2 Purpose of the ESMF

This Environmental and Social Management Framework (ESMF) has been prepared to assess and manage the environmental and social risks and impacts of the VARS. The framework has been prepared since the project involves series of subprojects whose specific locations, detailed design, and/or relevant information are not yet known until implementation. The ESMF serves as an instrument for environmental and social assessment process to be undertaken once the respective technical details of the subprojects are available.

This framework provides guidance to the Ministry of Land and Natural Resources (MoLNR) and its responsible units to ensure that environmental and social assessments and other safeguard requirements will be carried out in compliance with national regulations and in accordance with the World Bank's Environment and Environment and Social (ESF). The ESMF also provides guidance on the preparation of location specific Environmental and Social instruments when necessary, in accordance with the ESF. This ESMF will be an integral part of the Project Operations Manual (POM).

Specifically, the following are the objectives of the ESMF:

- To identify, minimize or avoid adverse impacts on the health and safety of project stakeholders, project-affected persons/communities and project workers during implementation;
- To promote quality and safety in the design and construction of infrastructures;
- To avoid or minimize community exposure to project-related safety risks;
- To avoid possible exposure and risks of workers and communities to communicable diseases, criminality and gender-based violence during project implementation;
- To develop measures to address emergency events; and
- To specify a process of public participation and consultation in the planning and implementation of the project.

1.3 Methodology

The framework has been prepared by the MoNLR with assistance from an Environmental and Social Consultant. The World Bank Specialists provided guidance to MoNLR on the drafting of this documents. The framework was conducted through mix methods, which comprises in depth analyses and consultations with stakeholders.

The content of this ESMF is based on review of secondary data including an analysis of the legal and institutional framework A situational analysis of the relevant socio-environmental context. This analysis covers among other things, land tenure, economic context, gender, biophysical context, etc. MoNLR site visits to proposed activity locations, interviews and meetings with key stakeholder including local ward representatives and government agencies including Ministry of Internal Affairs (MoIA), Department of Finance and Treasury, (MFEM), Department of Urban Affairs and

Planning, MoIA, Department of Water Resources, MoLNR, Department of Environmental Protection and Conservation, MoCC, community and Kastom leaders and representatives at Ohlen Matasu, Anambrou, Seaside and Tokyo settlements. The site visits focused on collection of data relating to: (i) social and environmental baselines and (ii) stakeholder engagement, including measures to access diverse and marginalized groups.

The ESMF is linked to other project environmental and social (E&S) instruments prepared, disclosed, and adopted to support the management of the Project's environmental and social risks. Other key instruments linked to this ESMF and prepared prior to appraisal include:

- Environmental and Social Commitment Plan (ESCP)
- Vanuatu Land Law and Administration Assessment

Other documents that will be prepared, disclosed, and implemented during project implementation include:

- Environmental and Social Impact Assessment (ESIA) for construction of new settlement (component 1)
- Environmental and Social Management Plan(s) (ESMP) for rehabilitation of existing settlements (component 2)
- Stakeholder Engagement Plan(s) (SEP) for Component 1 and 2

1.4 Scope of the ESMF

The framework presents criteria and procedures to manage the environmental and social impacts of civil works activities under Component 1 on the design and construction of housing foundations and development of plot leases. The ESMF also applies to Component 2 which will finance in situ upgrading and regularization of four existing settlements after applying the eligibility criteria and Component 3 Strengthening Institutional Capacity for Implementation and Sustainability to determine downstream positive and negative impacts of implementing the National Land Subdivision Policy and the need to provide institutional strengthening and capacity building programs to integrate ESF management requirements. Under Component 4, the ESMF describes the types of E&S due diligence needed on the CERC activities and the process for developing a positive and negative list of CERC activities.

The ESMF contains the following:

- a) Description of the proposed activities to be financed under the Project;
- b) Requirements and procedures that will be followed for screening of subprojects and the requirements for environmental and social assessment;
- c) Anticipated environmental and social risks and impacts of project components and activities;
- d) Implementation procedures for further assessing and managing the risks and impacts of Project activities;
- e) Indicative outline of ESIA and ESMP, Environmental Code of Practice (ECoP), guidelines and other plans addressing significant risks and impacts as identified in the environmental and social assessment;
- f) Compliance monitoring and reporting requirements;
- g) Description of institutional responsibilities for the preparation, implementation, and progress review of the ESMP; and
- h) Overview of the capacity of MoNLR to implement the national regulations and WB ESF and identified needs for capacity building in relation to managing environment and social risks and impacts of the Project.

The ESMF also provides a negative list that will include infrastructure investments with large-scale irreversible environmental or social impacts, including subprojects located in critical habitats, culturally or socially sensitive areas or subprojects involving issues on land acquisition and involuntary resettlement. These subprojects will not be supported under the Project.

2. PROJECT DESCRIPTION

2.1 Project Components

VARS has four components which are summarised in Table 1 and elaborated below.

Table 1: Summary of Key Project Information

Government Request	Financing, <i>amount</i>	Implementation Period, <i>years</i>
CoM Decision #317 (2019)	US\$ 25 million (indicative)	5
Proposed Project Development Objective (PDO)		
The proposed PDO is to: (i) improve access to and resilience of infrastructure and services in selected settlements, and (ii) strengthen relevant public institutions' systems to manage human settlement.		

Proposed Components & Sub-components (indicative)

Component 1: Affordable and Resilient New Settlement Development

- 1.1 Resilient new settlement development
- 1.2 Sustainable urban drainage for settlements
- 1.3 Institutional and systems strengthening for future settlement planning and development

Component 2: Affordable and Resilient Settlement Upgrading

- 2.1 Resilient settlement upgrading
- 2.2 Institutional and systems strengthening for upgrading unplanned settlements

Component 3: Strengthening Institutional Capacity for Implementation and Sustainability

Component 4: Contingent Emergency Response

2.1.1 Component 1: Affordable and Resilient New Settlement Development

The component will finance the planning and survey, design, and construction of basic infrastructure, and development of plot leases for a pilot affordable 'sites-and-services' (new greenfield) settlement on state land, integrating measures to reduce disaster risk and lower per-plot development costs. This component will also support the responsible agencies to develop disaster risk-informed, sustainable approaches to accommodate future urban expansion and climate change adaptation in well-located, moderate-risk areas of Greater Port Vila. This will be achieved through three sub-components:

Subcomponent 1.1: Resilient New Settlement Development

The MoLNR has identified a 10-ha site based on the following criteria: (i) held by the state under a long-lease, (ii) well located on a transport corridor, (iii) on relatively less hazardous land, and (iv) suitable for mixed land use and lower-middle income residential purposes. On the nominated 10-ha site, the sub-component will finance site investigations, site planning and survey, detailed design (incorporating relevant climate-resilience measures), construction, and supervision for a package of proposed basic infrastructure investments (potentially including collector and local access roads, improved footpaths, drainage, individual household water supply, sanitation, solid waste management, and street and security lighting) to support a lower-middle income residential

development with associated land uses. Where appropriate, labor-intensive approaches will be deployed to construct the infrastructure.

Targeting for low-middle income subdivision development will be enabled by technical assistance to MoLNR, including to develop: (i) registered leases with secure tenure, (ii) systems for the approval of subdivision plans (incorporating climate adaptation and disaster resilience measures), (iii) resilient low-cost self- / owner-built housing approaches (e.g., model house plans, access to market finance by low-middle income earners).

Subcomponent 1.2: Sustainable Urban Drainage for settlements

Frequent flooding in the settlements to be supported under Component 1 (and Component 2) is influenced not only by inadequate drainage and excess of impermeable surfaces within the settlements, but also in the surrounding areas due to the current unsustainable practice of land developers diverting flood waters to adjacent properties. The component will finance sustainable and integrated (grey-green) urban drainage infrastructure that improves stormwater drainage on the periphery of up to five settlements (the greenfield site, and the four existing settlements under Component 2). Technical designs will consider how to adapt to identified future climate risks (e.g., through bioswales, multi-purpose detention spaces, stormwater harvesting and retention). Such drainage and stormwater management investments are integral to the resilience of the project settlements and have been identified as a key priority for residents. The investments would demonstrate sustainable urban drainage practices, thereby reducing flood risk and improving climate resilience beyond the settlement boundaries and more broadly in Greater Port Vila.

Subcomponent 1.3: Institutional and Systems Strengthening for future settlement planning and development

During project identification, it has been estimated that the residential land development need in the Greater Port Vila area is around 1,170 ha of serviced land by 2030,¹ of which 900 ha would be needed (close to employment nodes or public transportation routes, and in low-risk areas) to meet the housing needs of low- and middle-income earners. The sub-component will finance system improvements that may include land planning, administration, and staff capabilities for climate- and disaster risk-informed land development. The improvements are intended to enable registration of secure tenure for women and men (options of individual or block/community leaseholds are envisaged) and enabling public-private partnerships (PPP) for land development.

2.1.2 Component 2: Affordable and Resilient Settlement Upgrading

The MoLNR has identified 23 existing unplanned settlements in the Greater Port Vila area, on registered and unregistered lands. Household surveys have found that the majority of residents in the settlements do not have access to basic services and infrastructure (improved water supply, sanitation, roads & drainage, solid waste collection), leading to public health issues and increasing risk to residents from flooding and other natural disasters, as the unplanned settlements continue to expand onto hazardous land. The component will finance in situ upgrading and regularization of four existing settlements, based on the following selection criteria: (i) the majority of the residents have lived in the area for several years and local leaders have expressed interest in regularization to MoLNR (in writing); (ii) that each settlement has a different underlying tenure arrangement, allowing for a range of secure tenure options to be practically demonstrated; (iii) the settlement is located relatively close to employment centers, existing main roads and trunk water and power supplies; and (iv) that the settlement is comparatively less exposed to natural hazards, where risk reduction measures would be feasible and affordable. The tenure registration options, and the way each of the selected settlements is upgraded will provide innovative approaches and practical lessons for upgrading and regularizing unplanned settlements in Greater Port Vila in the future. This will be achieved through two sub-components:

¹ Residential land with associated land uses and infrastructure investments to keep pace of population growth, allow for a proportion of houses to be reconstructed following regularly occurring periodic disasters, and meet the existing backlog of land in safer locations.

Subcomponent 2.1: Resilient Settlement Upgrading

The sub-component will finance: (i) site investigations, (ii) community-based and climate- / disaster risk-informed area planning, (iii) plot or block surveys/re-blocking, and (iv) design, construction and supervision of affordable basic infrastructure and climate adaptation / disaster risk reduction investments in the four participating settlements (Ohlen Mataso, Tokyo, Seaside, and a portion of Anamburu). The investments may include collector and local access roads, improved footpaths, drainage, individual household water supply, sanitation, solid waste management, street and security lighting, and land set aside for public facilities and open spaces. Works will be carried out using labor-intensive approaches, wherever practical, using local village-based labor to create strong ownership of the improvements and to provide direct income benefits to Port Vila residents, including the unemployed, youth, and women.

Subcomponent 2.2: Institutional and Systems Strengthening for upgrading unplanned settlements

Based on community-based local area plans and updated surveys, the sub-component will finance a package of technical support that may include: (i) appropriate registration of land leases/sub-leases for existing residents, and (ii) owner-led house strengthening (e.g., improvements to reduce vulnerability to natural hazards, such as strong wind associated with tropical cyclones, and ground shaking caused by earthquakes) in the four existing settlements. The sub-component will also invest directly in citizen engagement and social awareness activities by supporting the underpinning stakeholder engagement and communication activities, including information on climate change risks and how the upgrades will enhance communities' climate adaptation capacity.

2.1.3 Component 3: Strengthening Institutional Capacity for Implementation and Sustainability

The National Land Subdivision Policy provides a framework for risk-informed land subdivision for urban residential land development. It is founded on a set of general principles and minimum standards for infrastructure and service provision, amenity and accessibility, affordability, disaster risk reduction, and climate change adaptation. This component will support the relevant authorities to develop fundamental systems to implement the Subdivision Policy and its associated regulations and guidelines, thereby contributing to efficient, consistent, and transparent land administration more generally. The component will also support project management for Components 1 and 2.

Specifically, the component will finance the systems design, establishment and staff training for an improved land management information system (LMIS). The LMIS will be a single registry or digital (computer-based) platform to underpin climate- and disaster risk-informed, affordable land development (by both the public and private sectors) for urban expansion. It will also support the development of associated regulations and standard operating procedures for land administration.

The component will also finance the establishment and operations of a Project Management Unit (PMU) within MoLNR to effectively manage key functions including planning, coordination, financial management (FM), procurement, environmental and social safeguards implementation, and monitoring throughout the project implementation period. More specifically, this component will enable the PMU to carry out contract administration, safeguards, fiduciary, training, and monitoring and evaluation, and finance incremental project operating costs.

2.1.4 Component 4: Contingent Emergency Response

This contingent emergency response component (CERC) would allow for rapid reallocation of uncommitted project funds to support immediate response and recovery needs in the event of a natural disaster or crisis. Such events may include typhoons, floods, earthquakes, droughts, and disease outbreaks. The level of evidence needed to activate this component will include, but not limited to issuances such as the declaration of a State of Emergency Orders. The agreed trigger would enable reallocation of uncommitted project funds to support

immediate response and recovery needs from other project components. Disbursements would be made against a positive list of critical goods or the procurement of works, and consulting services required to support the immediate response and recovery needs.

The potential CERC-financed activities should: (i) be aligned with the main project activities as well as the scope of the Project Development Objective, (ii) follow the project's implementation arrangements, and (iii) be based on MoLNR's mandate under the various emergency response and contingency plans. Since activation of the CERC for emergency activities outside of the geographical scope of the project or sector cannot be ruled out, and where the measures included in this ESMF do not fit the new activities of the activated CERC, an Addendum to the ESMF would be prepared with the situation-specific environmental and social risk assessment and management measures. In such a case, the Addendum should be prepared prior to CERC activation and cover the new activities financed by the CERC in line with the Emergency Action Plan prepared for the CERC. In all circumstances, the ESMF provisions will be reflected in the CERC Annex to the Project Operations Manual that will be prepared to provide information on the: (i) mechanism for activating the CERC; (ii) main instruments under the CERC (e.g., Rapid Needs Assessment, and Emergency Action Plan); (iii) coordination and implementation arrangements; (iv) procurement, financial management and disbursement aspects; (v) compliance with safeguard policies; and (vi) monitoring and evaluation. In relation to the ESMF provisions, the CERC annex will describe the type of activities eligible for support in response to the emergency and their environmental and social risks and management measures as well as a negative list of activities categorically excluded from support under the activated CERC.

Since activation of the CERC for emergency activities outside of the geographical scope of the project or sector (Public Works) cannot be ruled out, and where the measures included in this ESMF do not fit the new activities of the activated CERC, an Addendum to the ESMF would be prepared with the situation-specific environmental and social risk assessment and management measures. In such a case, the Addendum should be prepared prior to CERC activation and cover the new activities financed by the CERC in line with the Emergency Action Plan prepared for the CERC.² In all circumstances, the ESMF provisions will be reflected in the CERC Annex to the Project Operations Manual that will be prepared to provide information on the: (i) mechanism for activating the CERC; (ii) main instruments under the CERC (e.g., Rapid Needs Assessment, and Emergency Action Plan); (iii) coordination and implementation arrangements; (iv) procurement, financial management and disbursement aspects; (v) compliance with safeguard policies; and (vi) monitoring and evaluation. In relation to the ESMF provisions, the CERC annex will describe the type of activities eligible for support in response to the emergency and their environmental and social risks and management measures as well as a negative list of activities categorically excluded from support under the activated CERC.

2.2 Ineligible Activity List

Activities of any type classifiable as "High" risk pursuant to the World Bank's Environment and Social Standard 1 (ESS1) of the ESF shall not be eligible for financing under the Project. The following activities are illustrative examples of "High" risk activities:

- Activities that may cause long term, permanent and/or irreversible (e.g., loss of major natural habitat) adverse impacts;
- Activities that have high probability of causing serious adverse effects to human health and/or the environment;
- Activities that may have significant adverse social impacts and may give rise to significant social conflict;
- Activities that may affect lands, livelihoods or rights of vulnerable groups;

² The Emergency Action Plan will identify specifically what the CERC will finance and be consistent with the positive list in the CERC annex and based on a rapid needs assessment or acceptable report as described in the CERC annex.

- Activities that may involve involuntary resettlement, land acquisition/use restriction or adverse impacts on land affixed assets or livelihoods;
- Activities that may involve involuntary displacement and/or acquisition, restriction or adverse impacts on cultural heritage
- Demolition or removal of assets without consultation, consent of owners of the structure and compensation for the replacement cost of the affected asset;
- Construction works involving forced labor, child labor, or other harmful or exploitative forms of labor;
- Activities that have potential to cause significant loss or degradation of critical natural habitats whether directly or indirectly or those that could adversely affect forest and forest health;
- Activities that could affect sites with archaeological, paleontological, historical, religious, or unique natural values;
- Use of goods and equipment for military or paramilitary purposes.

3. POLICY, LEGAL AND REGULATORY FRAMEWORK

The Project will apply the World Bank's ESF which defines ten specific Environmental and Social Standards (ESSs) designed to avoid, minimize, reduce or mitigate adverse environmental and social risks and impacts of projects. The Project will also comply with the Vanuatu Government's environmental laws, standards, rules and requirements which impose restrictions on activities to avoid, minimize, or mitigate likely impact on the environment and the people. It is the responsibility of MoNLR to ensure that all activities under the Project are in accordance with the legal framework. The following outlines the relevant laws and regulations in Vanuatu while Table 3 summarizes the World Bank ESS standards, the Vanuatu laws and regulations and their applicability to the Project.

3.1 Vanuatu Laws and Regulations

3.1.1 Environmental Management and Conservation Act 2002 and Act No. 28 of 2010 (Amendment)

The Act is an overarching environmental law of Vanuatu and provides for the conservation, sustainable development, and management of the environment of Vanuatu, and the regulation of related activities. The Act concerns protection of the environment and biodiversity in Vanuatu. The Act consist of 46 sections divided into six parts: 1) Preliminary; 2) Administration; 3) Environmental Impact Assessment; 4) Biodiversity and Protected Areas; 5) Offences; 6) Miscellaneous. The Act is amended in 2010 to include provisions on areas concerning biodiversity, climate change and the Environmental Impact Assessment (EIA) review committee.

Part 3 of this Act requires all projects, proposals or development activities that are likely to impact on the environment or may require license, permit or approval under this law must produce an EIA. The scope VARS project does intersect with the legislation. Part 3 Section 12 states that:

(1) All projects, proposals or development activities that:

- a) cause or are likely to cause significant environmental, social and/or custom impacts; or
- b) cause impacts relating to the matters listed in subsection (2);

are subject to the EIA provisions of this Part.

(2) Without limiting subsection (1), all projects, proposals or development activities that will do or are likely to do all or any of the following are subject to the EIA provisions of this Part:

- a) affect coastal dynamics or result in coastal erosion;
- b) result in the pollution of water resources;

- c) affect any protected, rare, threatened or endangered species, its habitat or nesting grounds;
- d) result in the contamination of land;
- e) endanger public health;
- f) affect important custom resources;
- g) affect protected or proposed protected areas;
- h) affect air quality;
- i) result in the unsustainable use of renewable resources;
- j) result in the introduction of foreign organisms and species;
- k) result in any other activity prescribed by regulation.

Section 13 of the Act further clarifies activities which are not subjected to an EIA, including:

- a) the construction of any single-family residential building in an approved residential development area, however, such construction must be at least 30 meters from any river, stream, or from the line of mean high water spring tide of the sea;
- b) any additions to an existing residential dwelling, being additions that are used only for residential purposes and are at least 30 meters from any river, stream, or from the line of mean high water spring tide;
- c) the construction of traditional or custom structures fabricated from traditional materials, however, any natural rock, sand, coral, rubble or gravel that is used must not be taken from within 20 meters of the line of mean high water spring tide;
- d) emergency action to protect the lives and property of people where there is not enough time to follow the requirements of this Act;
- e) any other activity prescribed by regulation.

Based on the Act, the construction of new settlement and the urban drainage that will be supported under Component 1 is required to develop an EIA. As under this component, multiple residential building will be developed on a greenfield site and the construction of urban drainage will have impacts on water sources. However, an EIA is not required for the upgrade of existing settlements that will be supported under Component 2. The implementation of an EIA is guided by the Environment Regulation No.102 of 2012 which is explained below.

Environment Regulation Number 102 of 2012

The regulation provides guidance on EIA development and approval process as mandated under the Environment Management and Conservation Act 2002. The regulation outlines several requirements, including on the requirements to apply the Preliminary application of the Environment Assessment (PEA), and the consultation process. The application for a PEA must:

- a) be submitted by the project proponent to the Director in a form approved for that purpose by the Director;
- b) be accompanied by the prescribed application fee; and
- c) include any information, plans, specifications and other document and information that the Director may require.

If an application for PEA complies, the Director may seek comments on it from any Ministry, Department, Local Government, Statutory Authority, Non-government Organisation or any person who in the opinion of the Director has a direct interest in the subject matter of the application.

3.1.2 Physical Planning Act 1986

This instrument provides for the controlling and development of land. This means the carrying out of building or other operations in, on, over or under the land or the making of any material change in the use of buildings or land, or the subdivision of any land that is in the jurisdiction of the Municipal Council or Local Government Council. For VARS, MoLNR will follow the Act to determine what permit or approval, if any, to execute the activities under the project components and apply such permit or approval to the city council as necessary for the work that VARS will undertake.

3.1.3 Waste Management Act 2014 (no 24)

This Act provides for the protection of the environment through encouragement of effective waste services and operations. It provides definition of waste categorization (e.g., hazardous waste) and authorised dumping sites, as well as outlines the authorities responsible to administer the duties of waste management and waste management operations (including the operation procedures and code of practice for waste management, reporting, and offences relating to waste management). Project activities, for example the construction of new settlement under component 1 and upgrading of settlement under component 2, will comply with the provisions of the Waste Management Act, so it does not pose any significant harm to the natural environment and people.

Waste Management Regulation Order No. 15 of 2018

The waste management Act 2014 is implemented by this Waste Management Regulation Number 15 of 2018. The regulation outlines several requirements including the prohibition to manufacture several waste items, (Part 2) and the prohibition to use certain waste items. These two parts of this regulation are considered relevant to VARS and the management of waste under the Project should be developed in accordance with this regulation .

3.1.4 Water Resources Management Act 2003 Chapter 281

Water Resources Management Act outlines the requirements on protection, management and use of water resources in Vanuatu. The Act applies to all water in the country, i.e., inland waters including groundwater and any estuarine or coastal sea water prescribed as water under this Act (Section 1 and 2). It also includes the application of the rights to use water in which a person/entity shall apply to the Director responsible for water resources for the right to use water (section 4 or 5) and likewise shall apply for the right to construct, operate or maintain works (sect. 7). The Act also specify water resources management for the country, including national policy and plan for water resources management and water supply conservation and development.

The Water Resources Management (Amendment) Act 2016 provides guidance for installation and use of water permits and the application process for water use permit. For VARS project, water reticulation into new settlement sites will require guidance from this piece of legislation. MoLNR will engage with the Vanuatu National Water Resources Management Policy and Plan to identify the permits and approvals needed to be applied for activities under the Project and will secure the necessary permits and approvals accordingly.

3.1.5 Public Roads Act No. 35 2013

The Act defines and regulates the use of public roads, including regulating access and encroachments that are prescribed in Part 5 of the regulation. Construction activities supported under the Project, including the construction of new settlement and upgrade of existing settlement, may involve movement heavy and wide load machineries on public road. During project phases, it may cause interruption to traffic flow and movements on public roads, as such mitigation measures to manage the issue will be captured in relevant instruments that will be developed under the Project.

3.1.6 Employment Act 2001 Chapter 160

The Employment Act provides for the general principles relating to contracts of employment of local hires that will be engaged for the development of VARS project under components 1 and 2. The Human Resources department in the contracting department engage with the requirements in the recruitment and contracting of the workforce under this Act. Elaboration on the Employment Act can be found in Annex 6 Labour Management Procedure, including with respect to wages and welfare, working time, rest days and holidays, anti-discrimination and other fields covered under the ESS2.

3.1.7 Workmen's compensation Act, 2004 Chapter 202

This Act provides for the compensation for injuries and death suffered by an employee in the course of their employment. The contractor in the VARS project has to be appraised of the definitions and requirements which relates to workplace injury management and compensation as crafted in this Act.

3.1.8 Health and Safety at Work Act 1987 Chapter 195

The Health and Safety at Work Act relates to the Employment Act 1983. The Act deals with various aspects of occupational health and safety and requires the employer to provide for the health, safety, and welfare of the workers during their employment. Part 2 of this Act strongly calls for the employer is required to exercise the duty of care for its employees. It also outlines the duty of the employee to its employer while at the worksite in part 4. Part 7 outlines the substance and articles for use while at work. This includes PPE, instruments and other equipment for that must be appropriate and fit for purpose. The workforce in the VARS project is covered under this legislation. MoLNR will work to ensure all project activities are executed in compliance with the law, including ensuring all workers employed by the contractor is protected as required by the Act. Elaboration on the Employment Act can be found in Annex 6 Labour Management Procedure.

3.1.9 Land Acquisition Act 34 of 2000 chapter 215

This Act is to provide guidance for the acquisition of land for the public purposes. It clarifies the process in which landowner identifications is carried out, land acquisition process and compensation that is paid when land acquisition process is completed. VARS project will be implemented on what is already state land. However, a portion of land at Anamburu may require a 'land investigation' through this process to determine the boundary between what is '*kastom*' land and what is state land.

3.1.10 Public Health Act 1994 (chapter 234)

Components 1 and 2 in the VARS project will occur on state land in an urban environment. The settlement design in component 1 and the upgrade of four settlement sites in component 2 are required to comply with the requirements of the Public Health Act. MoLNR will follow the requirements under the Act, including the measures for the establishment of public utilities and prevention or management of the spread of infections and diseases that could occur in the settlements sites.

Under the provision of this Act for houses in urban areas, Part 7 calls for urban houses to be provided with a proper water supply. Part 8 of the Act speaks of urban houses to be provided with proper sanitation and the enforcement of the sanitation systems. All buildings in an urban area must have a proper sanitation system including the provision of public toilet facility. In addition, drainage systems must be adequate to account for storm water drainage. Part 10 provides the direction for any intention to construct or alter any dwelling in the urban area. It states that any owner or lessee intending to utilize any area of land in an urban area for the erection of a dwelling or building or the extension or alteration of any dwelling or building shall give notice accordingly in writing to the local authority and shall, together with the notice, furnish a plan of the proposed dwelling or building or of such extension or alteration, together with a plan of the site on which it is proposed to erect or make such dwelling, building, extension or alteration, showing the access thereto, and shall furnish the local authority with

information concerning materials to be used in the construction of and such other information as it may be required in connection with the proposed erection or making of such dwelling, building, extension or alteration. Under the requirements of this Act, VARS project will need to make an application to the municipal and urban development agencies for the permits to undertake projects in component 1 and its subcomponents.

3.1.11 Quarry Act 2013

This Act makes provision for the control of extraction of building minerals and related operations in Vanuatu. VARS project will involve extracting of aggregates as required for the construction activities. This Act provides the direction for applications to source quarry whether on customary land or on state land. Under section 19 of the Quarry Act, a person who is not a holder of an aggregate prospecting permit may apply to the Commissioner for an occasional permit to extract the quarry. The application must be in prescribed form accompanied by a fee with the following information: (i) the class of permit applied for (occasional permit for VARS) and (ii) the size of the quarry operations to be undertaken. In addition, VARS will also have to inform the Commissioner of the site of quarry extraction for their determination.

The Amended Quarry Act (No.17, 2016) while retaining the processes for the process of sourcing quarry for building and construction specifically bans the extraction of quarry on Environmentally protected areas or sacred sites. It also warns of the suspension of the permit if there is breach of the provisions of the Act. MoLNR will ensure all contractors involved in the construction activities component 1 and 2 in this project will comply with the requirements as prescribed under the Act.

3.1.12 Land leases Act, 2003 Chapter 163

To provide for the creation and disposition of leases of land, for their registration and for matters connected therewith.

3.2 World Bank E&S Standard and Guidelines

3.2.1 The World Bank Environmental and Social Standard

The World Bank developed an ESF which sets out commitment to sustainable development, through a Bank Policy and a set of ESS that are designed to support Borrowers' projects with the aim of ending extreme poverty and promoting shared prosperity.³ The ESS outlines mandatory requirements that apply to the Borrower and projects. It presents set of obligatory guidelines and requirements with the main objective to foster efficient and effective identification and mitigation of potentially adverse environmental and social impacts that may occur in the development of projects, with proper stakeholder engagement and sustainable management. The ESS are applied in parallel to the national policies where the most stringent requirements will be followed and implemented by the Project. The ten ESS are as follows:

- ESS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- ESS 2: Labour and Working Conditions;
- ESS 3: Resource Efficiency and Pollution Prevention and Management;
- ESS 4: Community Health and Safety;
- ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;
- ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;

³ Further reference to World Bank's Environment and Social Standards is accessible in this link:
<https://www.worldbank.org/en/projects-operations/environmental-and-social-framework/brief/environmental-and-social-standards>

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- ESS 7: Indigenous Peoples;
- ESS 8: Cultural Heritage;
- ESS 9: Financial Intermediaries; and
- ESS 10: Stakeholder Engagement and Information Disclosure.

For VARS, only seven of the ESSs are considered relevant to the Project. Table 2 below provides detail on the relevance of the ESSs to the Project.

Table 2: Environment and Social Safeguard Standard relevant to VARS Project

Environment and Social Standards	Relevant to VARS?	
	Yes	No
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	√	
ESS 2: Labour and Working Conditions	√	
ESS 3: Resource Efficiency and Pollution Prevention and Management	√	
ESS 4: Community Health and Safety;	√	
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;		√
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;	√	
ESS 7: Indigenous Peoples Historically Underserved Traditional Local Communities;	√	
ESS 8: Cultural Heritage;		√
ESS 9: Financial Intermediaries		√
ESS 10: Stakeholder Engagement and Information Disclosure	√	

The table below provides a summary of how the ESS and Vanuatu's own laws and regulations apply to the VARS project, as well as required measures and actions are outlined.

Table 3: World Bank ESS and Relevant Vanuatu Laws and Regulations and Their Applicability to VARS

World Bank's ESS	Relevant Vanuatu Laws and Regulations	Applicability to VARS, required measures and actions
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts;	<ul style="list-style-type: none"> • Environment Management and conservation Act 2002 and Act No. 28 of 2010 (Amendment) 	<ul style="list-style-type: none"> • MoLNR will established a PMU to support the management of the Project, including on environmental and social aspects. An Environmental and Social Specialists, as well as an environmental officer and social officer will be recruited under the PMU. • MoLNR will update and apply this ESMF throughout the project lifecycle. The framework will be used to guide the screening of activities supported under the Project, as well as the

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World Bank's ESS	Relevant Vanuatu Laws and Regulations	Applicability to VARS, required measures and actions
		<p>preparation of relevant environmental and social instruments. The ESMF will be disclosed before the Project Appraisal and will be adopted prior to commencement of any Project activities</p> <ul style="list-style-type: none"> MoLNR will prepare, disclose, adopt, and implement relevant environmental and social instruments, including Environmental and Social Impact Assessment (ESIA) for new settlement and Environmental Impact Management Plan (ESMP) for settlements upgrade.
ESS 2: Labour and Working Conditions;	<ul style="list-style-type: none"> Employment Act 2001 chapter 160 Workmen's compensation Act, 2004 Chapter 202 Health and Safety at Work Act 1987 Chapter 195 	<ul style="list-style-type: none"> MoLNR will adopt Labour Management Plan (LMP) annexed to this ESMF. The LMP will be disclosed and adopted prior to project effective date. MoLNR has developed a Code of Environmental Practice (CoEP) for minor civil works which includes guidance on workers safety practices. The CoEP is annexed to the ESMF and will be adopted before appraisal and implemented throughout Project implementation.
ESS 3: Resource Efficiency and Pollution Prevention and Management;	<ul style="list-style-type: none"> Environment Management and conservation Act 2006 Physical Planning Act 1986 Waste Management Act 2014 Water Resources Management Act 2003 Quarry Act 2013 	<ul style="list-style-type: none"> MoLNR has developed a guidance to manage Asbestos containing materials, a construction management plan, and a CoEP as part of the ESMF. These guidances will be disclosed and adopted as part of the ESMF. MoLNR shall also develop, disclose, and adopt relevant environmental and social instruments (e.g., ESIA and ESMPs) relevant to the Project. The instruments should include measures to mitigate issues related with resources efficiency (e.g., water and aggregate for construction), management of waste, including construction and hazardous waste.
ESS 4: Community Health and Safety;	<ul style="list-style-type: none"> Public Health Act 2006 (chapter 234) Waste Management Act 2014 (no 24) Public Roads (Prohibition of Encroachment) Act 1972 	<ul style="list-style-type: none"> Precaution measures in line with ESMF and other E&S instruments that will be developed shall be put in place to prevent or minimize issues that will impact community health and safety.

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World Bank's ESS	Relevant Vanuatu Laws and Regulations	Applicability to VARS, required measures and actions
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;	<ul style="list-style-type: none"> Land Acquisition Act 34 of 2000 Land Lease Act 2003 Physical Planning Act 1986 	<ul style="list-style-type: none"> MoLNR to verify all these existing leases MoLNR to screen for potential physical or economic displacement (Annex: Environmental and Social Screening form) MoLNR to adopt Annex 2: Screening Procedures for Voluntary Negotiated Land Agreements and ensure ineligible activities are removed from project scope.
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;	<ul style="list-style-type: none"> Environment Management and conservation Act 2006 	<ul style="list-style-type: none"> MoLNR will develop, disclose and adopt an Environment Impact Assessment (ESIA) for the construction of new settlement (component 1) The details of biological and physical environment of the greenfield area should be included in the document. Habitat assessment will also be undertaken as part of the ESIA.
ESS 7: Indigenous Peoples Historically Underserved Traditional Local Communities;	<ul style="list-style-type: none"> The Constitution of the Republic of Vanuatu 1980 (Chapter 1 on Rights and chapter 78 on indigenous rights connected to land) 	<ul style="list-style-type: none"> Free Prior Informed Consent and other instruments to demonstrate social safeguards is captured in the Stakeholder Engagement Plan
ESS 10: Stakeholder Engagement and Information Disclosure.	<ul style="list-style-type: none"> All the relevant regulatory instruments and policies that promote the 'right to know' and transparency in the implementation and throughout the life of the project. 	<ul style="list-style-type: none"> The Stakeholder engagement site plans to be developed, identify stakeholders and provide a robust framework to address stakeholder issues including key issues associated with vulnerable groups are address

3.2.2 World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines)

The following EHS guidelines are relevant to the project and have been used to guide the development of the ESMF and will also be reflected in the site-specific ESIA/ESMPs, as well as CoEP:

- General EHS Guidelines: Environmental. The General Environmental EHS Guideline provides methods and approaches for the management of wastewater, noise and dust during construction, water conservation and solid waste management.

- General EHS Guidelines: Occupational Health and Safety. The fundamental premise for OHS under the EHS Guidelines is that “Employers and supervisors are obliged to implement all reasonable precautions to protect the health and safety of workers” and that “Companies should hire contractors that have the technical capability to manage the occupational health and safety issues of their employee”. The EHS Guidelines also require that prevention and control measures to minimize occupational hazards should be based on comprehensive job safety analyses (JSA).
- General EHS Guidelines: Construction and Demolition. The Construction and Decommissioning EHS Guideline provides guidance for specific community and occupational health and safety and environmental issues relating to new buildings or building renovation.
- General EHS Guidelines: Community Health and Safety – This guideline provides approaches and methods for drinking water quality, life and fire safety for building design and structural design of buildings. Some guidance may be useful for new building construction and renovation, relating to traffic safety (transport of materials) and communicable disease control from imported labor.

3.2.3 World Bank Group COVID-19

The World Bank Group has developed the following guidance material in response to COVID-19 outbreak. These guidance have been considered during the preparation of this ESMF and supporting documents.

- ESF/Safeguards Interim Note: COVID-19 Considerations in Construction/Civil Works Projects
- Technical Note: Public Consultations and Stakeholder Engagement to be applied to projects under implementation and those under preparation.
- Technical Note: Use of Military Forces to Assist in COVID-19 Operations

4. ENVIRONMENT AND SOCIAL BASELINE

Vanuatu lies in the southwestern Pacific Ocean, consisting of a chain of 13 principal and many smaller islands located about 500 miles (800 km) west of Fiji and 1,100 miles (1,770 km) east of Australia. The islands extend north south for some 400 miles (650 km) in an irregular Y shape. The Torres Islands are the northernmost group. Southward from the Torres group, the main islands are Vanua Lava and Santa Maria (Gaua) in the Banks Islands group, Espiritu Santo, Aoba (Ambae), Maéwo, Pentecost, Malakula, Ambrym, Épi, Éfaté, Erromango, Tanna, and Anatom. Some 200 miles (320 km) to the southeast of Anatom, two uninhabited islands, Hunter and Matthew, are claimed by both Vanuatu and France (as part of New Caledonia)⁴. As a very small remote economy that is highly vulnerable to climate change, disasters and external shocks, Vanuatu is subject to many of the constraints facing other Pacific island countries (PICs). The archipelago of 83 volcanic islands (72 of them inhabited) with approximately 12,200 square kilometers land area, is dispersed over an exclusive economic zone of about 827,000 square kilometers (Britannica, 2021).

Its land features are characterised by sedimentary and coral limestones and volcanic rock. Frequent earthquakes often pose risks to physical infrastructure and other structural stability. Active volcanoes are found on several islands, including Séré'ama on Vanua Lava, Manaro on Aoba, Garet on Santa Maria, the twin volcanic vents of Benbow and Marum on Ambrym, and Yasur on Tanna. There are two seasons—hot and wet from November to April, and cooler and drier from May to October. The southeast trades are the prevailing winds, although northerlies during the hot season provide most of the heavy rainfall. Annual precipitation varies from about 80

⁴ Britannica Encyclopedia: <https://www.britannica.com/place/Vanuatu>

inches (2,000 mm) in the south to some 160 inches (4,000 mm) in the northern islands. Much of the group is covered by dense rain forest, but drier regions have patches of savanna grassland.

According to the National Forest Inventory (1990-1993)⁵ around 74% of Vanuatu was covered by woody vegetation, half of which is closed forests and the remainder is discontinuous scrub and thicket. Of this, only 10% is primary forest. Forest types include tropical lowland evergreen rain forest, broad-leaved deciduous forest, closed conifer forest, montane rain forest, cloud forest and coastal forest. Other notable vegetation includes swamp forest on Efate, kauri pine strands on Erromango and scattered mangrove forests covering around 3,000 ha (most of which occur on Malekula Island).

Vanuatu's total land area is about 12,336km² with more than 36.1% (440,000 hectares) covered by tropical forest. By 2006, about 4,800 hectares were covered with planted forests; about 3% of the mid to high forest (about 6,000 hectares) and 0.7% of the low forest (about 1,400 hectares) are in protected areas.⁶ All forest lands, are on custom land, owned by indigenous clans, either individually or collectively. The government does not own any forest covered land in Vanuatu. Vanuatu forest types have been described as:

- Lowland rainforest which includes i. Climax closed canopy high forest, found mainly on windward wetter slopes and ii. Cyclone-perpetuated two-storeyed closed-canopy high forest, such as the kauri (*Agathis macrophylla*) forest on Erromango;
- Semi-deciduous forest, mainly found on leeward drier slopes, such as those forests found on Malekula;
- (c) Altitude-influenced forest (montane and cloud forest), found on Santo and Tanna;
- Riverine and swamp forest; and
- Mangroves.⁷

In general, lowland forest has largely been cleared and replaced by anthropogenic vegetation, but forested areas remain the dominant landscape element on most islands. High forests are restricted on most of the islands (especially those that are densely populated, such as Pentecost, Ambae, Tanna and Shepherd; or have active volcanoes, such as Ambrym).

Vanuatu is susceptible to a variety of climate-related hazards due to its location in the South Pacific tropical cyclone basin, south of the equator in an area known for the frequent occurrence of tropical cyclones with damaging winds, rains and storm surge between the months of October and May. The Vanuatu Climate Change Adaptation and Disaster Risk Reduction Policy identifies the following climate change-related hazards: (i) by 2040, daily temperatures will increase from 1995 levels by 1.2°C; (ii) sea level rise will continue and accelerate; (iii) extreme weather events, including cyclones and storms, will increase in intensity but not necessarily in frequency; (iv) dry periods will last longer; and (v) extreme rainfall will be more frequent and intense. The associated consequences could include coastal inundation, damage to infrastructure, and loss of coastal land, among others (UN Habitat Report, 2015).

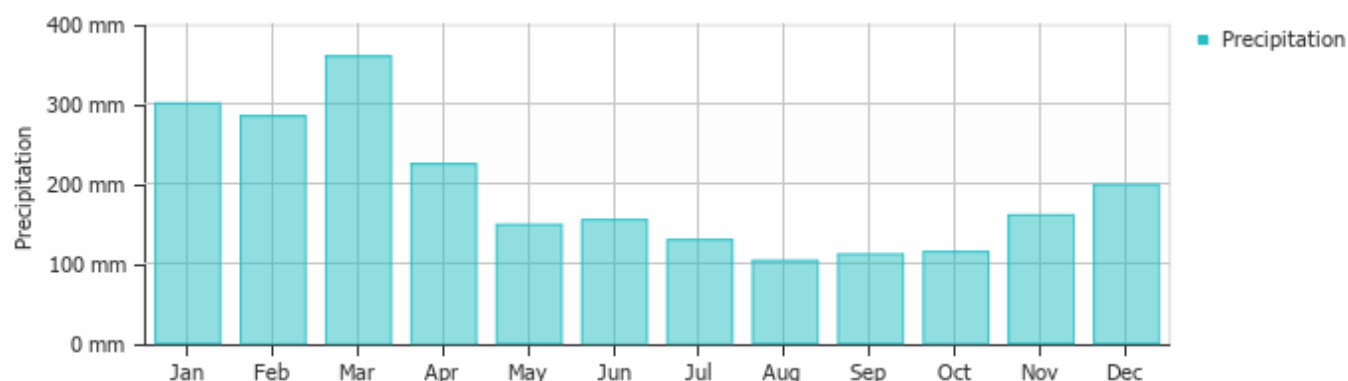
In March 2015, Vanuatu suffered a severe setback to its development when Cyclone Pam, a category 5 (highest intensity) tropical cyclone, struck the islands. It wreaked devastation across the archipelago, including the island of Éfaté, which Port-Vila is located, which had just completed rebuilding from a 2002 earthquake that had greatly damaged the town's infrastructure.

⁵Forest Data and Resource Assessment of Forestry in Vanuatu <http://www.fao.org/forestry/18248-0b2552633ff6923bf49424c42a79c8740.pdf>

⁶ *ibid.*

⁷ Adrien Mourgues, *State of Environment Report-Vanuatu* (2005)

Figure 1: Average precipitation in Port Vila for 2020



Source: Vanuatu Weather and climate <https://weather-and-climate.com/average-monthly-Rainfall-Temperature-Sunshine,Port-Vila,Vanuatu>

The economy is characterized by a formal sector driven by tourism and agriculture, and informal subsistence activity outside the main urban centers of Port Vila and Luganville. The small size of the domestic economy and its remoteness from major markets push up the costs of economic activity, as economies of scale cannot be realized in domestic production and transport costs significantly increase the cost of trade. The National Poverty Line is estimated in 12.7%.⁸ The country's GINI index is of 37.6.⁹ Poverty reduction in rural areas has been in that sense mostly linked to government expenditure and internal expenditure (urban to rural), and remittances.¹⁰ It has been estimated that nearly 60% of the poor live in Vanuatu's rural areas, while 30% live in Port Vila. Women are the sector of the population most affected. Within women, disparities also change across locations. In Port Vila and rural areas girls below 14 years are estimated to be more vulnerable to food poverty than women above 14, while in Luganville, vulnerability for women of all ages has been observed about the same.¹¹ The country ranks 140th out of 189 on the 2019 United Nations Human Development Index, placing it in the 'medium human development' category (UNDP, 2020).

The indigenous population, called ni-Vanuatu, is overwhelmingly Melanesian, though some of the outlying islands have Polynesian populations. There are also small minorities of Europeans, Micronesians, Chinese, and Vietnamese. Roughly three-fourths of the population lives in rural areas, but since independence the urban centres of Luganville and Port-Vila have drawn a significant number of people attracted by better opportunities. More than 100 local Melanesian languages and dialects are spoken; Bislama, an English-based Melanesian pidgin, is the national language and, along with English and French, is one of three official languages.

The overwhelming majority of ni-Vanuatu are subsistence agriculturalists, living in small rural villages where activities revolve around the land. The constitution guarantees that land cannot be alienated from its "indigenous custom owners," or traditional owners, and their descendants. More than an economic resource, land is the physical embodiment of the metaphysical link with the past, and identification with a particular tract of land (expressed by the Bislama phrase *man ples*) remains one of the fundamental concepts governing ni-Vanuatu culture, although foreign developers have gained control over some land through long-term leases.

⁸ World Bank Data Bank. Accessed at https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Archives-2019/Global_POVEQ_VUT.pdf

⁹ World Bank. Poverty and Equity Brief. East Asia & Pacific. April 2019. Accessed at https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Archives-2019/Global_POVEQ_VUT.pdf

¹⁰ UNDP and Vanuatu National Statistics Office. Vanuatu Hardship and Poverty Report. Analysis of the 2010 Household Income and Expenditure Survey. Accessed at http://www.undp.org/content/dam/rbap/docs/Research%20&%20Publications/poverty/UNDP_PC_Van_HIES.pdf

¹¹ Ibid.

The last time an estimate was made in 2012, unemployment rates across the country were higher for women (5.2%) than for men (4.2%). The difference between male and female unemployment was found to be larger in urban areas, with an unemployment rate of 14.7% for women compared to 9.9% for men. In rural areas the rates were 2.4% for women compared to 2.2% for men.¹²

Furthermore, amongst the self-employed and the market vendors, women are among the most vulnerable. Self-employed males are significantly better off than their female counterparts. The majority of market vendors were female (91%) and were more vulnerable to falling below the basic needs poverty line than any other group, yet only a small portion of them (5.3%) were already below the basic needs poverty line.¹³

On gender equality, traditional ni-Vanuatu kastom establishes men as decision-makers within communities whereas women are placed in supporting or subordinate roles. Ensuring equal representation and rights of women is a key social concern. Improving opportunities and equity for women in Vanuatu will be challenging and must extend beyond simple legal specifications, as gender inequities are deeply entrenched within traditional practices throughout Melanesian cultures more broadly.¹⁴

Some progress has been made to change these norms at the national and provincial government levels through initiatives such as the inclusion of a 'Women's Wing' in political parties, as seen in the Vanuatu Party since in 2006, the creation of a 'Public Service Network of Women' by the Department of Women's Affairs with the aim of supporting women's career progression, Municipal Councils' 'reserved seats' electoral systems, and other initiatives within Provincial Councils' to encourage more representation of the Councils. However, the results have not been overwhelmingly positive.¹⁵ Recent data shows that women continue to only occupy 39% of the public sector, despite having a higher level of qualification than male counterparts in general, and in the private sector, women's participation drops to 36%.¹⁶ There was no representation of women in the national parliament during the last government and despite a significant increase in support for female candidates in the 2020 election, there were still no women elected to Parliament.

As aforementioned in section 1-(d), the legal framework relating to land is gender-neutral, but the implementation of the process has adopted a male bias. The Vanuatu Government ratified UN Convention on the Elimination of Discrimination Against Women (CEDAW) in 2004. Before the CEDAW was transformed into domestic legislation, the Supreme Court took a proactive approach by relying on CEDAW to recognise women's rights to land although those rights did not exist under custom rules. It is worth noting here that the claimant in this case, was the nephew of the respondent who relied on discrimination against his mother as the basis of his claim. This case and subsequent cases have not gone as far as stating that women have equal rights to land as men or ownership, only that they had rights to equal distribution of proceeds derived from the land. However, the land law reforms in 2013 now require that all customary land disputes are resolved under customary institutions according to the rules of custom, and no appeals are permitted to higher courts other than on grounds of improper process. There have not been any cases to date to provide guidance on the interpretation of these changes and their relationship to CEDAW, leaving the law uncertain.

Within the productive sector relevant to land use, data shows that women make up approximately 28% of unpaid subsistence farming and included in the highest-ranking occupations for women in Vanuatu were cash crop farming, subsistence mixed crop and livestock farming, crop farm labourers, copra cutters, handicrafts, and market selling. Women's traditional economic, agricultural and fishing duties also mean they are impacted by changes in the environment in ways that are distinct from men. Therefore, it is considered important that all projects that have potential to impact on the environments where these activities are carried out consider and

¹² Ibid.

¹³ Ibid.

¹⁴ Farran, S. 2017. Land rights and gender equity in the Pacific region. *Australian Property Law Journal* 11.

¹⁵ Andonia Piau-Lynch, Vanuatu: Country Gender Profile Final Report (2007) 9.

¹⁶ UN Women, Vanuatu Country Profile, available at: www.asiapacific.unwomen.org/en/countries/fiji/co/vanuatu

respect the unique needs and skills of women and girls and give women a voice in the planning process.¹⁷

Violence against women is a prominent issue in Vanuatu with over 60% of women having experienced physical or sexual violence or both. There are also significant gaps between gender equality and cultural practices supporting the subordination of women in marriage. The kastom of 'bride price' is an example of this. The majority of women believe women become the property of their husband, or the husband's family, after the bride price is paid. 32% of women also believe that a man is justified in beating his wife if a bride price has been paid. Mechanisms to address these norms need to be taken into consideration if project activities are placing women in vulnerable economic or social positions, particularly if this is a result of changes to the natural environment or displacement as a result of project activities. Adequate mechanisms should also be put in place to encourage gender equity in decision-making processes.¹⁸

Land reform actions have been considered to exacerbate inequities. Recognizing this, former attempts at land reform in Vanuatu have been examined as mechanisms through which to increase the agency of women in Vanuatu.¹⁹ Land grabs are commonly portrayed as foreign interests taking land from Ni-Vanuatu, which ignores the role that local power inequities (either in government or local communities) play in facilitating the land grabs²⁰. In other words, individuals who are adept at playing middle men between foreign interests and local communities are able to influence information and decision-making to their benefit.

One particular case that exemplifies the challenges of strengthening women's agency was the integration of inclusive decision-making into the 2013 amendments to the Land Reform Act.²¹ The amendments to the Land Reform Act were identified as an opportunity to expand women's agency, but it was unclear how best to do so given existing power structures and male-dominated decision-making processes. Engaging men as allies for women's agency was found to be critical for building protection of women's rights to land into the Land Reform Act. Furthermore, framing the issue as one of social inclusion rather than women's rights allowed the male allies to advocate for increased agency of disadvantaged groups without losing social standing. A side-effect of this approach was that organizations traditionally aligned with the goals of the effort (i.e., women's rights groups) were not formally included in the amendments to the Land Reform Act. While the Department of Women's Affairs was consulted, such organizations were not at the forefront of the efforts to build in protections for women's rights to land.

4.1 Site-Specific Environmental and Social Baseline

Port Vila's municipal boundaries enclose a population of approximately 66,000 (extrapolated from the 2009 Census), but Greater Port Vila – as a functional city with economic and social connectivity – is home to closer to 114,000 people. There are significant demands on land to absorb growth, but there is also an available supply of underutilized land in Greater Port Vila. The impediments to accessing available land include slow and inconsistent planning regulations and approval procedures as well as weak land administration and management processes, including the numerous and lengthy processes for registering a lease (estimated at 632 days). Second, restrictive conditions on housing loans and the cost of housing in Vanuatu mean that a family on the minimum wage cannot realistically afford a small house on the private market. Due to high demand and limited accessibility or affordable supply, people have crowded into the city's existing housing stock or accessed land through unrecorded, informal occupancy arrangements or kastom (custom) tenure arrangements.

The Project will involve construction of sites and services at the new settlement in Etas (greenfield area), as well

¹⁷UN Women, Vanuatu Country Profile, available at: www.asiapacific.unwomen.org/en/countries/fiji/co/vanuatu

¹⁸UN Women, Vanuatu Country Profile, available at: www.asiapacific.unwomen.org/en/countries/fiji/co/vanuatu

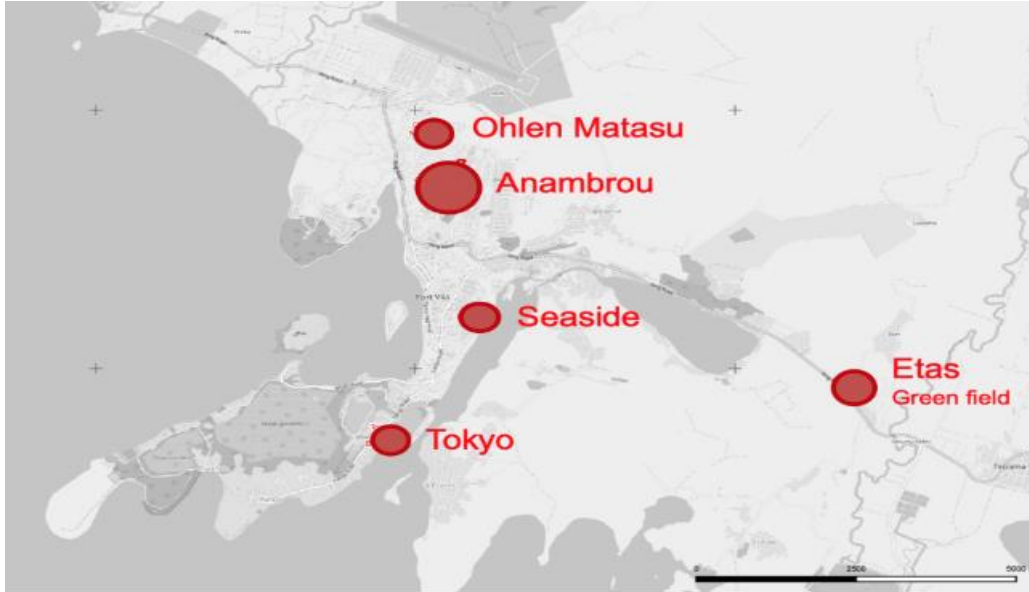
¹⁹Naupa, A. 2017. Making the invisible seen: Putting women's rights on Vanuatu's land reform agenda. In *Kastom, Property and Ideology: Land Transformations in Melanesia*. Eds., McDonnell, S., Allen, M.G., and Filer, C

²⁰ Ibid.

²¹ Ibid.

as the rehabilitation of existing settlements in Ohlen Matasu, Anambrou, Seaside and Tokyo are located within the Port Villa's boundary. Figure 2 below shows the locations of each site in Port Villa.

Figure 2: Location of the settlements in Port Villa



Ecosystems within Port Vila's land boundary have been heavily modified since the area's settlement; with plantations having replaced natural scrub and forest. The city's water catchment, which lies to the east of the Bauerfield Airport land strip and extends eastward into the abutting mountain region (as well as southward to the edge of the municipal boundary), is restricted to non-intensive agricultural uses, however enforcement of the agriculture use has lapsed with housing developments occurring within Zone 1 of the catchment in recent years.

The eastern edge of the city lies along two lagoons with fragile brackish mangrove and sea grass ecosystems established within these areas (which have low levels of salinity due to the lagoon mouth lying within the intertidal zone). The coastal marine ecosystems surrounding the city provide a vital source of food, a feature for local tourism businesses and a recreational resource for residents, as well as providing the main routes for inter-island trade and transport.

All five settlements including the proposed greenfield settlement site experience climate hazards due to extreme rainfall events that frequently result in localised flooding. Safe drinking water sources are not readily available. When planning for settlement maintenance and rehabilitation, attention must be paid to the need for water (health and safety) as well as minimising harms that could occur on the scarce water sources.

During the Project implementation phase, a geotechnical analysis will be undertaken to adequately identify the natural environment composition, conditions and issues across sites. Results will inform Project design and environmental and social management plans in order to establish suitable mitigation measures are identified and developed.

The UN Climate Change Report 2015 noted that hardship in Port Vila has not significantly improved since 2000. Hardship in the urban settlements is a result of low household income and inadequate access to clean water and sanitation, education, housing, health care and other basic services. By these criteria, living in the informal settlements generally means living in poverty. In the rapid assessment conducted by MoLNR to produce this ESMF,

residents and community leaders perceived that lack of services (water supply, electricity for lighting and rubbish collection), poor housing conditions and unhealthy surroundings (mainly due to poor drainage) made it difficult for many community members to meet basic human needs. The following subsections provide a brief socio-economic baseline assessment of each settlement. Site specific baselines will be elaborated through the ESIA and development of site ESMPs.

4.1.1 Baseline Condition in Etas Site (new sites and services development)

The Etas site is identified as the location for the construction of the new 'sites and services' greenfield development. The intention of the MoNLR is to eventually develop affordable housing at the site; this will not occur under the Project. The site is a 10-ha greenfield site and is currently a vacant land owned by the state. MoNLR verifies that the site land is located within the municipal subdivision in which the city council has direct oversight (lease). The GoV has the formal lease and land use rights. At the time of developing the ESMF; no persons were identified living on or using the land for housing or economic (livelihood) purposes. Nor is the land used by titled or non-titled people to access other sites. The presence of non-title holders will be assessed during the ESIA process to be undertaken at this site during the implementation phase.

Stakeholder consultations at the site in preparation of this ESMF suggest that neighbors to the plot have sometimes encroached on the government land to grow seasonal vegetables. During consultations the MoNLR staff informed the surrounding communities of the intention to develop the site for affordable housing and to cease any plans to encroach the site for food production. As part of the Project's ESIA, land use will be screened and if any non-title holder had planted crops, the individuals or households will be given the opportunity to harvest their produce. No involuntary displacement of non-title holder livelihood activity is permitted under the Project. Annex 2 and 3. Figure 3 below shows the aerial view of Etas site and its surrounding environment.

Figure 3: Aerial View of Etas Greenfield Site



The site's landscape is predominantly covered in grass and shrubs patches. The proposed site is not reported or expected to have any rare biological species of plants or animals. No tangible or intangible cultural heritage sites

have been identified during the site visitation, nor reported during stakeholder consultations. A geotechnical survey is required to determine the baseline information about soil and rock property and ground water conditions. Further baseline assessment will be conducted as part of the ESIA study to confirm the details of biological and physical environment on the site, as well as screening for other potential environmental and social risks outlined in the screening forms, see Annex 1.

4.1.2 Baseline Condition in Ohlen Mataso Settlement (Settlement Upgrading)

Ohlen Mataso settlement is located on a hilltop with permeant, semi-permeant and temporary structures spreading down the slope. The rich volcanic soil enables few households to grow back yard vegetables, however food gardens are restricted as a result of space limitations. Houses, fruit trees and vegetable patches characterize the main feature of the physical environment. Water is scarce and users must travel some distances to fetch water from a metered supply. A few households have access to a rainwater tank facility; the relationship between these households was not established in the preparation of this ESMF. Physical access to the settlement is hindered by uncontrolled drainage system that floods pathways and access roads. The homes in this settlement are vulnerable to erosion from heavy rains and flash floods. Figure 4 below shows the aerial view of the Ohlen Mataso Settlement.

Figure 4. Aerial View of Ohlen Mataso Settlement



This settlement is registered under lease title number 11/0124/047; details of the the lease holder and relationship with residents in the settlement could not be established during the preparation of this ESMF and must be clarified in informing the site ESMP. An estimated 500 adults and children are residents to the settlement. The actual figure with the breakdown of, gender, age distribution, households, and the relationship of the individuals to the household heads is unavailable at this time as the 2021 census that was carried out by the Civil Registry Department in Port Vila is being compiled. The settlement population is comprised of migrants from the

Island of Mataso who moved to Efate as labourers in the early 1970s. The rapid site inspection suggests that some structures in the settlement are permeant and semi-permanent however the majority are temporary structures (being used on an indefinite basis) and built from scrap timbers, tins, card boxes and plastic for walls. Access to water and sanitation is a significant challenge. Most people in the settlement are Christians and attend the Presbyterian church in the settlement. Law and order issues are managed through the customary system (through guidance from the chief and leaders) in combination with the government system of elected council ward leaders. Matters are reported to police when they are criminal in nature and cannot be dealt with at the settlement level (through kastom or leaders).

Ohlen Mataso settlement is home to civil servants who work for the government but are unable to afford housing in the municipal area. Jobs held by residents of in the settlement are quite diverse. Employed people are typically working insecure, low-paid and low skill jobs in both the formal and informal sector. A sizable number of service workers originate from this settlement to work in the service industry including hotels and shops. A detailed study will be undertaken at the time of compiling the site ESMP to establish baseline socio-economic data including to aggregate the age, education level and skills set. The rapid assessment undertaken by MoNLR to establish this framework suggests that residents of the Ohlen Mataso settlement have other sources of income apart from the paid income from formal employment in the city, but the informants are reluctant to specify these sources; most likely because these businesses are operating illegally. However, other sources of household income that were observed by MoNLR staff include selling cooked food and other goods that are most common in the municipal markets. Other incomes are also gained from renting out rooms, operating small trade stores, kava bars and making or selling handicrafts.

While census data was not available at the time of preparing the ESMF, a Household Housing Needs and Priority (HHNP) Survey was conducted in 2018 by MoNLR and the WB. Forty households participated in the Ohen Mataso HHNP survey of which 89 percent were male headed. Of the participating households, seven percent of households identified as single headed households with dependent children and 22 percent were grandparent headed households with dependent children. No information was collected on people with disability. Just under 90 per cent of survey participants had lived most of their lives or were born in Port Vila. Thirty percent owned a house in another islands and 44 percent returned to the outer islands on an annual basis.

On security of tenure, the majority (84 per cent) of survey participants pay land rent towards the community title and 11 per cent have a verbal agreement with the landowner; 84 percent obtained land at the settlement more than 10 years ago and 89 per cent claim to own their house.

Income and employment. According to the 2018 HHNP survey, 60 percent of participants claimed to be a salary earner in the public or private sector. Forty-four percent run a business or enterprise on their plot in the settlement. Nineteen percent of participants were unemployed and looking for work.

Housing construction. According to the 2018 HHNP survey, 63 percent of the participants built their own house and indicated that they had insufficient funds and delays in housing construction. Indeed, lack of funds was cited as the number one problem during housing construction. The majority of housed as self-financed by the occupants with some households taking loans from family member to complete the job. The majority of participants (89 percent) have helped neighbors to construct their houses indicated strong social bonds and community fabric.

Access to electricity, water and sanitation. The average house has four rooms in Ohen Mataso and 85 per cent of survey participants indicated that they plan to add additional rooms. Only four percent of survey participants said that their house did not have electricity connection however very few have toilets inside the house, with the majority (56 per cent) accessing their own flush toilet outside. This may in part be an outcome of norms in Vanuatu, as frequently toilets are located outside the house. Not one single survey participant had running water piped into the house. All access popped water outside and 30 percent had a rainwater tank.

4.1.3 Baseline Condition for Tokyo Settlement (Settlement Upgrading)

The Tokyo settlement is located inland of the coastline about 50 meters from the sea. The settlement experiences strong winds, extreme temperatures and the rising sea level increases the risks of soil acidity. Fresh water is a scarce commodity. A large tank was donated by a Non-Governmental Organization to service the water needs of the community as a temporary measure. Unmanaged storm water runoff tends to flood most of the settlement area causing poor sanitation and increasing the risk of water borne diseases such as dengue fever and malaria. During project implementation a geotechnical survey will be conducted to determine the environmental baseline information including on soil and rock property and ground water conditions. The findings will inform Project design and the Tokyo Settlement ESMP. Land availability is a significant issue at the Tokyo settlement due to population growth; both as a result of new generations and immigrants from outer islands. The natural ecosystem at the site has been entirely disrupted. There is no known land feature that has any element of cultural or religious significance. Figure 5 below shows the aerial view of the settlement.

Figure 5. Aerial View of Tokyo Settlement



The occupants of Tokyo settlement historically migrated from Paama and Puninga, two islands in the Vanuatu archipelago. Like the settlers at Ohlen Mataso, they are the descendants of the labourers who migrated to Efate to work in the 1970s. There are few semi-permanent homes, but most houses are built from scrap timbers, tins, card boxes with plastic walls. Water and proper sanitation are chronic issues as described below. Most people in the settlement identify themselves as members of the Seventh Day Adventist Mission (SDA). Law and order issues are managed by the chief and leaders within the council ward. Matters are reported to police when they are criminal in nature and cannot be dealt with at the settlement level.

During site visitations to Tokyo, the MoNLR observed and recorded through stakeholder consultation that this settlement home to many civil servants who work for the government. As in other settlements, jobs held by residents of in the settlement are quite diverse. There are some households with older married children still living with their parents given the lack of housing and affordability to purchase land to extend dwellings. Sources of household income that are noticeable include selling cooked food and other goods that are most common in the municipal markets. Other incomes are also gained from renting out rooms, operating small trade stores, kava bars and making or selling handicrafts.

While census data was not available at the time of preparing the ESMF, a HHNP Survey was conducted in 2018 by MoLNR and the WB. Twenty-eight households participated in the Tokyo HHNP survey of which 90 percent were male headed.

Of the participating households, 10 percent of households identified as single headed households with dependent children and five percent were grandparent headed households with dependent children. No information was collected on people with disability. Sixty-eight per cent of survey participants had lived most of their lives or were born in Port Vila. Fourteen percent owned a house in another islands and 57 percent had returned to the outer within the last five years and intended to stay in Port Vila on a permeant basis.

On security of tenure, 76 percent of survey participants stated that the government/municipal owns the land and 14 per cent didn't know. Only five percent of respondents claimed to hold registered leases however all (100 percent) claim to have obtained land at the settlement more than 10 years ago with 90 per cent owning their house.

Income and employment. According to the 2018 HHNP survey, 72 percent of participants claimed to be a salary earner in the public or private sector. Thirty-three percent run a business or enterprise on their plot in the settlement. Ten percent were self-employed, and five percent of participants were unemployed and looking for work.

Housing construction. According to the 2018 HHNP survey, 76 percent of the participants built their own house. Lack of funds was cited as the number one problem during housing construction and caused delays. The high cost of construction materials was indicated as a key issue to 19 percent of respondents. The majority (81 percent) self-financed housing construction with about 10 percent of households taking a loan. The majority of participants (86 percent) have helped neighbors to construct their houses indicated strong social bonds and community fabric.

Access to electricity, water and sanitation. The average house has three rooms in Tokyo and 71 percent of survey participants indicated that they plan to add additional rooms. Twenty-four percent of survey participants said that their house did not have electricity connection. Very few houses have toilets inside, with the majority (57 per cent) accessing shared flush toilets outside. This may in part be an outcome of norms in Vanuatu, as frequently toilets are located outside the house. Not one single survey participant had running water piped into the house. All accessed pipped water outside and 10 percent had a rainwater tank for private use.

4.1.4 Baseline Condition for Seaside Settlement (Settlement Upgrading)

This settlement is perched on a high ground over a gentle hill overlooking the lagoon and it is the most densely populated settlements of the four. Due to overcrowding, human activities have impacted on the land surface. Poor drainage, narrow footpaths and uncontrolled solid waste accumulation on site has turned some areas into a public health concern. The settlement is very overcrowded where there is almost no space for the construction of footpaths to connecting homes within the settlement. A resident will have to walk through other resident's houses (e.g., through their living or kitchen areas) to get to another resident's home. This description illustrates the level of population pressure on land availability. Figure 6 below shows the aerial view of the settlement.

Figure 6: Aerial View of Seaside Settlement



There are several titles registered in plots of land in the seaside settlement, however, the MoLNR is unable to determine which of those registered titles is in the interest of the VARS Project; a clarification which will be established as part of the Seaside ESMP once the project is effective. The population is estimated to be over 500 people. As reported for the other settlements, the actual figure with the breakdown of, gender, age distribution, households, and the relationship of the individuals to the household heads is unavailable at this time as the 2021 census that was carried out by the Civil Registry Department in Port Vila is being compiled.

The rapid assessment conducted by MoNLR established that similarly to other sites, there are few semi-permanent homes, with most houses being built from scrap timbers, tins, card boxes with plastic walls. Water and proper sanitation are lingering issues. Most people identify themselves as Christians but there is no dominant Christian faith in the area. Law and order issues are managed by the chief and leaders within the council ward. Matters are reported to police when they are criminal in nature and cannot be dealt with at the settlement level.

While census data was not available at the time of preparing the ESMF, a HHNP Survey was conducted in 2018 by MoLNR and the WB; 232 households participated in the Seaside HHNP survey of which 75 percent were male headed.

Of the participating households, 10 percent of households identified as single headed households with dependent children and adults and 13 percent were grandparent headed households with dependent children. No information was collected on people with disability. Sixty-one per cent of survey participants had lived most of their lives or were born in Port Vila. Forty percent owned a house in another islands and 63 percent had returned to the outer within the last five years and forty percent intended to stay in Port Vila on a permanent basis.

On security of tenure, six percent of survey participants claim to own the land and a registered lease, 23 percent own land title and 42 percent pay land rent towards a community title. Ten percent have a verbal agreement to occupy the land. The majority (57 percent) obtained their land over 10 years ago and 77 percent claim to own their house.

Income and employment. According to the 2018 HHNP survey, 50 percent of participants claimed to be a salary earner in the public or private sector. Twenty-five percent said they were unemployed due to retirement or disability and 13 percent were looking for work. Fifty-two percent run a business or enterprise on their plot in the settlement.

Housing construction. According to the 2018 HHNP survey, 33 percent of the participants built their own house. Lack of funds was cited as the number one problem during housing construction and caused delays. Half (50 percent) self-financed housing construction with about 13 percent of households taking a loan; 29 percent of respondents cited 'other' as a source of funding. Half of the respondents cited that they have helped neighbors to construct their houses.

Access to electricity, water and sanitation. The average house has three rooms in Seaside and 29 percent of survey participants indicated that they plan to add additional rooms. All (11 percent) of survey participants have electricity connection to their house. Very few houses have toilets inside, with the majority (65 percent) accessing shared flush toilets outside. This may in part be an outcome of norms in Vanuatu, as frequently toilets are located outside the house. Twenty-three percent of survey participants had running water piped into the house. The majority (83 percent) accessed piped water outside and 4 percent had a rainwater tank for private use.

4.1.5 Baseline condition for the portion of Anumburu settlement (Settlement Upgrading)

Anumburu settlement is densely populated on a flat land. The area receives high rainfalls and the condition of movements to and from the settlement can be impaired by the effects of storm water as a direct consequence of poor drainage. A geotechnical survey will be undertaken during project implementation to determine the baseline information on soil and rock property and ground water conditions that will inform the engineering design for the upgrading works as well as the Anumburu ESMP. The expanding population in the settlement has implications for land availability. The area is fully occupied by humans; habitats for the natural ecosystem has been disturbed if not altered. There is no known land feature that has any element of cultural or religious significance. Figure 7 below shows the aerial view of the settlement.

Figure 7: Aerial View of Anumburu Settlement



This settlement is occupied by people from different outer islands of Vanuatu who have migrated to Port Vila. The population is estimated to be under 500 and as reported for other settlements, the actual figure with the breakdown of, gender, age distribution, households, and the relationship of the individuals to the household heads is unavailable at this time as the 2021 census that was carried out by the Civil Registry Department in Port Vila is being compiled.

As in other settlements, jobs held by residents of in the settlement are quite diverse. MoNLR observed that many people worked at typically low-paid and insecure jobs. A sizable number of service workers originate from this settlement to work in the service industry including hotels and shops. A detailed study is required to aggregate the age, education level and skills set; this will be undertaken to inform the ESMP. There are other sources of income apart from the paid income from formal employment in the city, but the informants are reluctant to specify these sources. An earlier scoping study at Anumburu described the sanitary condition of the settlement as ‘appalling’.

While census data was not available at the time of preparing the ESMF, a HHNP Survey was conducted in 2018 by MoLNR and the WB; 300 households participated in the Anumburu HHNP survey of which 70 percent were male headed and 30 female headed.

Of the participating households, 88 percent identified as being married or in de facto relationships. No information was collected on people with disability. Seventy-three per cent of survey participants had lived most of their lives or were born in Port Vila. Sixty-three owned a house in another islands and 58 percent had returned to the outer within the last year.

On security of tenure, 18 percent of survey participants claim to own the land and a registered lease, 15 percent own land title and 5 percent pay land rent towards a community title. Thirty three percent have a verbal agreement to occupy the land. The 33 percent obtained their land over 10 years ago and 55 percent claim to own their house.

Income and employment. According to the 2018 HHNP survey, 60 percent of participants claimed to be a salary earner in the public or private sector. Thirteen percent said they were unemployed due to retirement or disability and 10 percent were looking for work. Thirty-eight percent run a business or enterprise on their plot in the settlement.

Housing construction. According to the 2018 HHNP survey, 40 percent of the participants built their own house. Lack of funds was cited as the number one problem during housing construction and caused delays; shortage of materials was the second main reason. Thirty-five percent self-financed housing construction with about 15 percent of households taking a loan; 10 percent of respondents cited 'other' as a source of funding. Over half of the respondents cited that they have helped neighbors to construct their houses.

Access to electricity, water and sanitation. The average house has three rooms in Anumburu and 58 percent of survey participants indicated that they plan to add additional rooms. Eighty-five percent of survey participants have legal and registered electricity connections to their house. A minority had flushing toilets within their houses (28 percent) and the majority (58 percent) accessing shared flush toilets outside. Thirty percent of households also had piped water for private use in the households, the remaining households accessed piped water outside and 3 percent had a rainwater tank for private use.

5. POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND MITIGATION

The Project will finance the design, construction and supervision of civil works for the project investments associated with the sites and services greenfield development as well as settlement upgrading at the four existing settlements. This framework describes potential environmental and social risks in broad terms as feasibility designs for the aforementioned construction activities have not been initiated. It is therefore expected that the ESIA and ESMP to be developed for all subprojects will include significant details, including reexamination of the environmental and social risks at each stage of the project life cycles. The project is expected to have long term positive environmental and social impacts, however, in the short-term the environmental and social risks are substantial as per the WB risk classification. This section provides a summary of the potential environmental and social risks, impacts and mitigation of the Project. The potential environmental and social impacts of the project activities have been identified based on the experience of MoNLR as well as data collection as part of this ESMF.

5.1 Environmental Risks and Impacts

The environmental risks are considered Substantial. Key environmental risks are related to civil works associated with component 1.1, component 1.2, and component 2.1. The civil works associated with the sites and services greenfield settlement development, upgrading of services and drainage in a selection of existing settlements and the sustainable urban drainage works all have some civil work will relate to Associated Facility activities. Impacts during the construction phase may include temporary erosion and soil slips, floods, polluted storm water entering water bodies (streams or sea), sedimentation of water bodies, dust, pollution from inappropriate construction materials use or waste management, noise, ground instability, waste disposal, community and workers' health and safety. Greenfield works may involve vegetation clearing causing habitat loss and fragmentation. Poor infrastructure design or construction may cause damage to natural drainage channels, floods and soil erosion. During operation, new and existing settlements may cause pollution impacts from inappropriate solid waste and sewerage storage, collection and treatment or disposal. The proposed stormwater drainage systems may become a conduit for litter and sediment transport downstream, ultimately ending up in streams or the sea. The potential

environmental impacts are likely to be temporary, reversible, and manageable using standard good practice mitigation measures.

Downstream impacts from Technical Assistance (TA) activities under component 1.3 and component 2.2. The TA activities themselves are expected to result in minimal direct environmental risks. However, in preparing guidelines for sustainable urban drainage solutions and disaster resilience / climate adaptation of settlements and houses, consideration will need to be given to a number of downstream environmental risks in accordance with the requirements of the ESF, including resource efficiency (water, energy), pollution (drainage, stormwater, sewerage, solid waste), climate change adaptation and natural disaster resilience (ESS3), natural habitat conservation (ESS6), cultural heritage conservation (ESS8), as the adoption of the guidelines in the planning and development of new settlements and urban drainage systems may lead to potential moderate to substantial downstream impacts as listed above, if not executed well.

5.2 Social Risks and Impacts

The Project Social Risk Classification is Substantial as a result of capacity, contextual and project risks. The classification will be revisited during project implementation. Site specific impacts during pre- and construction stages, will be analyzed during the detailed design stage and which will be addressed in the ESIA, ESMPs, ECOPs and other safeguard instruments. Key social risks identified as part of this ESMF include those associated with capacity of the implementing agency, contextual risks and risks associated with labor and working conditions.

Capacity Risk. The Borrower capacity for planning and implementation is considered to be low. This is MoLNR's first experience working with the Bank and applying the ESF. Lack of capacity and experience may lead to social risks where poor planning and stakeholder engagement exclude vulnerable people (seniors, disabled, youths, women, economically poor, informal workers) in project design and in the implementation. During project preparation, poor stakeholder mapping may overlook user needs in (i) the design of a new settlement layout (for example for disability access or safe recreational spaces for youths and mothers with infants); (ii) approaches to settlement and drainage upgrading and; (iii) land administration during the project life cycle and beyond (downstream impacts). Poor stakeholder mapping may exacerbate or perpetrate inequality where benefits accrue to some individuals, households or communities over others. Poor information sharing about the timing of service connections, upgrading activities, land sub-division and formalization implications and key implementation milestones could lead to mismanaged stakeholder expectations and expose the project to reputational risk. The capacity risk associated with this project gives rise to direct and indirect risks relating to the vulnerability and exclusion of marginalized people in the land sub-division and regularization policies, guidelines and activities.

Contextual risks. About 98% of land in Vanuatu is under customary landholding, only 2% of landholdings are in possession of government. The Project will support implementation of Vanuatu's National Subdivision Land Policy, which provides the regulatory framework for the sub-division of land titles that are already formalized with a title. In Vanuatu, land disputes are commonplace, in part because land is intrinsically tied to identity and livelihoods. Customary land users and owners can be reluctant to engage in government land formalization processes, preferring to manage land through the Kastom (informal) governance structure which keeps ownership claims and user rights fluid and open to ongoing negotiation. Ni-van customary land owners are also cautious of government land formalization processes given a widespread perception that this could enable outsiders, such as developers or foreigners, to access and claim land use rights. The project will promote land formalization processes, potentially leading to social tension if land users and owners do not understand the project purpose, are not convinced of the benefits, or do not want to formalize subdivision of land titles. The risk of social tension and reputational harm to the project must be addressed as part of the stakeholder engagement activities.

Risks associated with labor and working conditions. Components 1 and 2 of the proposed project are labor-intensive, and will be carefully designed to involve the community and village laborers in delivery as contracted

labor. Civil works contracts will emphasize the extensive use of local labor, alongside training and capacity building for unskilled or semi-skilled laborers. The risks associated with labor-intensive approaches include the risk of child labor, GBV and SEAH incidents between construction workers or by workers against settlement residents, lack of transparency in local hiring processes and exclusion or discrimination against vulnerable or marginalized workers who seek job opportunity (such as women, disabled and others), health and safety risks leading to injury, loss of life and lost livelihood income. These risks mostly respond to construction activities associated with the greenfield residential development and settlement upgrading as local people will potentially be living and working nearby construction activities.

The next section provides a preliminary analysis of the type of project activities identified, potential social and environmental risks and impacts that may result from the Project activities, key mitigation methods and environmental and social risk management instruments that are required.

5.2.1 Preliminary Risk Assessment of Component 1.1, 1.2, and 2.1

The activities under these components include the development of new settlement in greenfield area including site survey and design, construction of basic infrastructure and development of plot leases; urban drainage infrastructure in new settlement and existing settlement; and upgrading of existing settlement including design and construction of the four settlements. Preliminary risk assessments for the activities under these components in each Project phase are presented in below tables.

Table 4: Assessment of Key Risks/Impacts and Proposed Mitigation Methods for Construction Activities, Component 1.1, 1.2, and 2.1

Activity	Significant Potential Risks / Impacts	Key Mitigation Methods	E&S Risk Management Instruments
Planning and Design Stage			
Greenfield site and settlement design, settlement upgrading design and urban drainage system	<p>Infrastructure and drainage system is inadequate to achieve structural integrity or cannot be constructed safely</p> <p>The design is inadequately integrating disaster risk and climate change impacts, exacerbating potential risk such as flooding</p> <p>The design results in changes of water flow which may results to changes in erosion potential</p> <p>Risk of objection to proposed design (including associated facilities) and works from existing residents and communities</p>	<p>The design specification must adhere to appropriate international best practice guidelines of the works and incorporating climate and disaster risk resilience consideration into the design. The design specifications will be included in design consultant ToRs</p> <p>Design of structures to minimize erosion potential are installed. Water flow / hydrology impacts to be screening screened and assessed for each works site, and site-specific ESIA and ESMPs is to be prepared to outline specific avoidance and mitigation measures, including any appropriate technical studies</p> <p>The affected residents and communities will be consulted from preliminary design stage and provide agreements to the design. The consultation approach is incorporated in SEF and component specific SEPs will be developed</p>	<p>Site-specific ESIA and ESMPs</p> <p>SEF and component specific SEPs</p> <p>LMPs incorporated into contractor bidding documents</p> <p>ESF trainings provided to contractors and MoNLR staff.</p>
Construction Stage			
Land clearing for greenfield development	Habitat loss, degradation and fragmentation, loss of important	Habitat assessment will be conducted as part of the ESIA for new settlement. Appropriate	ESIA

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	flora and fauna, and introduction of alien species	mitigation strategies based on the habitat assessment result will be incorporated as part of the assessment. Ineligible activity list include site with the presence of threatened/endangered species.	Ineligible activity list (negative list)
Construction of infrastructure and urban drainage system	<p>Use of aggregate material sourced from offsite may have negative environmental and social impacts at source</p> <p>Ground or surface water pollution such as sediment resulted from earthwork, fuel or chemical leakage or spillage that may affect worker, community, and environmental health</p> <p>Dust, smoke and fumes impacts worker and community health and/or creates a nuisance and community raise grievances</p> <p>Noise impacts community and they raise grievances</p> <p>Improper disposal of hazardous and non-hazardous waste may affect community health and result in environmental pollution</p> <p>Increased traffic from movement of workers and vehicles during construction may disturb community and result in accident</p> <p>Potential injury and exposure to COVID-19 to workers during constructions</p> <p>Presence of project workers working in the settlement communities and non-adherence to acceptable cultural / community norms.</p> <p>Increase in sexual exploitation and abuse/ harassment (SEA/SH)</p>	<p>Only materials from licensed land-based sources (i.e., licensed quarries) to be used (no coastal sand and coral reef to be used). The measures will be incorporated in site-specific ESIA and ESMPs</p> <p>Construction related environmental impacts such as the potential environmental pollution and health and safety risks to workers and community from dust, smoke, fumes, noise, improper disposal of wastes, chemical and hazardous wastes spillage will be addressed in site-specific ESIA or ESMPs. For minor civil works, mitigation measures are outlined in the Environmental Code of Practice (ECoP) in Annex 10</p> <p>Waste minimization and management measures during construction are outlined in the Construction Waste Management Plan in Annex 9.</p> <p>Traffic Management Plan (TMP) to be developed by contractors which include speed limits, measures, traffic control supervisor to be used, and alternative routes to be identified, timing of works to ensure safe access for children, etc.</p> <p>Occupational Health Construction Health and Safety (H&S) management plan(s) to be developed during project implementation by the contractor and submitted to the PMU E&S Specialists for approval prior to any physical works commencing</p> <p>Labour issues including working conditions, OHS, SEA/SH addressed in Project's Labor Management Procedures (LMP) in Annex 8.</p>	<p>Site-specific ESIA and ESMPs</p> <p>ECoP for minor civil works</p> <p>Construction Waste Management Plan</p> <p>Construction Health and Safety (H&S) management plan</p> <p>LMP</p> <p>TMP</p> <p>SEF and component specific SEPs</p>

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	<p>related to project workforce</p> <p>Unexpected discovery or damage of cultural heritage</p> <p>Stakeholder grievances in direct relation to the project or because of project activities / contractor</p>	<p>Chance Finds Procedure (CFP) in place prior to any physical works commencing (Annex 11).</p> <p>Project Grievance Mechanism (GM) available to enable communities to raise project related concerns and grievances.</p>	
Upgrading of existing settlements	<p>Exposure to hazardous materials, such as asbestos, that may be found in existing settlements, possess health risks to workers and community, as well as risks of contamination to surrounding environment</p>	<p>Building inspection(s) that identifies whether asbestos or other hazardous materials are present to be prior to upgrading works commencing.</p> <p>Asbestos Containing Materials (ACM) should be managed and disposed in accordance with ACM Management Guideline in Annex 8. The mitigation measures to avoid/minimize impacts will be outlined in site-specific ESMPs.</p>	<p>Site-specific ESMPs</p> <p>ACM Management Guideline</p>
Operations Stage			
Operations of new settlement and the existing settlements	<p>Environmental pollution and community health risks from inappropriate solid waste and sewerage storage, collection and treatment or disposal</p> <p>Water pollution from litter and sediment transported by the drainage system</p> <p>Overflow of drainage systems due to poor maintenance affecting residents.</p>	<p>Waste management measures during operational stage of the settlements are to be incorporated in site-specific ESIA and ESMPs.</p> <p>Regular maintain and clear drainage channels, stormwater control features to be installed as part of construction phase to reduce potential of site inundation during extreme weather events.</p>	<p>Site-specific ESIA and ESMPs</p>

5.2.1 Preliminary Risk Assessment of Component 1.3, and 2.2 (Technical Assistance)

The TA activities supported under component 1.3 and 2.2 largely deal with technical support and capacity building related to the implementation of the various aspects of the National Land Subdivision Policy, and include design of settlements and associated infrastructure, design of sustainable urban drainage solutions and preparation of guidelines, advisory services on plot sales, land tenure and land registration system, guidelines for improving disaster resilience of settlements and individual houses. While the TA activities aim to contribute to positive outcomes for future residential developments, there are impacts associated with the activities. Table below presents the risks and mitigation methods associated with the TA.

Table 5: Assessment of Key Risks/Impacts and Proposed Mitigation Methods for Construction Activities, Component 1.3, and 2.2

Activity	Significant Potential Risks / Impacts	Key Mitigation Methods	E&S Risk Instruments	Management
Preparation of guidelines for sustainable urban drainage solutions and	Downstream impacts related with the adoption of the guidelines, including on	Term of Reference (TOR) for the preparation of the guidelines will incorporate relevant	ESCP	

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Activity	Significant Potential Risks / Impacts	Key Mitigation Methods	E&S Risk Management Instruments
disaster resilience / climate adaptation of settlements	resource efficiency (water, energy), pollution (drainage, stormwater, sewerage, solid waste), climate change adaptation and natural disaster resilience (ESS3), natural habitat conservation (ESS6), cultural heritage conservation	requirements of the ESSs in a manner acceptable to the Bank. The TORs will be reviewed by the Bank's E&S specialists. This commitment will be outlined in Environmental and Social Commitment Plan (ESCP)	

6. PROCEDURES AND GUIDELINES TO SCREEN AND ASSESS ENVIRONMENT AND SOCIAL RISKS AND IMPACTS

Identification and management of environmental and social risks will be mainstreamed into the overall project management procedures. This means that the timing of E&S safeguards activities will be synchronized with how subprojects will be clustered together for screening, contracting and construction. E&S screening will be integrated into subproject screening and stakeholder consultations will be prioritized for subprojects that are ready for implementation. The purpose of the screening VARS Project subcomponents is to:

- determine whether activities are likely to have potential negative environmental and social risks and impacts;
- identify appropriate mitigation measures for activities with adverse risks or impacts;
- incorporate mitigation measures into implementation of the activity;
- review and approve the management plan/s; and
- monitor application of management plan/s for those activities requiring E&S due diligence.

The following section describes the screening procedure for assessing environmental and social risks and impacts associated with project activities to determine whether activities are eligible for inclusion and any instruments to be developed or followed. In addition:

- Environmental and social objectives will be integrated into the detailed engineering design as part of the planning process. The Terms of Reference (TOR) to incorporate environmental and social objectives into the detailed design will be included in the scope of work of the design consulting team.
- Preparation of E&S instruments that are the responsibility of contractor during the bidding process.
- To avoid raising expectations, stakeholder engagement and information disclosure will be done for settlements closely following the design preparation and not well in advance so that an accurate timeline of activity can be presented to settlement occupants.
- Institutional capacity on environmental and social safeguards will be strengthened. Support for capacity building will be promoted through trainings, monitoring and reporting. The timing, participants, and arrangements for trainings will be determined by progress with design and implementation of subprojects.

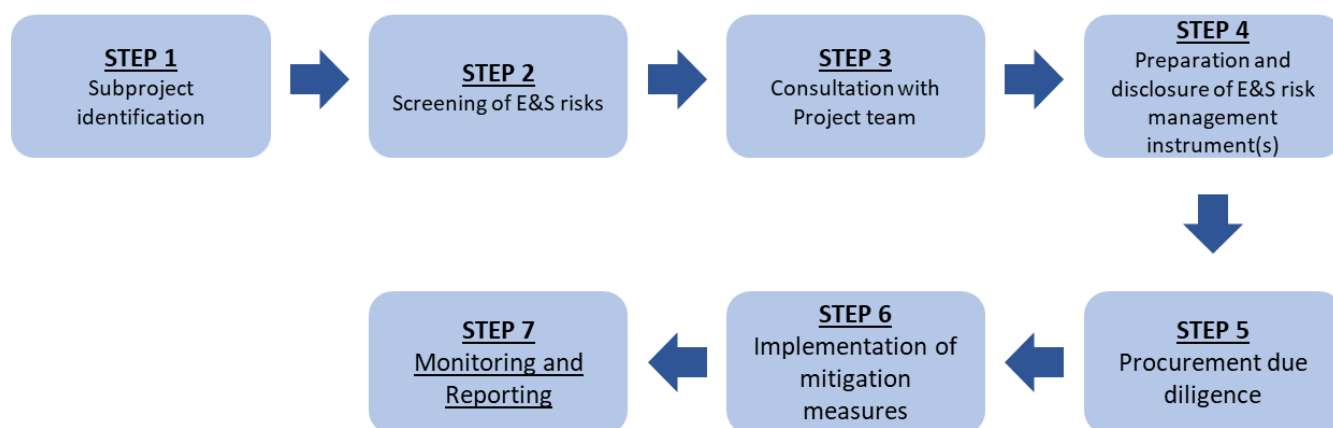
Based on the workflow process of the MoNLR, environmental and social safeguards will take place during subproject selection to check against the E&S prohibited list, during detailed engineering design, procurement of contractor, and during the construction phase when the contractor implements the mitigation measures while the PMU monitors the progress of work and implementation of safeguards measures.

The MoNLR/PMU will be responsible for the completion of the ESIA and ESMP for all components with construction. Safeguards instruments will feed into the bid documents to aid contractors in applying and preparing other instruments such as site-specific ECOP prior to the start of construction; a requirement which forms part of the criteria for bid selection. Ongoing screening and application of environment and social instruments will continue during project implementation through implementation, including monitoring and reporting of mitigation measures. The environment and social management procedure and the responsible units/offices are presented in the succeeding sections (section 8).

6.1 Screening Process

The following provides the steps that will be undertaken in the assessment of project activities. The screening of activities will take place either during the annual work plan or on ad hoc basis as activities are defined by the Project Team.

Figure 8: Screening steps for activities in VARS



Step 1: Subproject identification

The first step of screening is to gather relevant information regarding the subproject being proposed and develop a Subproject Description. This includes information such as the subproject objectives, type of activities involved, subproject's location and the scale of activities that would be performed. The PMU Project Manager is responsible in developing this document, see Table 7 below for a clear outline of Tasks and Institutional Responsibilities for Safeguards.

Step 2: Screening of E&S risks

Based on the subproject identification in Step 1, each subproject should undergo screening of environmental and social risk. The environmental and social screening process will inform the design team on what measures or actions are needed to avoid, minimize or mitigate these potential impacts and risks. The Environmental and Social Screening Form in Annex 1 will be used for screening each subproject.

The screening aims to determine the eligibility of the proposed subproject and to determine the scope and depth of assessment that need to be prepared in accordance with applicable World Bank ESSs. The eligibility of the proposed subproject will be screened against the ineligible activity list outlined in Section 2.2 above. As a result

of the screening, there will be determination on whether the subproject is required to prepare site-specific ESIA, ESMP, as well as the E&S risk management instruments such as ECoP and LMP that need to be followed. The screening form will be completed by the PMU E&S specialist or the PMU environmental and social officers based on the Subproject Description developed.

The level of assessment and the E&S instruments to be prepared should be proportionate to the level and nature of risks and impacts of the subprojects. The instruments to be required should be determined through discussions with the Project Manager and the PMU E&S specialist or the PMU environmental and social officers based on the completed E&S Screening Form (Annex 1).

Step 3: Consultation with Project team

If required, the screening outcomes will be discussed with the project team and design personnel to identify ways to reduce or avoid any adverse impacts. Any adjustments to the design, categorization, or E&S risk management instrument(s) can be refined following this process.

Step 4: Preparation and disclosure of E&S risk management instrument(s)

Depending on the result of the E&S screening in Step 2, the subproject may require preparing an ESIA or simple ESMP. Indicative outline to guide the preparation of these two documents are available in Annex 3 and 4. The MoNLR/PMU will be responsible for the completion of the ESIA and ESMPs for all components, the development of these documents will be led by the E&S specialists. During the preparation of these instruments, MoNLR will involve key stakeholders through consultation process.

The draft instruments will then be submitted to the World Bank for review and clearance prior to disclosure. Once the instruments have received clearance from the World Bank, the final version of the E&S instruments should be disclosed in MoNLR website as well as other relevant local government offices. Information on specific stakeholder or individual should be excluded or redacted from the final documents used for disclosure.

Step 5: Procurement due diligence

If the procurement is required for the subprojects proposed, the relevant E&S measures that are prescribed in the E&S instruments prepared in Step 5 above should be incorporated into bidding documents, in accordance with the new World Bank Procurement Framework. These instruments will feed into the bid documents to aid contractors in applying and preparing other instruments that are the responsibility of the contractor.

Step 6: Implementation of mitigation measures

The implementation of the E&S risk management instruments and conditions of any environmental approvals will need to be implemented, monitored, and enforced. Training of implementing staff may be needed to ensure that conditions of the E&S risk management instruments are met. For contractors, monitoring and supervision will be needed to ensure that conditions of the E&S risk management instruments are met. The PMU E&S specialist, with the assistance from the environmental and social officers, is responsible for implementing the measures and supervise the E&S risks management conducted by the contractors.

Step 7: Monitoring and Reporting

Monitoring is required to gather information to determine the effectiveness of implemented mitigation and management measures and to ensure compliance with the approved E&S risk management instruments. Monitoring methods must provide assurance that E&S risk management instruments measures are undertaken effectively. There will be two different monitoring required for VARS: i) Monthly reporting from the contractors to Project Management Unit (PMU); and ii) six-monthly reporting from the PMU to the World Bank team. For the monthly report from contractors to PMU, the PMU will submit these reports to the World Bank upon request.

For the six-monthly E&S monitoring report from the PMU to World Bank team, the report will include:

- The status of the implementation of mitigation measures
- The findings of monitoring programs
- Stakeholder engagement activities and outcomes
- Grievance register, including details of the grievance, timeline, action plan with responsible party
- Any incidents/accidents with adverse impacts and actions taken to address it and prevent reoccurrence.

6.2 Risk Screening for Associated Facilities

Associated Facilities means facilities or activities that are not funded as part of the project and, in the judgement of the Bank, are: (a) directly and significantly related to the project; (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist. For facilities or activities to be Associated Facilities, they must meet all three criteria.

Under component 2.1, household survey and the scoping work have found that the majority of residents in the settlements do not have access to basic services and infrastructure (improved water supply, sanitation, roads & drainage, solid waste collection), leading to public health issues and increasing risk to residents from flooding and other natural disasters, as the unplanned settlements continue to expand onto hazardous land. By virtue of this definition and in consideration of the project subcomponent two aspects came to light. First, in order for this subcomponent to become viable, the access road to the four settlements needs improvement for movements of materials and personal for the project. Second aspect is improved access to water supply in the settlement, to provide water for construction work (settlement upgrading) and for use by project workers. The E&S Screening form in Annex 1 will include screening of associated facilities to ensure the risks related to these facilities will be incorporated in site-specific E&S instruments.

6.3 Risk Management for Technical Assistance Activities

The process for screening and assessing environmental and social risks and its risk management for the TA activities are as follows:

- PMU E&S team, including E&S specialist, environmental officer, and social officer, reviews all TORs and provides the required clauses or scope of work for the TA to comply with the WB ESS, the VARS ESMF, SEF, LMP and other relevant instruments.
- PMU E&S team assists in the evaluation of consultants or contractors for TA that includes E&S risk assessment or mitigation, to ensure that the team/individual has the correct skills and experience.
- PMU E&S team reviews draft and final outputs against the ESS, the VARS ESMF, SEF, LMP and other relevant instruments and make any recommendations to the PMU for improvements or changes.

7. PUBLIC CONSULTATION AND INFORMATION DISCLOSURE

The Stakeholder Engagement Framework (SEF) has been developed to help MoLNR prepare site specific Plans that ensure that stakeholders are informed about the project, its risks and impacts, and the mitigation measures to address any adverse effects to stakeholders and communities. The project will adopt a participatory and consultative approach in engaging stakeholders as described in the SEF (see Annex 5).

Stakeholder consultations consist of two stages. First, during project preparation, relevant government agencies particularly the MoNLR were consulted on the project design and overall implementation arrangements including on environment and social risks and their roles in managing these risks. National-level consultations among non-government entities were also conducted to solicit feedback on project design and to inform them on the selection

process for the sites and services site as well as the selected settlements targeted for upgrading. Second, during project implementation, consultations will involve subproject-specific stakeholders

including local leaders, community representatives including settlement chiefs, youth, senior, women and disabled representative, nearby communities, relevant wards, and targeted beneficiaries including house owners and occupants or small businesses or concessionaires working at the sites. Consultations will be

on site-specific social and environmental risks including measures to minimize disruption to businesses and mitigate any risks.

The SEPs will be drafted alongside detailed design and disclosed on the MoLNR website prior to commencing any construction activities. This framework together with all other safeguard documents and instruments such as the ESMF, LMP, and ESCP will be disclosed on the MoLNR website ahead of project effective date. Details of disclosure requirements as well as grievance redress procedures are included in the SEF.

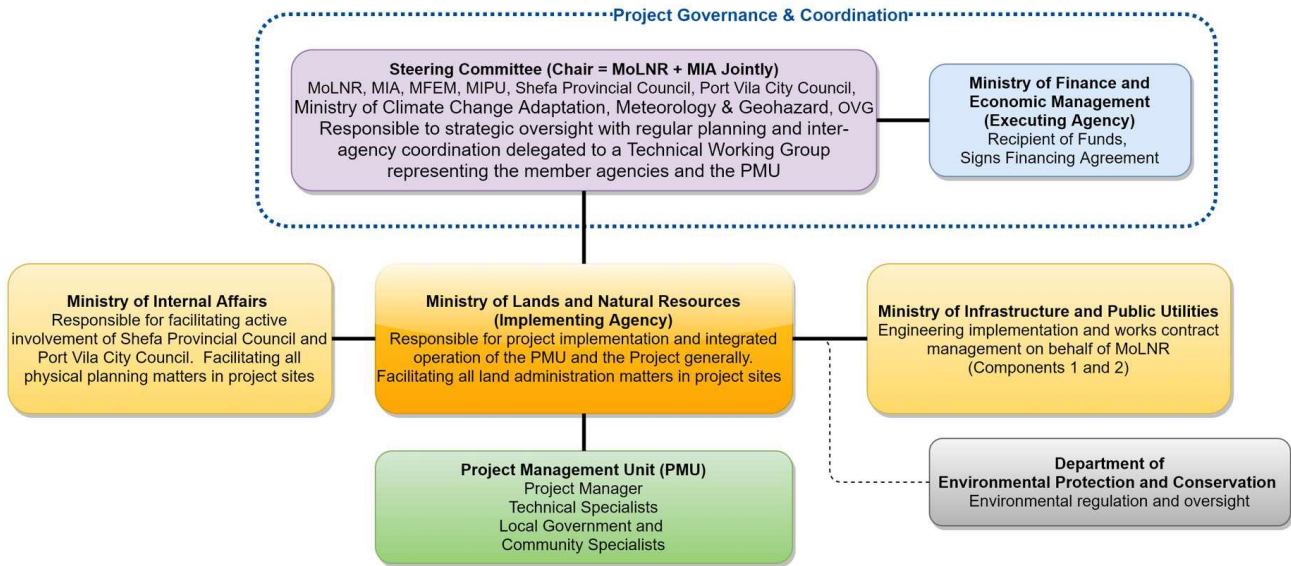
In the time of Covid, information dissemination and public consultations still need to be conducted. To ensure that these activities remain safe, the guidelines for public consultations are included in Annex 5

8. INSTITUTIONAL ROLES, RESPONSIBILITIES AND CAPACITY

8.1 Institutional Arrangements

The project will be implemented by MoLNR. MoLNR manages all land-related issues in Vanuatu. The MoLNR will be supported by, and chair, the project Steering Committee (SC). The SC will provide strategic oversight and coordination of the project and comprise representatives from relevant line ministries, including the Ministry of Finance and Economic Management, Ministry of Climate Change Adaptation, Meteorology & Geohazards, Ministry of Infrastructure & Public Utilities, Ministry of Internal Affairs. Local authorities including the Port Vila City Council and Shefa Provincial Council will also sit on the SC. A Technical Working Group will be established under the SC, with designated officers from participating Ministries and local authorities to coordinate and guide project implementation and provide quality reviews. Department of Environmental Protection and Conservation will also involve in providing oversight on the implementation of environmental related regulations. Figure 9 below shows the institutional arrangements for VARS.

Figure 9: Institutional Arrangements



The MoLNR is new to World Bank IPF projects and not familiar with the World Bank project policies and procedures including the ESF. In view of the unknown technical and implementation capacity of the implementation partner, the risk of project implementation is considered substantial, and a robust capacity building training has been included and budgeted in the next sections of this ESMF. The PMU will help mitigate the risk by securing key positions and allocating adequate time on project management. The SC will oversee the project implementation and address bottleneck issues. The World Bank Task Team will provide implementation support to the PMU, MoLNR and the SC. Capacity building for PMU staff will be carried out throughout the project implementation (see 8.2 Capacity Building). The incumbent E&S contractors will likely be unfamiliar with the ESF as this is the first project in Vanuatu that will apply the ESF. The World Bank Task Team will provide the PMU and E&S specialists with training on the ESF and its implementation in the project as per the ESCP.

The MoLNR will establish a PMU tasked with managing the day-to-day project activities. The PMU will have an assigned Project Manager and designated staff to oversee key functions including planning, coordination, financial management, procurement, environmental and social safeguards implementation, and monitoring throughout the project implementation period. The PMU will be established during Project preparation which will be supported by a PPA. To manage environmental and social related issues in the Project, MoLNR will recruit one Environment and Social Specialist, one Social Officer and one Environmental Officer under the PMU which will oversee coordination, updating and implementation of environmental and social commitments as per the ESCP and preparation of Project's E&S instruments for the Project. Table 5 below outlines the tasks and institutional responsibilities for E&S implementation in VARS

Table 6: Tasks and Institutional Responsibilities for Safeguards Implementation

E&S Activities	Task Description	Relevant document/ instrument	Responsibility
Subproject identification	Identify the proposed subproject Prepare Subproject Description which include subproject objectives, type of activities involved, location, and scale	Subproject Description	PMU Project Manager
Environmental and Social Screening	Assess and screen subproject to confirm its eligibility and identify potential E&S risks based on subproject description Conduct site visit as required Determine the E&S instruments that should be prepared or followed	E&S Screening Form	PMU E&S specialist, environmental and social officers PMU Project Manager
Preparation and disclosure of relevant E&S instruments	Prepare the E&S instruments for the subprojects based on the E&S screening Conduct consultation with key stakeholders as appropriate Disclose the final E&S instruments, once receiving World Bank's clearance	Relevant E&S instruments (ESIA, ESMP, LMP, ECoP, etc.)	PMU E&S specialist, environmental and social officers PMU Project Manager
Implementation of E&S instruments	Ensure all mitigation measures outlined in relevant E&S instruments are implemented in each subproject Develop relevant Contractor's E&S instruments Supervise the implementation of contractor E&S instruments	Relevant E&S instruments (ESIA, ESMP, LMP, ECoP, etc.) Contractor's E&S instruments	PMU E&S specialist, environmental and social officers Contractors
Monitoring and Evaluation	Evaluate the implementation of mitigation measures as per relevant E&S instruments and contractor's E&S instruments Prepare six-monthly reports to World Bank	Relevant E&S instruments (ESIA, ESMP, LMP, ECoP, etc.) Contractor's E&S instruments	PMU E&S specialist, environmental and social officers

8.2 Capacity Building

MoLNR has limited experience with the preparation and implementation of the ESF. VARS is the first Bank-financed project in Vanuatu that includes the application of the ESF and ESSs, which entails the preparation and implementation of relevant environmental and social instruments. It is vital that institutional and capacity

development are provided for ensuring that the knowledge gaps are immediately addressed for development of the subprojects, from project preparation to implementation stage.

The incoming PMU E&S Specialist and environmental and social officers may have differing level of familiarity and experience with the WB E&S framework and are expected to have limited knowledge on the ESF and ESSs. Ongoing support, training, and TA to implement the Project E&S documents and prepare project activity instruments during project implementation from World Bank is expected. It is expected that enhanced oversight from the Bank E&S team will be required, and a capacity assessment will identify where training and further capacity building will be needed. Implementation support will include: (a) capacity building for MoLNR and PMU staff on WB implementation and requirements; (b) an implementation support mission every six months, once international travel has resumed; (c) interim technical discussions and site visits by the WB; (d) monitoring and reporting by the implementation team on implementation progress and achievement of results. In the event of the inability of relevant staff to travel for undertaking implementation support, the use of audio/video conferencing, as has been the case during Project preparation, will continue in order to ensure “just in time” support to the MoLNR and the PMU. The WB will also maintain a close dialogue with the PMU E&S Specialist and environmental and social officers that would be recruited and provide implementation support for environmental and social risk management and stakeholder engagement when needed. Table 8 below outlines the proposed capacity building plan to support the implementation of the Project. Further capacity assessments during project implementation will identify where training and further capacity building will be needed.

Table 7: Proposed Trainings and Workshops for the MoLNR and PMU

No.	Training/Workshop Topics	Target Key Personnel
1	Introduction to World Bank ESF	VARs PMU and MoLNR relevant personnel
2	Overview of ESMF	VARs PMU and MoLNR relevant personnel
3	E&S Instruments Preparation, Implementation and Monitoring (ESIA/ESMP/ECOP)	VARs PMU and MoLNR relevant personnel
4	LMP and SEP Preparation and Monitoring	VARs PMU and MoLNR relevant personnel
5	Project Orientation and Risk Awareness (Project Stakeholders)	Project Stakeholders
6	Risk Awareness Orientation (Project Workers)	VARs PMU, MoLNR relevant personnel, and contractors
7	GBV and SEA Orientation	VARs PMU, MoLNR relevant personnel, and contractors

8.3 Budget for ESMF Implementation

Since the technical details of the subprojects have not yet been finalized, an estimated lump sum amount has been allocated for the implementation of the ESMF as presented in Table 9. The ESMF budget will be updated once the subproject components and implementation arrangements have been finalized.

Table 8: Proposed budget for ESMF Implementation

Activity	Estimated Budget
Screening of subprojects	\$20,000/year
Preparation of ESIA/ESMP and other instruments	\$15,000 per instrument
ESIA/ESMP monitoring and reporting	\$20,000/year
Training and capacity building on ESMF Implementation	\$10,000/year
Salary of PMU E&S specialists at PMU	\$70,000/year
Salary of 2 PMU environmental and social officers	\$100,000/year

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10. ANNEXES

Annex 1: Environmental and Social Screening Form

(This form applies to all subproject proposed under the Project and to be used by PMU E&S Specialists and environmental and social officers, with support from other relevant PMU staff as appropriate. The form is used to screen activities and/or subprojects under VARS for eligibility and to determine the scope and depth of the assessment to be undertaken. Once completed, the forms will be signed and kept in the Project ESF file and included in the ESF implementation progress report to be submitted to World Bank)

Ineligible Activity List

Activities of any type classifiable as “High” risk pursuant to the World Bank’s ESS1 of the ESF shall not be eligible for financing under the Project. The following activities are illustrative examples of “High” risk activities:

- Activities that may cause long term, permanent and/or irreversible (e.g., loss of major natural habitat) adverse impacts;
- Activities that have high probability of causing serious adverse effects to human health and/or the environment;
- Activities that may have significant adverse social impacts and may give rise to significant social conflict;
- Activities that will result in the involuntary taking of land, relocation of households, permanent loss of assets loss of access to assets that leads to permanent loss of income sources or other means of livelihoods;
- Demolition or removal of assets without consultation and consent of owners of the building;
- Construction works involving forced labor, child labor, or other harmful or exploitative forms of labor;
- Activities that have potential to cause significant loss or degradation of critical natural habitats whether directly or indirectly or those that could adversely affect forest and forest health;
- Activities that could affect sites with archaeological, paleontological, historical, religious, or unique natural values; and
- Use of goods and equipment for military or paramilitary purposes.

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Activity/Subproject Name:	
Activity Location:	
Description of Works:	
Date of Form Completion:	
Name of Person Completing the Form:	
Date of Site Visit:	
People Consulted to Inform Form Completion:	
Attached Subproject Description (Circle One):	Yes / No

A. Eligibility

(Please check the appropriate column. If the information is currently unknown indicate when additional information will become available)

Eligibility Criteria		Y	N	Remarks
1.	Will the proposed subproject activity have any major negative impact on any important natural habitat or biodiversity (e.g., loss of any important natural habitat, change of any wetland), nature reserve, and any other sensitive receptors as defined under World Bank ESS6?			If the answer is yes, the activity is not eligible
2.	Will the proposed subproject cause any relocation of homes and/or loss of major sources of livelihood of more than five (5) families?			If the answer is yes, the activity is not eligible
3.	Will the proposed subproject affect lands or rights of certain groups of people that meet the definition of indigenous people under World Bank ESS7?			If the answer is yes, the activity is not eligible
4.	Will the proposed Subproject/Activities alter any cultural heritage site recognized officially by the national government or locally and informally by members of the community?			If the answer is yes, the activity is not eligible
5.	Will the proposed Subproject have activities within (internationally) disputed territories?			If the answer is yes, the activity is not eligible
6.	Does the proposed Subproject involve use of child labor?			If the answer is yes, the activity is not eligible
7.	Does the proposed Subproject involve the use of forced labor?			If the answer is yes, the activity is not eligible

Based on the above eligibility criteria *(please mark one)*:

[] The Subproject is not eligible for funding under the project unless the following conditions are met *[Indicate any requirements for modifying the proposal to meet the above criteria such as a change in location, reduced scale, etc.]*:

[] The Subproject eligibility cannot be determined pending additional information on:

[] The Subproject is eligible for funding under the project.

B. Requirements and Scope of Assessment

Guiding Questions		Y	N	Remarks
1.	Does the proposed Subproject/Activities fall within the definition of activities that require Environmental and Social Impact Assessment (ESIA) as per Environmental Management and Conservation Act 2002, Environmental Impact Assessment Regulations Order No. 175 of 2011, and Environmental Impact Assessment Regulations (amendment) Order No. 175 of 2011?			If yes, ESIA are required
2.	Does the subproject/activity involve construction that includes significant ground footprint and earthworks?			If yes, ESIA is required If no, ESMP is required. If the subproject only entails minor civil work as prescribed in ECoP, ECoP to be adopted
3.	Does the subproject/activity involve clearing of trees, bushes, and natural vegetation over areas of more than 10 hectares?			If yes, ESIA is required
4.	Does the subproject/activity involve <u>voluntary</u> land use and/or land acquisition?			If yes, Screening Procedures for Voluntary Negotiated Land Agreements is applied
5.	Does the subproject/activity involve recruitment of workforce including direct (consultants, etc.), contracted (including workers), primary supply (of materials, etc.), and/or community workers (non-paid volunteer workers)?			If yes, LMP is applied
6.	Does the subproject/activity involve constructions activities that have potential OHS risk to workers?			If yes, LMP is applied and OHS Procedure embedded in LMP should be included in ESIA/ESMP
7.	Does the subproject/activity involve collection, handling, transport and/or disposal of waste during construction and/or operation phase?			If yes, Construction Waste Management Plan should be developed and embedded in the ESIA/ESMP
8.	Does the subproject/activity involve upgrading work with risk of exposure to hazardous materials such as asbestos?			If yes, ACM management guideline is applied, and mitigation measures

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Guiding Questions		Y	N	Remarks
				should be included in ESIA/ESMP
9.	Does the subproject/activity involve use of aggregate materials (such as sands or gravels) for construction?			If yes, only material from licensed quarries to be used. The measure should be included in ESIA/ESMP
10.	Does the subproject/activity involve land clearing activity?			If yes, habitat assessment should be conducted as part of the ESIA/ESMP
11.	Does the subproject/activity involve movement of heavy vehicles?			If yes, TMP should be developed and embedded in ESIA/ESMP
12.	Does the subproject/activity have potential use of goods and equipment or raw materials that are suspected to be made or produced with child or forced labor?			If yes, conduct due diligence on suppliers. Only suppliers who can show sufficient evidence to the contrary will be accepted
13.	Is the proposed subproject/activity located adjacent or reasonably near any ecologically sensitive areas?			If yes, ESIA/ESMP should include an assessment of the subproject/activity's impact to the sensitive area
14.	Is the activity located in the vicinity of any known cultural heritage site or structure?			If yes, ESIA/ESMP should include assessment of the subproject's impact to the cultural heritage structure or site
15.	Does the subproject/activity area present considerable Gender-Based Violence (GBV) and Sexual Exploitation and Abuse (SEA) risk?			If yes, ESIA/ESMP should address GBV
16.	Does the subproject/activity is in a form of TA that support the development of policy/guidelines/ regulations, etc.?			If yes, the relevant ESF and its ESSs should be incorporated in TOR. The TOR should be review in a manner acceptable to the Bank
17.	Does the subproject/activity involve 'Associated Facilities' as defined in the ESF? <i>(An 'Associated Facility' means a facility or activity which is not funded as a part of the project, but: (a) directly and significantly related to the project; (b) simultaneously implemented or planned with the project; and (c) constructed for the project and is necessary for the project.)</i>			If yes, the relevant E&S requirements as outlined in ESIA/ESMP are applicable to the facility

Summary of Requirements

The Subproject shall prepare/follow (Check all that apply):

- ☐ ESIA
- ☐ ESMP
- ☐ ECoP
- ☐ LMP
- ☐ Voluntary/Negotiated Land Agreements

Note: (1) All subprojects or activity must set up their own community-level GRM or at least be connected to a project-level GRM. (2) All subprojects must also conduct consultation with stakeholders in the host communities, aside from the project-level stakeholder engagement provided in the SEF.

Annex 2: Screening Procedures for Voluntary/Negotiated Land Use Agreements

Introduction

1. To address the growing problem of uncontrolled settlement and housing issues, the GoV has secured a US\$25 million project in financing the VARS Project. This project directly responds to the need to improve health, economic and social standards of settlement dwellers. This intervention is inherent to the overall concern for settlements upgrade, sustainable urban drainage and institutional strengthening to solve future unplanned settlement and urban land use.
2. Under subcomponent 1 Affordable and Resilient New Settlement Development of the Project, Vanuatu's Ministry of Lands and Natural Resources (MoLNR) has identified a 10-ha site based on the following criteria: (i) held by the state under a long-lease, (ii) well located on a transport corridor, (iii) on relatively less hazardous land, and (iv) suitable for mixed land use and lower-middle income residential purposes. On the nominated 10-ha site, the sub-component will finance site investigations, site planning and survey, detailed design (incorporating relevant climate-resilience measures), construction, and supervision for a package of proposed basic infrastructure investments (potentially including collector and local access roads, improved footpaths, drainage, individual household water supply, sanitation, solid waste management, and street and security lighting) to support a lower-middle income residential development with associated land uses. Where appropriate, labor-intensive approaches will be deployed to construct the infrastructure.
3. Under Component 2: Affordable and Resilient Settlement Upgrading, MoLNR will finance *in situ* upgrading and regularization of four existing settlements. *In situ* upgrading is expected to involve: (i) site investigations, (ii) community-based and climate- / disaster risk-informed area planning, (iii) plot or block surveys/re-blocking, and (iv) design, construction and supervision of affordable basic infrastructure and climate adaptation / disaster risk reduction investments in the four participating settlements (Ohlen Mataso, Tokyo, Seaside, and a portion of Anamburu). The investments may include collector and local access roads, improved footpaths, drainage, individual household water supply, sanitation, solid waste management, street and security lighting, and land set aside for public facilities and open spaces. Designs for upgrading are yet to start.
- 4.
5. Component 3: Strengthening Institutional Capacity for Implementation and Sustainability will involve targeting for low-middle income subdivision development will be enabled by TA to MoLNR, including to develop:
 - registered leases with secure tenure,
 - systems for the approval of subdivision plans (incorporating climate adaptation and disaster resilience measures),
 - resilient low-cost self- / owner-built housing approaches (example, model house plans, access to market finance by low-middle income earners).
6. This screening procedure is developed with a focus to guide screening of land leases held under existing land titling regimes under Vanuatu Land Leases Act Chapter 163. It also includes the scope for any unanticipated need to assess and acquire portions of land for the VARS project, and/or restrict land use or cause displacement of land-affixed assets resulting in physical or economic displacement. Any activity proposed under this project that has the potential to cause economic or physical displacement can only happen with landowners and users on a voluntary or willing buyer willing seller arrangement (negotiated settlement). Involuntary displacement is forms part of the project exclusion list.

7. MoLNR who is leading the VARS project and its PMU will comply with this instrument in parallel to the established government processes for voluntary or negotiated agreements with land holders and or users.

Objective

8. The objective of the program is to avoid compulsory land acquisition and resettlement impacts to most possible extent design alternatives to enhance, or at least restore, the livelihoods of all affected persons (APs) relative to pre-project levels; and that they are not severely deprived off using the land for sustenance and livelihoods.
9. It contains the process of preparing for a Due Diligence on state owned leased lands which as a result of being vacant is occupied by parties other than the state. Furthermore, it provides a guidance for dealing issues of compensation and assistances. If the ownership of leases is contested, this matter is resolved through the formal state process which MoLNR will facilitate.
10. In compliance with the laws regulating land leases, ownership and use, VARS adopts the following principles:
 - The land lease for the construction of the new settlement has a clear title and ownership
 - There are portions of the land in the settlement sites whose titles needed to be verified by the MoLR through the land leases verification process
 - If non-state land is the only available suitable, such land will be obtained through negotiated settlement (lease) or, where eligible, voluntary land use agreements. Failure of the negotiation cannot result in compulsory land acquisition as per the project ineligible activities in the ESCP.
 - Local communities, stakeholders and any affected party, regardless of their legal status including lack of title to land, will be meaningfully consulted over the project cycle and are entitled to compensation and assistances should physical or economic displacement be assessed and planned by the project.
 - If the project involves land leasing the state will offer compensation based on replacement cost for affected land and assets. Compensation will also be calculated to ensure that affected parties will not be financially disadvantaged. Such compensation will be paid prior to commencement of civil works.
 - Subject to prior Bank approval, the project may enter into voluntary agreement on land use (without purchasing land) or any voluntary waiver of compensation claims by landowner communities. To do so, the Project will demonstrate the following(a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land or productive asset being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. MoNLR will maintain a transparent record of all consultations and agreements reached. Any form of donation will be approved by the Bank prior to finalization of a voluntary donation agreement. Donations will be verified by an independent third-party.
 - The project will engage a third-party acceptable to both parties, to document and verify the voluntary land use agreement and purchase through negotiated agreement.
 - Non-title holders are eligible for compensation and assistance for loss of non-land assets. Particular attention will be paid to women, women headed households, elderly and other vulnerable people.
 - A due diligence report will be prepared and submitted to World Bank for clearance before start of the civil works involving use of non-state land and/or economic or physical displacement. The due diligence will

document the process and outcome achieved for VARS according to its requirements and appropriate land arrangement.

- All costs related to land assessment, development of agreements will be included in the project cost and funded by the MoNLR. The cost of land purchases will be borne by the state or its agents.
- PMU will monitor implementation of land aspects, submit periodic reviews to the steering committee and WB and address any unforeseen impacts that may occur during implementation in line with the WB's environment and social safeguards standards.

Vanuatu Legal Framework for Land Acquisition

11. Most land in Vanuatu are customarily owned although some lands, mostly in urban areas, are owned by the state or occupied on long term leases by private persons or organisations. The National Constitution (1980) recognizes customary land rights and protects citizens from “unjust deprivation of property.” The Land Lease Act (1996) sets out the procedures for the state to obtain land through negotiated agreement (as well as compulsory acquisition, which is not relevant in this project).
12. Where customary land is required/has been used for the current settlement sites, the government policy may require eventual acquisition by agreement with compensation paid in accordance with the law. MoLNR will provide the lead in such negotiations.

World Bank Safeguards Policy

18. ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.
19. VARS project will comply with this standard by avoiding involuntary resettlement. There will not be any form of forced eviction. VARS project will work towards mitigating unavoidable adverse social and economic impacts of restrictions on land use by: providing timely compensation for loss of assets at replacement cost and assisting affected persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

Agreement

20. If the landowners and any other person who claim interest in the land agree to the use of land for the project purpose, the agreement is documented in a MOU, which is signed by members of the community and or the landowner group and the MoLNR representing the state.
21. To ensure that the negotiated or voluntary land-use is truly voluntary, the project will follow adequate safeguards, including:
 - consultation with the settlement communities on the purpose of the VARS project and discussing the project design with them so they can understand the impacts;
 - applicable national laws and regulations will be followed;
 - landowners, land users or any other people will not experience major adverse impacts;
 - the proposed site should be free of any private residential structures or major sources of livelihoods to the affected parties;
 - The affected parties will receive compensation for land that is purchased or any losses to non-land assets and
 - a written memorandum of agreement (MOA) will be signed with representatives of landowner communities or lease title holder and the MOA will be verified by an independent third-party NGO.

Entitlements and Benefits

22. In the case of negotiated purchase, the date of signing of land investigation and assessment will be the “cut-off” date for eligibility for compensation. Affected parties that have either documented claims to the purchased land/assets or are able to demonstrate that the land/assets belong to them as of the cut-off date will be eligible for compensation. Those affected parties who cannot demonstrate that they are the rightful owners or users but are using the land anyway as of the cut-off date, will receive compensation only for assets attached to the land and other assistance as required. Any person or group that occupies or uses the land identified for the project after the cut-off date would not be eligible for any compensation or assistance.

Below is a summary of the entitlement matrix

Type of impact	Entitled person	Entitlement
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Temporary use of land (without transfer of title)	Customary land: Land owners/users as recognized by chiefs and clan leaders	Use of the land will be obtained through voluntary land use agreement. Compensation at replacement cost will be paid for any damages on project affected land during construction. The land remains in the ownership of the customary landowners
	State-owned land: Users or occupants	State land is expected to be free of customary or private use or occupation. If any users or occupants found during implementation, compensation at replacement cost will be paid for any damages of non-land assets.
	Other third party owners, for example Churches,	Use of the land will be obtained through voluntary land use agreement. Cash compensation at replacement cost will be paid for any damages on project affected land.
	Informal settlers/land users without legal rights	Compensation at replacement cost for any affected non-land assets.
Permanent use of land (transfer of title through agreement)	Customary land: Land owners/users as recognized by chiefs and clan leaders	Land will be obtained through negotiated purchase following the Land Act. Compensation at existing market rate will be paid for land and other affected properties.
	State-owned land: Users	State land is expected to be free of customary or private use or occupation. If any users or occupants found during implementation, compensation at replacement cost will be paid for any damages of non-land assets.
	Other third party owners, for example Churches,	Land will be obtained through negotiated purchase following the Land Lease Act. Church land is almost always held as a long-term lease. Compensation at replacement cost will be paid for land and other affected properties.
	Informal settlers/land users without legal rights on any type of	Compensation at replacement cost for affected non-land assets.

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	land	
Loss of trees, crops, flowers and other valuable plants	Affected parties and households	Agreement with affected parties for any crops and trees to be harvested by them before site clearance. If affected parties are not able to harvest, they will be paid compensation at replacement cost. In the case of perennial crops and trees, the compensation will also include loss of income for a period until new crops or trees produce an equivalent income.
Structures partial or full removal (house or commercial structure)	All APs (whether having legal title to land or not)	The project is not expected to impact any structures. If any structures are affected, APs will be provided compensation at replacement cost without deductions for depreciation or salvaged materials. APs will also receive transportation allowance and assistance in locating to an alternative site.
Affected vulnerable households	Vulnerable households losing assets to the project (identified through consultation with community leaders). In the project context vulnerable groups include female-headed households, elderly, disabled, poor households, and physically refo	Employment during construction and maintenance for at least one member of the household, if applicable. Additional cash assistance depending on extent of disruption to vulnerable AP's livelihood (over 10% of loss of assets. Amount to be specified in the negotiations and agreements
Unforeseen or unintended impacts	Concerned affected people	These will be determined as per the principles of this framework and WB's Social Safeguards framework and policy.

Due Diligence

23. To avoid involuntary land acquisition and resettlement, the project will screen all land leases held in the settlement sites and the proposed settlement site for land ownership status. PMU will prioritize that the VARS project is implemented as per the scoping studies on government land.
24. MoLNR through its PMU will follow the steps below for the screening of land aspects for the proposed VARS project:
 - Preparation of a location map identifying the concerned facilities and its boundaries.
 - Coordination with the affected parties for verification of the lease ownership.
 - Consultations with local administration offices (example urban planning, courts, etc.) about any ongoing disputes or litigation.

- Visit to and observation of the proposed new settlement site and the proposed settlement upgrade sites.
- Consultations with local residents to assess if the proposed works will adversely affect any person(s) or communities.
- Preparation of a land assessment/screening report summarizing the main findings, including
 - (i) brief description of the proposed site including a location map;
 - (ii) description of proposed land, status of ownership and use;
 - (iii) findings of the field visit and observations;
 - (iv) process and outcome of consultations with communities and stakeholders (records of meetings, etc.);
 - (v) confirmation whether any further actions are required or not
 - (vi) Signing of a written MOA if need be. MoLNR and the Steering Committee will provide expert advice an direction on this; and
 - (vii) Validation of the MOA by a third party.

Third Party Verification

- As mentioned in the earlier section of this report, the voluntary land use agreement and negotiated purchase agreements will both be verified by a third-party NGO. PMU will consider engaging a third-party preferably a NGO who will provide the independent verification of the agreements that
- the local community and landowners support the VARS new settlement and existing settlement upgrades and have agreed to provide respective land;
- consultations and negotiations with landowners have been undertaken meaningfully, freely and in good faith and the landowners have made informed decisions on use of land, and
- terms and conditions of the agreements have been explained to and understood and agreed by the landowners.

11. For this, the third-party will perform following tasks:

- Review of the documentation on the identification of affected landowners and the consultation and negotiation process leading up to the signing of the agreements;
- Validate that consultations with the landowners have been undertaken and that they were provided with relevant information;
- Validate that the agreement is voluntary (free of coercion) and that the landowners have fully understood and agreed to the agreements' terms and conditions;
- Validate that the landowner representatives signing the agreement duly represent the landowners;
- Validate that landowners or any other users/occupants will not experience major adverse impacts from land use or purchase by the project;
- Validate that any minor impacts have been identified, sufficiently addressed and documented by the project;
- Validate that compensation for land purchase represents a fair and reasonable replacement cost based on market prices; and
- Validate that the agreement is in compliance with applicable laws of Vanuatu as well as safeguard requirements stipulated in the World Bank Social Safeguard Policy

Implementing Agency

The PMU will be responsible for the day-to-day implementation of project activities. The MoLNR will assign a project manager at PMU to manage the project, including social safeguard activities, assisted by the International Social Safeguards Specialist. The project manager and the safeguards specialist will ensure that all relevant safeguard plans are implemented so as to meet their intended requirements. They will undertake the following activities to fulfill the following PMU's role:

- Prepare due diligence reports as required, to meet the project's requirements according to the safeguard policies of WB and the government;
- Undertake adequate consultations with and dissemination of relevant information to affected parties, including public disclosure of draft and final safeguard reports and plans;
- Address any project-related grievances of affected parties and facilitate in resolving disputes through the grievance management process;
- Following the award of the civil and settlement upgrade contract, the safeguard team will arrange a briefing to the contractors to raise their awareness on safeguard requirements;
- Coordinate with relevant authorities to ensure that land acquisition and compensation activities if required are completed prior to start of the construction activities;
- Undertake regular monitoring and reporting on implementation progress of safeguard plans; and

Annex 3: Indicative ESIA Outline

The ESIA report that will be prepared for the subproject/activity under VARS should satisfy the requirements under the relevant national regulations (Environmental Management and Conservation Act 2002, Environmental Impact Assessment Regulations Order No. 175 of 2011, and Environmental Impact Assessment Regulations (amendment) Order No. 175 of 2011), as well as the ESS1 provisions under the ESF.

The report must:

- be comprehensive study report of the potential environmental or resource management and social-cultural impacts of the project;
- identify the potential impact of the project, proposal or development activity on the surrounding environment and population, and suggest possible mitigation measures; and
- to the extent appropriate, suggest conditions upon which the study approval may be granted.

The outline of the report should consist of the following:

1. Abstract

- Concisely discuss the significant findings and recommended measures and actions.

2. Legal and Institutional Framework

- Analyze the legal and institutional framework for the project, within which the E&S assessment is carried out;
- Compare the borrower's existing ESF and the ESSs and identifies the gaps between them.

3. Project Description

- The name and location of the project and details of the project component, the date of preparation of the project and the person or body responsible for the preparation of the document;
- A description of the purpose and scope of the Project, including the background and rationale for the Project and its intended goals and objectives;
- Concisely describe the proposed project and its geographic, environmental, social, and temporal context, including any offsite investments that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary suppliers;
- Include copies of project plans and engineering design with clear units of measurement.
- Include a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts.

4. Baseline Data

- Set out in detail the baseline data that is relevant to decisions about project location, design, operation, or mitigation measures;
- Identify and estimate the extent and quality of available data, key data gaps, and uncertainties associated with predictions;

- Based on current information, assess the scope of the area to be studied and describe relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences;
- Take into account current and proposed development activities within the project area but not directly connected to the project.

5. E&S Risks and Impacts

- Takes into account all relevant E&S risks and impacts of the project. This will include the E&S risks and impacts specifically identified in ESS2–8, and any other E&S risks and impacts arising as a consequence of the specific nature and context of the project, including any pollution of waste that may be generated, and impacts occurring during construction, operation, decommissioning, and abandonment phases of the Project.

6. Mitigation Measures

- Identify significant negative residual impact which is expected to remain after implementation of the proposed mitigation measures and, to the extent possible, and assess the acceptability of those residual negative impacts;
- Propose differentiated mitigation measures, so as that adverse impacts do not fall disproportionately on vulnerable groups;
- Assess the feasibility of mitigating the social impacts; the capital and recurrent costs of proposed mitigation measures;
- Assess the suitability of mitigation measures under local conditions; and the institutional, training, and monitoring requirements for the proposed mitigation measures.

7. Alternative Analysis

- Compare feasible alternatives with the proposed project site, techniques, design and operation (including the “no-project” scenario) for potential E&S impacts;
- Assessing the feasibility of alternatives to mitigate the social impacts; the capital and recurrent costs of the alternative mitigation measures, and their suitability under local conditions; and the institutional, training, and monitoring requirements for the alternative mitigation measures;
- Quantify E&S impacts for each alternative where possible, and consider its economic value when feasible.

8. Annexes

- List of the individuals or organizations that prepared or contributed to the E&S assessment, including who prepared or participated in the preparation of term of reference, with full contact details;
- References—setting out the written materials both published and unpublished, that have been used;
- Details and copies of any agreements entered into between the project proponent and any villagers, local councils, and others, concerning access, occupation, ownership, and any other rights to the land that is the subject of the Project
- Record of meetings, consultations and surveys with stakeholders, including those with affected people and other interested parties. The record specifies the means of such stakeholder engagement that were used to obtain the views of affected people and other interested parties;

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- Tables presenting the relevant data referred to or summarized in the main text;
- List of associated reports or plans.

Annex 4: Indicative ESMP Outline

The ESMP includes a series of mitigation, monitoring and institutional measures. These measures will be executed in the implementation and operation periods of the project to prevent, mitigate or offset those adverse E&S risks and impacts, including:

1. Mitigation measures

- To identify and outline all expected adverse environmental and social impacts (including those involving indigenous peoples or involuntary resettlements);
- To describe the technical details of each mitigation measure, including the type of impact associated with the mitigation measure and the conditions under which mitigation measures need to be taken (e.g., continuous or in an emergency situation), as well as design, equipment description and operational procedures (as appropriate);
- To estimate any potential environmental and social impacts of these measures;
- To consider other mitigation plans required by the project (such as those plans for involuntary resettlement, indigenous people or cultural heritage), and make sure that all plans do not conflict.

2. Monitoring

- A detailed description and technical details of the monitoring measures, including the parameters of the measurement, the methods used, the sampling locations, the frequency of measurement, the detection range (if appropriate) and the definition of the threshold values for indicating whether corrective action is required;
- Monitoring and reporting procedures: to ensure as soon as possible to check out the conditions under which certain specific mitigation measures should be taken; and to provide information on mitigation progress and results.

3. Capacity building and training

- The ESMP is expected to provide a detailed description of the institutional arrangements to determine which party is responsible for implementing mitigation and monitoring measures (e.g., operation, supervision, execution, monitoring, remedial action, financing, reporting and personnel training);
- It is recommended that the responsible party to establish or expand relevant institutions, implement personnel training, adopt any other measures needed for supporting the implementation of mitigation measures, and listen to any other suggestions on environmental and social assessment;

4. Implementation schedule and cost estimation

- The implementation schedule of mitigation measures, as a description of project's phase division and overall coordination of the project implementation plan, must be considered as a component of the project;
- Capital and cost estimation and funding sources for the implementation of the ESMP. These data will also be included in the total project cost table.

5. Integration of the ESMP and the project

It is required to clearly define every measure and action to be taken. Those actions include mitigation and monitoring measures and actions, the institutional responsibilities associated with each measure and

action, and the cost of implementing them. All the above points will be included in the project's plan, design, budget and implementation.

Annex 5: Stakeholder Engagement Framework

This Stakeholder Engagement Framework (SEF) is prepared as an integral part of the environmental and social risk management measures of the project. The SEF is required under the World Bank's Environmental and Social Framework (ESF), particularly Environmental and Social Standard 10 on Stakeholder Engagement and Information Disclosure (ESS10). The SF provides guidance to the MoNLR and PMU on how to provide stakeholders with opportunities to contribute to the project preparation, express their views on the risks, impacts and mitigation measures of the project to the environment and the community.

Specifically, the SEF describes the stakeholder programs for intergovernmental agencies (under components 1.3, 2.2 and 3), settlement specific consultations and settlement community leaders meetings. It also outlines the ways in which the Project team will communicate with stakeholders and provides a mechanism through which people can raise concerns, provide feedback, or make complaints about the Project or any activities related to or as a consequence of the Project. For the Project beneficiaries in the settlements, their participation as well as that of their leaders is essential to ensure minimize and mitigate environmental and social risks related to the proposed Project activities. Broad-ranging, culturally appropriate and adapted awareness raising activities are particularly important to sensitize the communities to the risks related to obvious physical impacts of land disturbances and construction works.

11.1.1 Objectives

The overall objective of Stakeholder Engagement in VARS project is to provide a coordinated process in which public information disclosure and consultation of project activities are communicated transparently. Furthermore, this process adds value to making the relationship between project proponents, project implementers and beneficiaries meaningful.

Stakeholder engagement will continue throughout the life of the Project and will include formal scheduled consultations and meetings as well other means of communication. The stakeholder engagement process has three key objectives:

- Early and ongoing engagement activities with the local urban, ward council authorities and the selected settlement communities who are beneficiaries of the VARS project.
- Provide information on the Project and obtain feedback on experiences and outcomes of the Project and its activities.
- A Grievances Mechanism to address any public complaints during the implementation of the Project

11.1.2 Stakeholder Mapping and Analysis

To ensure effective and targeted engagement, the Project identifies three core stakeholder categories: affected parties; other interested parties; and vulnerable groups. Specific stakeholder details will be provided in the formation of the five site specific Stakeholder Engagement Plans to be prepared ahead of project works (as per the project's Environmental and Social Commitment Plan).

a. Affected Parties

Affected Parties comprise persons, groups and other entities within the Project Area of Influence (PAI) that are directly influenced (actually or potentially) by the Project and/or have been identified as most susceptible to

change associated with the Project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures.

The following are considered affected parties in the context of VARS under sustainable drainage and settlement upgrade subcomponents.

- Individuals whose households are identified in the assessment to be in direct path of the project corridor of the drainage project
- Individuals whose households are identified in the four settlement sites to be involved in VARS settlement upgrade project
- Neighbouring communities who are not selected to part of the settlement upgrade but may experience indirect impacts
- Local community settlement leaders

b. Other interested parties

Other interested parties include individuals, groups and other entities that may not experience direct impacts from the Project but who would consider or perceive their interests as being affected by the Project and/or who could influence the Project and its implementation in some way. Other interested parties may include:

- The mainstream media (print and broadcast media)
- Individuals who interface with social media
- Members of parliament
- Traditional chiefs
- Police
- Faith based organisations
- Non-Governmental organisations
- Local businesses
- General public

c. Vulnerable Groups

It has been identified literatures and studies of settlement life in Vanuatu that women are the vulnerable groups in the settlements. The constraints to employment and safety risks for women in informal settlements are often exacerbated by limited infrastructure and access to services. The impact of poor water and sanitation falls disproportionately on women, who are predominantly responsible for collecting water from water sources, as well as disposing of waste water. This intensifies women's unpaid work burden and exposes them to serious health risks. Risks of sexual and physical violence in settlement communities are also high. Women's higher involvement in subsistence activities and time spent near home puts them and their livelihoods at greater risk of climate-related disasters. Following Cyclone Pam, increased flooding and salt-water intrusion had an impact on subsistence farming, which resulted in a decrease to women's resources to provide food for their families.

From the description of the status of women in settlements in Vanuatu, the definition of 'Vulnerability' may be extended to a group or persons who may be incapable of understanding what transformation the VARS is project

is meant to deliver. Vulnerability may include individuals who are not able to attend or participate meaningfully in decisions that affect their well-being. Conversely, their vulnerability status can be exacerbated as a result of this project. A non exhaustive list of groups considered vulnerable in this project include:

- Children
- Elderly
- Persons with disabilities
- Women who are household heads
- Individuals who are illiterate
- Victims of violence and broken families

They may require special engagement efforts due to their vulnerable status to ensure equal and meaningful representation in Project consultation and decision-making processes. The Project will conduct targeted engagement with vulnerable groups to ensure they are fully informed of the Project and to understand their concerns and needs in accessing information, raising grievances and other challenges they face during the life of the project. MoLNR through its PMU in this project and with the assistance of a social safeguard specialist will further identify and confirm the groups of vulnerable people in the project affected sites. Consultation and engagements with them will proceed through a process that is relevant and appropriate. This would be part of the social impact assessment, a component in the ESIA.

Site specific Stakeholder Engagement Plans will be developed for the five sites selected for VARS. The following table will be adopted to undertake stakeholder mapping and analysis:

Stakeholder	Interest in the Project	Degree of Influence on the Project	Role/Potential Role in the Project
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11.1.3 Stakeholder Engagement Principles

In order to meet best practice approaches, VARS will apply the following principles for stakeholder engagement:

- *Openness and life-cycle approach*: public consultations for the project components will be arranged during the whole life-cycle, carried out in an open manner, free of external manipulation, interference, coercion or intimidation;
- *Informed participation and feedback*: information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholders' feedback, for analysing and addressing comments and concerns;
- *Inclusiveness and sensitivity*: stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the project components is inclusive. All stakeholders at all times encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups, in particular women, youth, elderly including diverse

ethnic groups.

11.1.4 Stakeholder Consultation and Information Disclosure

In the preparation of the ESMF, consultation and engagement is limited to relevant government line agencies that form the Steering Committee, Urban Planning experts and a handful of community leaders. The Project Implementation Unit will develop a separate program based on the SEF to initiate programs. In the meantime the Project Management Unit will begin community engagements with the community leaders in each settlement site to dovetail other previous engagements that have been conducted during the scoping study. This will be the beginning of the engagement process. A dedicated method of information dissemination will be established and a similar process to run parallel to receive any feedback from the project beneficiaries and other interested parties. Stakeholder Engagement will be carried out to:

- (a) Inform the four settlement communities of broader objectives of the VARS program
- (b) Incorporate their feedback into the project design
- (c) Manage unforeseen issues and expectations throughout the life of the project.

All aspects of stakeholder engagements will be conducted in the language that the stakeholders understand. The languages are the *Vanuatu Bislama, English and French*. Stakeholders will be kept informed as the Project develops, including reporting on Project environmental and social performance and implementation of the SEP and the grievance mechanism. This will be important for the wider public, but more particularly project contractors and the employees so they are made aware of and are able to discharge their responsibilities in accordance with the environmental and social safeguards standards. The table below provides an overview of how stakeholder consultation and engagement will be implemented. The SEP will document the procedure for the Engagement method, however for the purpose of this ESMF the following are worth noting:

Steering Committee Meetings:

This is a high-level meeting scheduled for state agencies who are involved in the VARS Project where the Project Management Unit reports to them Social and Environment Issues addressed or raised by affected parties and settlement community leaders from the project sites.

Community Leaders Forum:

This is a second-tier engagement process that interacts with respective settlement community and their Community Leaders. The PMU interfaces with the community leaders and work with the leaders to engage at the settlement and household level.

Project Component	Target stakeholders	Engagement method	Key messages
Component 1: Affordable and Resilient New Settlement Development	Key internal stakeholders in the government bureaucracy: <ul style="list-style-type: none"> • MoLNR • Dept of urban affairs & planning • Ministry of Finance and Economic Management • Ministry of Climate Change Adaptation 	<ul style="list-style-type: none"> • Steering Committee meetings. <p><i>Note: As the project progresses and updated, then the schedule may change to suit the changing needs.</i></p>	<ul style="list-style-type: none"> • Project components & scope • Project design • ESIA • Social and environmental risks and mitigation plans • Other key messages as agreed by the Steering Committee and Project Implementation Unit

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	<ul style="list-style-type: none"> • Meteorology & Geohazards • Ministry of Infrastructures & Public Utilities • Ministry of Internal Affairs. • Port Vila City Council and Shefa Provincial Council • UNELCO • World Bank 		
Sub component 1.2: Sustainable Urban Drainage for settlements	<ul style="list-style-type: none"> • Greenfield settlement site (vacant at present) • Four settlement communities of Ohlen Mataso, Tokyo, Seaside and portion of Anumburu • Local chiefs • Port Vila City Council and Shefa Provincial Council • Local mainstream media 	<ul style="list-style-type: none"> • An awareness and town hall meeting with individual settlement communities. At conceptual phase, the town hall meetings may be held monthly, but as the project progresses and is updated, the schedule will change to suit the needs and changing dynamics. • Settlement leaders' Forum. This is the forum where settlement leaders from the 4 settlements including their chiefs meet with P and representatives from line agencies. <i>Note: The Leaders' Forum will occur monthly and as the project progresses and updated, the schedule may change to suit the changing needs.</i> • Press briefings with the media 	<ul style="list-style-type: none"> • Project components & scope • High level Project design • Highlight key issues from the ES impact assessment • Social and environmental risks and mitigation plans • Responding to community concerns including compensation including opportunities such as employment • Raising awareness on the Grievance Management Process. Also providing feedback on the types of issues received from the community and the status of the grievances dealt with so far.
Component 2: Affordable and Resilient Settlement Upgrading	<ul style="list-style-type: none"> • Four settlement communities of Ohlen Mataso, Tokyo, Seaside and portion of Anumburu • Local chiefs • Port Vila City Council and Shefa Provincial Council 	<ul style="list-style-type: none"> • An awareness and town hall meeting with individual settlement communities. At conceptual phase, the town hall meetings may be held monthly, but as the project progresses 	<ul style="list-style-type: none"> • Project components & scope • High level Project design • Highlight key issues from the ES impact assessment

	<ul style="list-style-type: none"> • Essential Service Providers, Water & Electricity (UNELCO) 	<p>and is updated, the schedule will change to suit the needs and changing dynamics.</p> <ul style="list-style-type: none"> • Settlement leaders' Forum. This is the forum where settlement leaders from the 4 settlements including their chiefs meet with PMU and representatives from line agencies. <p><i>Note: The Leaders' Forum will occur monthly and as the project progresses and updated, the schedule may change to suit the changing needs.</i></p> <ul style="list-style-type: none"> • Press briefings with the media 	<ul style="list-style-type: none"> • Social and environmental risks and mitigation plans • Responding to community concerns including compensation including opportunities such as employment • Raising awareness on the Grievance Management Process. Also providing feedback on the types of issues received from the community and the status of the grievances dealt with so far.
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11.1.5 Stakeholder Integrations Action Plan

The following template will be adopted within the site specific SEP's to document stakeholder interactions.

Stakeholder Interactions During Project Template

Level of Interaction	Stakeholder	Nature of Interaction	Objective	Timeline/Frequency
National Level				
Project Level				
Community Level				

11.1.6 Grievance Mechanism

The Project Grievance Mechanism (GM) will seek to resolve complaints and grievances in a timely, effective and efficient manner that satisfies all parties involved. It will provide a transparent and credible process for fair, effective and lasting outcomes. It will also build trust and cooperation as an integral component of broader community consultation that facilitates corrective actions. The GM will:

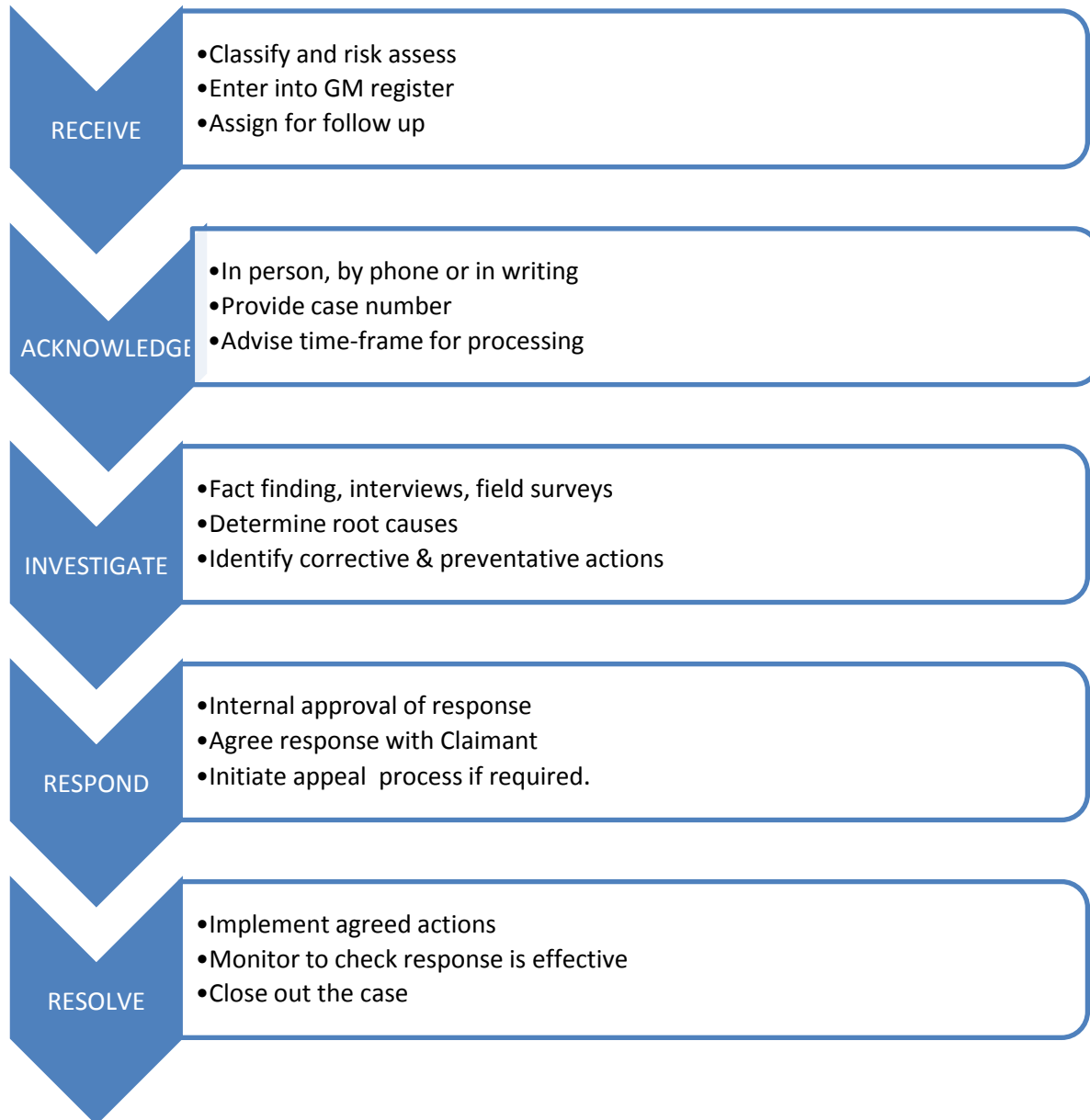
- Provide affected people with avenues for making a complaint or resolving any dispute that may arise during the course of the implementation of Projects.
- Ensure that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants.
- Avoid the need to resort to judicial proceedings.

Grievance officer: A staff at the PMU will be assigned the role of a grievance officer . The grievance officer will be responsible to promote Grievance Management Process through the stakeholder engagement programs and simultaneously manage grievances internally by keeping and managing a grievance register. The grievance officer will follow the six step process to resolve any complaints that are arose. If the aggrieved party is not satisfied with the outcome of the grievance management process handled by the grievance officer, he or she can escalate the grievance to the Executive Manager of the Project Management Unit who will then assign a senior officer to investigate the grievance.

Mechanisms to raise grievances: The aggrieved party can elect to raise grievance either through the grievance form (see annexed example), phone call, word of mouth or through a third party. Grievances can also be raised through cultural forms and the grievance officer has to be familiar with these processes. A grievance register should detail the forms in which grievances are expressed.

Grievances relating to sexual violence and harassment that arose from the community against the employee or a contractor with VARS project will be handled through the grievance process. However, sexual harassment complaints may be complex, sensitive and potentially volatile. Anyone who as the grievance officer will require specialist expertise and should receive appropriate training. Similarly, grievances that originate from within the contractors or employees will be dealt with using the internal grievance process as stated in the LMP.

FIGURE 8: A GRIEVANCE MANAGEMENT WORKFLOW CHART



The community grievance forms will be made accessible at the settlement sites, at the contractor's office and at the office of the PMU. The aggrieved party can also choose to raise complaints through phone and to register their complaints with the grievance officer or to follow up on the status of a registered complaint. The phone number will be made available to the general public. The following three part template provide an example of a sample grievance form to be adjusted per site SEP.

Grievance Form Template

PART ONE: Grievance Register

Name	Surname	Phone contact	Residential Address

Description of the Grievance

Description of the grievance. What is the problem?	
What is the cause?	
When did it happen?	
Why do you believe the VARS Project is responsible?	
What do you request to resolve the grievance?	
Applicant Sign-off Name: Signature: Date:	Acknowledgement by Community Leader Name: Signature: Date:

PART TWO: Investigation

Classification of Grievance	Impact to:	Related to:	Related to:
	<input type="checkbox"/> Land <input type="checkbox"/> Crops <input type="checkbox"/> Livestock <input type="checkbox"/> Water sources <input type="checkbox"/> Cultural Heritage <input type="checkbox"/> Community asset <input type="checkbox"/> Personal effects	<input type="checkbox"/> Road traffic incident <input type="checkbox"/> Dust <input type="checkbox"/> Noise <input type="checkbox"/> Health concerns <input type="checkbox"/> Safety concerns <input type="checkbox"/> Environment concerns	<input type="checkbox"/> Recruitment / jobs <input type="checkbox"/> Community businesses <input type="checkbox"/> Livelihood <input type="checkbox"/> Conduct of PMU staff <input type="checkbox"/> Conduct of contractors <input type="checkbox"/> Human rights <input type="checkbox"/> Compensation

Risk Assessment					Risk Rating (= P x L)		Target for Resolution		
Actual Consequence (A)	[1]	[2]	[3]	[4]	[5]	Score 1-4	<input type="checkbox"/> Low	1 week	<input type="checkbox"/>
Potential Consequence (P)	[1]	[2]	[3]	[4]	[5]	Score 5-14	<input type="checkbox"/> Medium	1 month	<input type="checkbox"/>
Likelihood of Occurrence (L)	[1]	[2]	[3]	[4]	[5]	Score 15-25	<input type="checkbox"/> High	3 months	<input type="checkbox"/>

Verification of information	Yes	No	Comments and explanations
Is the grievance as described?	<input type="checkbox"/>	<input type="checkbox"/>	
Is the cause as described?	<input type="checkbox"/>	<input type="checkbox"/>	
Is the time/date as described?	<input type="checkbox"/>	<input type="checkbox"/>	
Is VARS responsible as claimed by the complainant? Why?-	<input type="checkbox"/>	<input type="checkbox"/>	
Is the request to solve the grievance appropriate and proportionate to the impact?	<input type="checkbox"/>	<input type="checkbox"/>	
Conclusion			

Name of the Investigating officer: Date:

Receiving Officer			
Name	Signature	Date	Register ID NO:
.....

Signature.....

PART THREE: Corrective Action Plan

Corrective Action Required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Remarks:
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Issue / Problem	-Corrective Actions Proposed	-Responsible	Due by

Investigating Officer Name: Signed: Date:	PMU Manager Name: Signed: Date:
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11.1.7 Institutional Arrangement and Resources

The implementation of the SEF and preparation of the site specific SEP's will be consistent and aligned with the project implementation arrangements to ensure that engagement of the stakeholders of the project will be carried out from project preparation to implementation.

Generally, oversight for the Project will be by the MoNLR PMU, who will supervise contractors. Particularly, all pre-construction activities of the project including all stakeholder engagement activities during project preparation will be managed by contractors and the PMU will supervise the conduct of the stakeholder engagement activities during project implementation phase. Elaboration on the implementing arrangements and resources will be included within the site specific SEPS, including how, when and where all engagement activities at the project and community levels.

11.1.8 Reporting and Monitoring

The SEF will be periodically revised and updated as necessary in the course of Project implementation in order to ensure that the information presented is consistent and reflects the evolving nature of information required at different stages of the Project, and that the identified methods of engagement remain appropriate and effective in relation to the Project context and specific phases of the development. Any major changes to Project related activities or schedule will be reflected in the SEP. Quarterly summaries and internal reports on public grievances, enquiries and related incidents, together with the status of implementation of associated corrective/preventative actions, will be collated by the designated GM officer, and referred to the Project Director, Manager and Project Steering Committee. The quarterly summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner.

Annex 6: Labor Management Procedures

These labor management procedures provide an overview of the applicable Vanuatu laws and policies, and WB Environmental and Social Standards ESS2 provisions addressing the labor risks and issues that may arise during implementation of the VARS Project.

This Labor Management Procedure (LMP) is a ‘living document’, which is initiated early in project preparation, and is reviewed and updated throughout the project development and implementation.

11.1.9 Project Description

The VARS project has four components: Component 1: Affordable and Resilient New Settlement Development; Component 2: Affordable and Resilient Settlement Upgrading; Component 3: Strengthening Institutional Capacity for Implementation and Sustainability, and; Component 4: Contingent Emergency Response. Each component is elaborated below.

Component 1: Affordable and Resilient New Settlement Development

The component will finance the planning and survey, design and construction of basic infrastructure, and development of plot leases for a pilot affordable ‘sites-and-services’ (new greenfield) settlement on state land, integrating measures to reduce disaster risk and lower per-plot development costs. This component will also support the responsible agencies to develop disaster risk-informed, sustainable approaches to accommodate future urban expansion and climate change adaptation in well-located, moderate-risk areas of Greater Port Vila.

Component 2: Affordable and Resilient Settlement Upgrading

The MoLNR has identified 23 existing unplanned settlements in the Greater Port Vila area, on registered and unregistered lands. Household surveys have found that the majority of residents in the settlements do not have access to basic services and infrastructure (improved water supply, sanitation, roads & drainage, solid waste collection), leading to public health issues and increasing risk to residents from flooding and other natural disasters, as the unplanned settlements continue to expand onto hazardous land. The component will finance in situ upgrading and regularization of four existing settlements, based on the following selection criteria: (i) the majority of the residents have lived in the area for several years and local leaders have expressed interest in regularization to MoLNR (in writing); (ii) that each settlement has a different underlying tenure arrangement, allowing for a range of secure tenure options to be practically demonstrated; (iii) the settlement is located relatively close to employment centers, existing main roads and trunk water and power supplies; and (iv) that the settlement is comparatively less exposed to natural hazards, where risk reduction measures would be feasible and affordable. The tenure registration options, and the way each of the selected settlements is upgraded will provide innovative approaches and practical lessons for upgrading and regularizing unplanned settlements in Greater Port Vila in the future.

Component 3: Strengthening Institutional Capacity for Implementation and Sustainability

The National Land Subdivision Policy provides a framework for risk-informed land subdivision for urban residential land development. It is founded on a set of general principles and minimum standards for infrastructure and service provision, amenity and accessibility, affordability, disaster risk reduction, and climate change adaptation. This component will support the relevant authorities to develop fundamental systems to implement the Subdivision Policy and its associated regulations and guidelines, thereby contributing to efficient, consistent, and transparent land administration more generally. The component will also support project management for Components 1 and 2.

Component 4: Contingent Emergency Response

This CERC would allow for rapid reallocation of uncommitted project funds to support immediate response and recovery needs in the event of a natural disaster or crisis. The project is expected to contribute to the end goal of reducing lives loss and damage to assets due to cyclones and other natural disasters.

11.1.10 Overview Of Labor Use On The Project

Number and Characteristics of Project Workers:

Direct Workers

This refers to the people employed directly by MoLNR to work specifically in relation to the project. The project will establish a Project Management Unit (PMU) to supervise and oversee the project implementation. The PMU will consist of existing MoLNR employees in addition to recruitment of new staff to fulfil specialist roles.

The staff of PMU shall be responsible for external liaison, document transfer and exchange with the World Bank and the internal management; coordination and organization for the Project; preparation of, supervision of and execution of implementation plan for the Project; coordination with stakeholders including contractors, procurement, and evaluation activities of the Project; and coordination with the involved agencies. Review of TA activities and inputting on TOR to meet all world bank requirements including to the ESF.

The PMU shall also execute the procurement activities which includes drafting of the bidding documents, review and evaluation of the project proposals, updating of procurement plan and other procurement related works. Monitoring of the sites and services greenfield development and settlement upgrades (including drainage) shall also be the responsibility of the unit.

Characteristics of Direct Workers:

Ministry staff	Civil servants of the MoLNR
Short-term and long-term international professional technical consultants.	Internationally recruited consultants and as such a wide range of nationality will be involved. Could be remote and/or based in Vanuatu.
Age Demographics	From 20 to 60+.
Gender balance	Engagement based on professional skill set requirements.

Contracted Workers

This refers to people employed through third parties to perform work related to core functions of the project, regardless of location. Third parties may include contractors, subcontractors, or intermediaries. For this project, contracted workers are identified as follows:

Design consultants will be engaged in the early stage of the project to conduct detailed engineering designs and plans for the sites and services greenfield development and for upgrading of the selected existing settlements. Construction workers are anticipated to implement the designs and plans of the project and will be hired by the winning contractors. Contractors will be chosen based on the process stipulated in the procurement plan of this project.

Construction workers will be recruited by the winning contractors to undertake development of the sites and services subproject as well as settlement upgrading. Construction activities are expected to be labor intensive on purpose as the MoNLR intends to use the project to generate local labor opportunity. Given the scale of construction activities, it is expected that the project will engage a handful of contractors, ideally local to the

sub-project sites. Construction activities that will be done shall be based on the approved detailed engineering design done by the consultant. Details of the exact construction activities are yet to be identified.

Characteristics of Contracted Workers:

Design engineers (short-term and long-term)	Internationally recruited contractors and as such a wide range of nationality will be involved. Could be remote and/or based in Vanuatu.
Construction workers (short term)	Semi-skilled construction workers sourced from settlements and surrounding areas. Local hires.
Age Demographics	From 18 to 60+.
Gender balance	Engagement based on an even gender representation.

Vulnerable Workers

It is not yet identified if there are any vulnerable workers who will be engaged in the project but if so, protection to such workers will be based on the World Bank EHS Guidelines and other laws and guidelines consistent with ESS2 and the Vanuatu Employment Act of 1983. The Employment Act prohibits forced labour and sex discrimination in employment and regulates terms and conditions of work including working hours and leave entitlements, contractual issues and termination, employment of women and youth, among others. The Employment Act of 1983 aligns with Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) article on eliminating discrimination against women in the field of employment.

No person under the age of 18 will be employed [include here the acts that Vanuatu has signed to protect child labor. No security workers, community workers or primary supply workers are anticipated for the VARS project however in the event that such workers are required, this LMP will be updated ahead of recruitment.

11.1.11 Assessment of Key Labor Risks

Key labor risks identified for the project include:

Occupational Safety and Health (OSH)

- Serious accidents and or injuries due to lack of OSH measures
- Exposure to hazardous materials
- Inappropriate/inadequate Personal Protective Equipment (PPE)
- Poor handling of construction wastes
- No certified OSH specialist permanently on site

Child Labor or Forced Labor

The employment of children below the age of eighteen (18) is unlikely in the implementation of the project. However, particular attention will be given to the qualifications and age of the project worker considering that the job to be undertaken in the conduct of the project requires heavy physical labor for site development and settlement upgrading and higher degree of knowledge and skills for the consultancy services. Forced labor risk is also unlikely considering that there is no shortage of labor supply within Port Vila.

Labor disputes over terms and conditions of employment

For direct workers, disputes may arise due to lack of adherence to official work hours and compensation for overtime, potential discrimination in recruitment and employment and potential for lack of equal pay for equal work for men and women in violation of national law. For contracted workers, disputes may arise due to the delay of processing of wages, disagreement with the working conditions, and health and safety concerns in the work

environment. Likewise, unequal distribution of tasks and unresolved grievances of workers may lead to labor unrest.

Labor Influx and gender-based violence.

Labor influx is not expected considering the sufficient supply of labor in Port Vila and surrounding the activity sites. However, the presence of workers within the subproject premises particularly poses gender-based violence risks. This is particularly important in the existing settlements where women, girls and boys may be subject to sexual harassment or serious offenses.

11.1.12 Overview of Labour Legislation

Terms and Conditions

The Constitution of the Republic of Vanuatu was adopted at the time of independence in 1980 and contains several relevant articles relating to the key aspects of worker terms and condition. The constitution guarantees protection from forced labor, the right to form associations and unions, and freedom from discrimination. The Employment Act of 1983 is Vanuatu's main piece of labor legislation. It regulates the establishment of a tripartite Labour Advisory Board, prohibits forced labour and sex discrimination in employment, and regulates terms and conditions of work including working hours and leave entitlements, contractual issues and termination, employment of women and youth, among others. The Employment Act of 1983 aligns with Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) article on eliminating discrimination against women in the field of employment. The Employment Act also gives the mandate to the Labour Commissioner and Labour Officers of the Department of Labour and Employment Services to perform labour inspections. The Employment Act is applicable to public servants in general, but does not apply to members of the armed forces, police force or prison service. There are several related Acts regulating issues such as the minimum wage, health and safety at work, and work permits for non-residents. None of the Acts aligns with Convention on the Rights of Persons with Disabilities (CRPD) articles on prohibiting discrimination and protecting the rights at work for persons with disabilities. All of Vanuatu's legislation was consolidated in 2006. The Employment Act has since been known as Employment [Cap 160]. Key aspects of the national labor legislation with regards to term and conditions of work, and how national legislation applies to direct workers are discussed in turn:

Information provided to workers. As per Part 4 of the Employment Act [Cap 160], a contract of employment may be either written or oral. Fixed term contracts exceeding six months or where the employee has to reside away from his ordinary place of residence shall be in writing. They have to state the names of the parties, the nature of employment, the amount and mode of payment of remuneration, and any other terms and conditions of employment. Vanuatu's Employment Act is consistent with the international labour standards (ILS) adopted by Vanuatu and with ESS2.

Payment of Wages. The Employment Act, Section 16(1) requires wages to be paid in cash, unless payment by bank cheque has been agreed to in writing. Remuneration has to be paid no later than 8 days after the end of the period to which it relates. It has to be paid at regular intervals not exceeding 15 days to every employee whose remuneration is calculated by the hour, day or month (Section 16(6 and 7)). Wages paid in cash shall be made on working days at or near the place of work (Section 16(4)). Subject to the written approval of a labour officer, part of the remuneration may be paid in the form of allowances in kind in industries or occupations in which such payment is customary or desirable (Section 16(2)). The Employment Act stipulates the frequency and method of the payment of wages. National legislation is consistent with the International Labor Standards adopted by Vanuatu and with ESS2.

Minimum wage. Vanuatu has not ratified the Minimum Wage Fixing Convention, 1970 (C131). According to C131, in determining the level of minimum wages the needs of workers and their families, the general level of wages in

the country and the cost of living shall be taken into account. The minimum wage is consistent with the ILS adopted by Vanuatu and with ESS2. ESS2 does not refer to the level of wages, instead focussing on compliance with national law in regards to the payment of wages.

Working hours and rest periods. The Employment Act (Section 22) sets the general maximum working hours per day at eight, and the maximum working time per week at 44 hours and six days. The working hours shall not exceed 56 in a week on average. Work carried out in excess of the normal weekly hours of work, is paid at a minimum rate of one-and-a-quarter times the normal hourly rate for the first 4 hours, and one-and-a-half times the normal hourly rate for any work time in excess of 4 hours (Section 26). With the exception of workers in specified industries, no worker shall be required to work on a Sunday or public holiday (Section 23). Employees who work on a Sunday or public holiday shall be granted an equivalent period of time off work on another day and are remunerated at a minimum rate equal to one-and-a-half times the normal hourly rate (Section 26). Under the PPA, no worker shall be required to work on a Sunday or public holiday (Section 23). Employees who work on a Sunday or public holiday shall be granted an equivalent period of time off work on another day, and are remunerated at a minimum rate equal to one-and-a-half times the normal hourly rate (Section 26). Employees who are at work for more than six consecutive hours shall be granted a break of one hour for a meal and a tea break of 20 minutes or two tea breaks of ten minutes each (Section 24). Employees are entitled to a weekly rest period of 24 consecutive hours (Section 25). The Employment Act stipulates working hours and rest periods; It is consistent with the ESS2 and with the ILS adopted by Vanuatu. The Employment Act is also largely consistent with the ILO Hours of Work (Industry) Convention, 1919 (C001) which introduced a maximum standard working time of 48 hours per week and eight hours per day as an international norm.

Leave Entitlements. Employment Act (Section 29) stipulates that employees who have been in continuous employment for 12 consecutive months are granted annual leave on full pay at the rate of one working day for each month of employment. The rate of paid annual leave is increased after 20 years of continuous employment. After 12 months of continuous employment, employees are entitled to 21 days of paid sick leave per year (Section 34). Women are entitled to up to 12 weeks maternity leave (six weeks before and six weeks after confinement), during which they receive at least half their normal pay (Section 36). The law does not stipulate a minimum period of continuous employment as a precondition for the entitlement to paid maternity leave. The leave entitlements are consistent with ESS2 which stipulates that project workers will be provided with adequate periods of rest per week, annual holiday and sick, maternity and family leave, as required by national law and labour management procedures. They are also consistent with the International Labor Standards adopted by Vanuatu.

Termination procedures. Termination procedures are stipulated in Part 10 of the Employment Act, Sections 48 - 53. This includes procedures regarding the notice of termination, termination payments and dismissal due to serious misconduct. The notice period for terminations that both employers and employees have to adhere to depends on the duration of employment. Contracts for unspecified periods of time can be terminated without reason by giving notice in accordance with Section 49. The Employment Act does not provide details on lawful or unlawful reasons for termination, except for stipulating that it is unlawful to give notice of dismissal to a woman on maternity leave or absent as a result of illness that arise out of pregnancy or confinement, provided that such additional absence from work does not exceed three weeks. The Employment Act stipulates termination procedures including notice periods and termination payments. It is therefore consistent with the International Labor Standards adopted by Vanuatu and with ESS2.

Non-discrimination and equal opportunity. The Constitution prohibits discrimination on the grounds of race, place of origin, religious or traditional beliefs, political opinions, language or sex in regards to several fundamental rights and individual freedoms. Employment is not included in the list of rights and freedoms. The Employment Act does not prohibit discrimination in employment against specific groups of workers, except for prohibiting sex

discrimination in employment (Section 8). The Act stipulates that women employed in like work with men are entitled to remuneration at the same rate. Sex discrimination in hiring is not prohibited. The Employment Act does not explicitly refer to sexual harassment but it stipulates that an employee who is ill-treated by the employer may terminate their contract and be entitled to their full remuneration for the appropriate period of notice (Section 53). Women are allowed to do the same jobs as men but are not allowed to work the same hours. Women are prohibited to work at night between 7 pm and 6 am, except in areas explicitly listed (Employment Act, Section 35). No night work is envisaged as part of the VARS activities. Furthermore, Vanuatu has ratified C111 - Discrimination (Employment and Occupation) Convention which prohibits any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation. On Equal remuneration for equal work, the Employment Act stipulates that a woman must be paid equal remuneration with a man where she is employed on like work with a man (Section 8(1)). The Employment Act does not explicitly allow for special measures in order to improve the conditions of disadvantaged individuals or groups. However, since discrimination is not prohibited under the Employment Act, special measures would not be deemed to be discriminatory under the Act. The Employment Act is consistent with the International Labor Standards and ESS2.

Child labour. The minimum age for work in Vanuatu is 14 and for hazardous work it is 15 (Employment Act, Sections 39 and 40). National legislation is not consistent with the ILS because the Employment Act allows children to work from the age of 14. It is also inconsistent with ESS2 according to which children under the age of 14 cannot be employed in any type of work. Under the PPA, the minimum age for employment is set at 18 and above.

Forced labour. The law provides for the right of workers to form and join independent unions, and to strike. The Trade Union Act of 1983 requires unions to register with the government. The Employment Act (Section 50) prohibits antiunion discrimination and retaliation for legal strikes. The law does not explicitly require reinstatement of workers fired for union activity. National legislation is consistent with the ESS2 and with the ILS adopted by Vanuatu.

Workers' organisations. The law provides for the right of workers to form and join independent unions, and to strike. The Trade Union Act of 1983 requires unions to register with the government. The Employment Act (Section 50) prohibits antiunion discrimination and retaliation for legal strikes. The law does not explicitly require reinstatement of workers fired for union activity. National legislation is consistent with the ESS2 and with the ILS adopted by Vanuatu.

Grievance mechanism. The Employment Act and the Trade Disputes Act do not regulate grievance procedures at the workplace level through which workers can raise individual or collective concerns. The Trade Disputes Act establishes a framework for the settlement of individual disputes and trade disputes. National legislation is consistent with the ILS and ESS2.

11.1.13 Policies and Procedures

All VARS activities will be compliant to the Vanuatu and State legislation and regulations and World Bank EHS Guidelines for all direct and contracted workers. Moreover all project workers will be expected to understand and ensure compliance to these international standards. The Project will apply the following policies and procedures to address the key labor risks identified under 10.7.3 Assessment of Key Labor Risks.

Occupational Safety and Health (OSH)

The relevant international laws, national laws and administrative issuances which serve guidelines for government agencies to ensure good working conditions of the workers shall be followed. The VARS PMU and Contractor's

Project Engineers shall ensure that the workers are well protected against possible OSH risks through the following measures:

- Identification of potential hazards to workers within their respective area;
- Provisions of preventive and protective measures;
- Training of workers on safety measures and conduct of drills in case of calamities;
- Documentation and reporting of occupational incidents;
- Emergency preparedness;
- Remedies for occupational injuries and fatalities.

The PMU will elaborate upon these measures though applying the Occupational Health and Safety Procedure which is elaborated in Annex 7 of this ESMF.

Child Labor

To prevent engagement of underage workers, the age employment scheme provided under the Age of Employment Section hereof should be strictly observed by the hiring authority. Proper procedure in the screening, with age verification, shall be undertaken in the selection of workers to ensure that no child shall be employed in the implementation of the project. Likewise, all contracts must have a provision as to the minimum age requirement and the hiring authority shall keep a labor registry of all hired workers.

Labor disputes over terms and conditions of employment

Fair, reasonable and lawful terms and conditions shall be applied in the contract provisions of all project workers to prevent labor disputes. Moreover, there will be an efficient grievance mechanism to address any issues that may arise during the existence of the contract. The guidelines provided under GRM Section hereof shall be strictly observed to resolve work-related disputes including terms and conditions of employment.

Gender-Based Violence

During procurement of the contractor, the PMU will ensure that all contractors have in place a code of conduct (see 10.7.9 Sample Generic Code of Conduct for Contractors) for all its workers and subcontractors that respects women and girls and prohibits all forms of gender-based violence including verbal sexual harassment. During subproject implementation, the contractor will ensure that

- all workers are aware of these codes of conduct through trainings, seminars, or orientations, and
- signage and posters in key areas in the construction site are put up.

The PMU will encourage contractors and settlement leaders to raise awareness on gender-based violence and the Projects LMP among settlement households and neighboring communities; how they can protect themselves against it, and what they need to do when they feel they have been wronged.

All MoLNR contracts will utilize a standard dispute resolution process. Relevant standard MoLNR contracts paragraphs (individual) for international and national direct workers for all WB funded projects in Vanuatu includes:

Dispute Resolution:	Any dispute, controversy or claim arising out of or relating to this Contract or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force.
Inspections and Auditing:	The consultant shall permit the World Bank (“the Bank”) and/or persons or auditors appointed by the Bank to inspect and/or audit the Consultants accounts and records

and other documents relating to the performance of the Contract. Any failure to comply with this obligation may constitute a prohibited practice subject to contract termination and/or the imposition of sanctions by the Bank (including without limitation a determination of ineligibility) in accordance with prevailing Bank's sanction/s procedures.

Termination: The Client may terminate this Contract with at least ten (10) working days prior written notice to the Consultant after the occurrence of any of the events specified in paragraphs (a) through (c) of this Clause.

If the Consultant does not remedy a failure in the performance of his/her obligations under the Contract within seven (7) working days after being notified, or within any period the Client may have subsequently approved in writing.

If the Consultant, in the judgment of the Client or the Bank, has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices (as defined in the prevailing Bank's sanction procedures) in completing for or in performing the Contract.

If the Client, in its sole discretion and for any reason whatsoever, decided to terminate this Contract.

11.1.14 Age of Employment

To prevent engagement of underage workers, an age verification process is required to be undertaken by the winning contractor/consultant prior to the engagement of the project worker. All contractual provisions should comply with the minimum age requirements and the responsible staff is required to maintain a labor registry of all hired project workers.

11.1.15 Terms and Conditions

Terms & Conditions	Actions
Specific wages, hours and other provisions that apply to the project.	Project workers engaged on contracts with the project, approved by the World Bank in "No Objection" process and pursuant to WB procurement guidelines as appropriate. Specific remuneration is considered private and confidential to each person/firm undertaking the work. Competitive international and national consultant rates will be included in all VARS related activities.
Any collective agreements that apply to the project. When relevant, provide a list of agreements and describe key features and provisions.	Clear terms and conditions will be included in all contracts include terms and conditions of employment, applicable leave arrangements, wage deductions, and hours/timeframe of work, timing of payments. Workers will be free to join a workers organization of their choosing; the Project will not seek to influence or control such arrangements.

11.1.16 8. Grievance Mechanism

Labor Grievance Mechanism for direct workers/consultants (national and international) will be included within worker contracts based on the Vanuatu Trade Disputes Act which provides the framework for the settlement of individual disputes and trade disputes. National legislation under the Trade Disputes Act is consistent with the International Labor Standards and ESS2.

In summary for all grievances at the workplace for contractors, the first step will be the lodgment of the grievance (written or verbal) to the assigned Manager and as for PMU, the grievance is managed by the PMU Manager or delegate, whom will within 2 weeks provide a response and seek resolution. If a resolution cannot be attained or agreed by the claimant then the respective Manager may escalate the grievance to those in higher authority to review the complaint and seek a resolution. All illegal activities will be directly reported to the Police and/or Department of Justice and managed accordingly.

11.1.17 Sample Generic Code of Conduct for Contractors

This Code of Conduct identifies the behavior required from all personnel of (name of contractor's firm) working at the _____ subproject site .

Unsafe, offensive, abusive or violent behavior will not be tolerated and all persons should feel comfortable raising issues or concerns without fear of retaliation.

Required Conduct

All (name of contractor's firm) personnel shall:

- carry out his/her duties competently and diligently;
- comply with this Code of Conduct and all applicable laws, regulations and other requirements, including requirements to protect the health, safety and well-being of other contractor's personnel and any other person;
- maintain a safe working environment by:
 - ensuring that workplaces, machinery, equipment and processes under each person's control are safe and without risk to health;
 - wearing required personal protective equipment;
 - using appropriate measures relating to chemical, physical and biological substances and agents; and
 - following applicable emergency operating procedures;
- report work situations that he/she believes are not safe or healthy and remove himself/herself from a work situation which he/she reasonably believes presents an imminent and serious danger to his/her life or health;
- treat other people with respect, and not discriminate against specific groups such as women, people with disabilities, migrant workers, indigenous people, or children;
- not engage in sexual harassment, i.e. unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature;
- not engage in sexual exploitation, or any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to: profiting monetarily, socially or politically from the sexual exploitation of another;
- not engage in sexual abuse, which means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions;
- not engage in any form of sexual activity with individuals under the age of 18, except in case of pre-existing marriage;
- not engage in any other form of harassment, mental or physical coercion, or verbal abuse of its employees;
- undergo relevant training or orientation that will be provided related to the environmental and social aspects of the Contract, including on health and safety matters;
- report violations of this Code of Conduct; and

- not retaliate against any person who reports violations of this Code of Conduct.

Raising Concerns

If any person observes a behavior that he/she believes may represent a violation of this Code of Conduct, or that otherwise concerns him/her, he/she should raise the issue promptly to:

Name, address and contact number of person designated by contractor to handle social issues/concerns)

This can be done either in writing, by telephone, or in person.

The person's identity will be kept confidential, unless reporting of allegations is mandated by the country law. Anonymous complaints or allegations may also be submitted and will be given all due and appropriate consideration. We take seriously all reports of possible misconduct and will investigate and take appropriate action. We will provide warm referrals to service providers that may help support the person who experienced the alleged incident, as appropriate.

Sanctions

Any employee who has breached this Individual Code of Conduct will be subject to any of the following actions:

- Informal warning
- Formal warning
- Loss of up to one week's salary
- Suspension of employment (without payment of salary), for a minimum period of ____ up to a maximum of ____.
- Termination of employment
- Reporting to the police if warranted

Project-in-Charge
(Name of Contractor's Firm)

Annex 7: Occupational Health and Safety Procedure

A. Scope and Objectives

The purpose of the Occupational Health and Safety (OHS) Procedure is to ensure that the health and safety of workers and the community is protected and that appropriate OHS measures will be incorporated into the design and implementation of the project to prevent and protect workers from occupational injuries and illness. The Procedure applies to all categories of Project worker. This Procedure takes into account the provisions of the World Bank Group's Environmental, Health, and Safety (EHS) Guidelines (April 2007) together with the relevant Industry Sector EHS Guidelines available at www.ifc.org/ehsguidelines.

B. Components of Project OHS Procedure

The following general principles are relevant to maintaining worker health and safety.

a. Identification and Assessment of Hazards

Establish and maintain effective methods for:

- Systematically identifying existing and potential hazards to employees and the community;
- Systematically identifying, at the earliest practicable time, new hazards to employees and the community; and
- Regularly assessing the extent to which a hazard poses a risk to employees and the community.

b. Management of Identified Hazards

Apply prevention and control measures to control hazards which are identified and assessed as posing a threat to the safety, health or welfare of employees and the community, and where practicable, the hazard shall be eliminated. The following preventive and protective measures must be implemented order of priority:

- Eliminating the hazard by removing the activity from the work process;
- Controlling the hazard at its source through engineering controls;
- Minimizing the hazard through design of safe work systems; and
- Providing appropriate personal protective equipment (PPE).

One option available for the application of prevention and control measures to occupational hazards is to adopt comprehensive job safety analyses (JSA) or similar formal screening process. Job safety analysis (JSA) is a process involving the identification of potential health and safety hazards from a particular work activity and designing risk control measures to eliminate the hazards or reduce the risk to an acceptable level. JSA's or equivalent systematic process must be undertaken for all discrete project activities, particularly site visits or fieldwork (including where there may be no designated worksite), such that the risks can be readily identified, and appropriate risk management measures designed.

The results of such analyses should be reviewed by a trained person in the PIU/CIU and outcomes prioritized as part of an action plan based on the likelihood and severity of the consequence of exposure to the identified hazards.

c. Training, awareness and supervision

All reasonably practicable steps must be taken to provide to workers (in appropriate languages) the necessary information, instruction; training and supervision to protect each worker's health and to manage emergencies that might reasonably be expected to arise in the course of work. Training and supervision extend to the correct

use of PPE (if appropriate to worker activities) and providing workers with appropriate incentives to use PPE.

Workers will receive OHS induction training when they commence work, and thereafter on a regular (at least annual) basis and when changes are made in the workplace. Training must cover the relevant aspects of OHS associated with daily work, including the ability to stop work without retaliation in situations of imminent danger.

Induction training will be directed at ensuring all new workers are apprised of the basic site rules of work at / on the site and of personal protection and preventing injury to fellow employees. Training should consist of basic hazard awareness, site-specific hazards, safe work practices, and emergency procedures for fire, evacuation, and natural disaster, as appropriate.

Visitors to worksites must be provided with a site induction prior to entering and must be escorted at all times while on site. This induction must include details of site hazards, provision of necessary PPE and emergency procedures. Visitors should not be permitted access to areas where hazardous conditions or substances may be present, unless appropriately inducted. Records of the training will be kept on file.

d. Reporting Protections

Workplace processes will be provided by the Principal Contractor or employer for all Project workers to report work situations that they believe are not safe or healthy. Project workers can remove themselves from a work situation which they have reasonable justification to believe presents an imminent and serious danger to their life or health. Project workers who remove themselves from such situations will not be required to return to work until necessary remedial action to correct the situation has been taken. Project workers will not be retaliated against or otherwise subject to reprisal or negative action for such reporting or removal.

e. General duty of workers

Each worker shall:

- Take all reasonable care to protect their own and fellow workers health and safety at the workplace and, as appropriate, other persons in the vicinity of the workplace;
- Use PPE and other safety equipment supplied as required;
- Not use PPE or other safety equipment for any purpose not directly related to the work for which it is provided; and
- Make supervisors aware of any injury occurring in the workplace.

Supervisors to ensure immediate response to injury and ensure injury is medically treated as necessary.

f. Personal Protective Equipment

PPE provides additional protection to workers exposed to workplace hazards in conjunction with other facility controls and safety systems. Table 1 below presents general examples of occupational hazards and types of PPE available for different purposes

Table 1. Occupational Hazards and Types of PPE

Objective	Workplace Hazards	Suggested PPE
Eye and face protection	Flying particles, liquid chemicals, gasses or vapors, light radiation	Safety glasses with side-shields, protective shades, etc.
Head protection	Falling objects, inadequate height clearance, and overhead power cords	Plastic Helmets with top and side impact protection
Hearing protection	Noise, ultra-sound	Hearing protectors (ear plugs or earmuffs)

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Objective	Workplace Hazards	Suggested PPE
Foot protection	Falling or rolling objects, pointed objects. Corrosive or hot liquids	Safety shoes and boots for protection against moving & falling objects, liquids and chemicals.
Hand protection	Hazardous materials, cuts or lacerations, vibrations, extreme temperatures	Gloves made of rubber or synthetic materials (Neoprene), leather, steel, insulating materials, etc.
Heat / Sun protection	Extreme heat, or prolonged exposure to the sun	Wide brimmed hat, long sleeved short, long sleeved pants, etc
Respiratory protection	Dust, fogs, fumes, mists, gases, smokes, vapors.	Facemasks with appropriate filters for dust removal and air purification (chemicals, mists, vapors and gases). Single or multigas personal monitors, if available
	Oxygen deficiency	Portable or supplied air (fixed lines), on-site rescue equipment
Body/leg protection	Extreme temperatures, hazardous materials, biological agents, cutting and laceration	Insulating clothing, body suits aprons etc. of appropriate materials

Recommended measures for use of PPE in the workplace include:

- Active use of PPE if alternative technologies, work plans or procedures cannot eliminate, or sufficiently reduce, a hazard or exposure;
- Identification and provision of appropriate PPE that offers adequate protection to the worker, co-workers, and occasional visitors, without incurring unnecessary inconvenience to the individual;
- Proper maintenance of PPE, including cleaning when dirty and replacement when damaged or worn out. Proper use of PPE should be part of the recurrent training programs for Employees; and
- Selection of PPE should be based on the hazard and risk ranking described earlier in this section and selected according to criteria on performance and testing established.

Those persons responsible for site activities (employers, contractors) shall:

- Provide, maintain, and make accessible to workers the PPE necessary to avoid injury and damage to their health;
- Take all reasonably practicable steps to ensure that workers use that PPE in the circumstances for which it is provided; and
- Make provision at the workplace for PPE to be cleaned and securely stored without risk of damage when not required.

The application of prevention and control measures to occupational hazards should be based on comprehensive job safety analyses (JSA) or similar systematic approach. The results of these analyses should be prioritized as part of an action plan based on the likelihood and severity of the consequence of exposure to the identified hazards.

g. Monitoring

Occupational health and safety monitoring should be part of the OHS management and verify the effectiveness of prevention and control strategies. The selected indicators should be selected on the basis of screened OHS risks for each site, and should be representative of the most significant occupational, health, and safety hazards, and the implementation of prevention and control strategies.

Subject to the outcome of OHS screening, the OHS monitoring program should include:

- Safety inspection, testing and calibration: This should include regular inspection and testing of all safety features and hazard control measures focusing on engineering and personal protective features, work procedures, places of work, installations, equipment, and tools used. The inspection should verify that issued PPE continues to provide adequate protection and is being worn as required.
- Surveillance of the working environment: Employers should document compliance using an appropriate combination of portable and stationary sampling and monitoring instruments. Monitoring and analyses should be conducted according to internationally recognized methods and standards.
- Surveillance of workers health: When extraordinary protective measures are required (for example, against hazardous compounds), workers should be provided appropriate and relevant health surveillance prior to first exposure, and at regular intervals thereafter.
- Training: Training activities for employees and visitors should be adequately monitored and documented (curriculum, duration, and participants). Specific training, and/or certification (including evidence of certification) should be provided for certain tasks and activities (e.g., working at height, enclosed spaces etc) as required. Emergency exercises, including fire drills, should be documented adequately.
- Accidents and Diseases monitoring: The employer should establish procedures and systems for reporting and recording:
 - Occupational accidents and diseases.
 - Dangerous occurrences and incidents.

These systems should enable workers to report immediately to their immediate supervisor any situation they believe presents a serious danger to life or health.

All reported occupational accidents, occupational diseases, dangerous occurrences, and incidents together with near misses should be investigated with the assistance of a person knowledgeable and competent in occupational safety. The investigation should:

- Establish what happened.
- Determine the cause of what happened.
- Identify measures necessary to prevent a recurrence.

C. COVID-19 management

In light of the Covid pandemic, the PMU and the contractor will work to ensure necessary standards are in place to protecting employees from the risk of COVID-19 exposure to the workers. The PMU and contractors will adapt the COVID-19 measures as prescribed within the World Bank Group's ESF/Safeguards Interim Note: COVID-19 Considerations in Construction/Civil Works Projects.²²

²² <https://worldbankgroup.sharepoint.com/sites/wbunits/opcs/Knowledge%20Base/ESF%20Safeguards%20Interim%20Note%20Construction%20Civil%20Works%20COVID.pdf>

Annex 8: Asbestos Containing Material (ACM) Management Guideline

A. Background

Asbestos is a widely used, mineral-based material that is resistant to heat and corrosive chemicals. The properties that make asbestos fibres so valuable to industry are its high-tensile strength, flexibility, heat and chemical resistance, and good frictional properties. There are two main types of asbestos containing materials (ACM): friable and bonded. Friable asbestos products are soft and loose and can be crumbled into fine material or dust with very light pressure, such as crushing with your hand. Such products usually contain high levels of asbestos (up to 100% in some instances), which is loosely held in the product so that the asbestos fibres are easily released into the air. Friable asbestos products are dangerous because the asbestos fibres can get into the air very easily and may be inhaled by people living or working in the vicinity. Bonded asbestos products are made from a bonding compound (such as cement) mixed with a small proportion (usually less than 15%) of asbestos. Bonded asbestos products are solid, rigid and non-friable. The asbestos fibres are tightly bound in the product and are not normally released into the air. When in good condition, bonded asbestos products do not normally release any asbestos fibres into the air and are considered a very low risk for people who are in contact with them, as long as appropriate safety precautions are used when they are disturbed.²³

Asbestos fibres enter the body by inhalation of airborne particles or by ingestion and can become embedded in the tissues of the respiratory or digestive systems. Prolonged exposure to asbestos can cause numerous disabling or fatal diseases. Among these diseases are asbestosis, an emphysema-like condition; lung cancer; mesothelioma, a cancerous tumour that spreads rapidly in the cells of membranes covering the lungs and body organs; and gastrointestinal cancer.²⁴ The human health effects from exposure to asbestos are well documented. The likelihood of developing an asbestos-related disease from breathing in asbestos fibres is called the 'risk'. The risk of developing asbestos-related disease, like lung cancer, from asbestos exposure is associated with the level and duration of exposure, length of time since first exposure, the fibre type, and concurrent exposure to tobacco smoke and other carcinogens. Not all factors are well understood, and it is not known why some people develop an asbestos-related disease and others do not; however, the risk increases with the exposure to asbestos fibres.²⁵

In Australia the population is exposed to low levels of asbestos in the air it breathes every day. Ambient or background air usually contains between 10 and 200 asbestos fibres in every 1000 litres (or cubic metre) of air (equivalent to 0.01 to 0.20 fibres per litre of air). However, most people do not become ill from this exposure, because the levels of asbestos present in the environment are very low. Most people are also exposed to higher levels of asbestos at some time in their lives; for example, in their workplace, community or home. However, for most people, this kind of infrequent exposure is also unlikely to result in any ill effects. Most people who develop asbestos-related diseases have worked on jobs where they frequently breathed in large amounts of asbestos fibres. For example, in the past, construction workers using unsafe practices may have frequently encountered asbestos fibre levels well above background levels. The current regulated workplace limit (over an eight-hour period) is 100 fibres per litre of air (which is between 500- and 10,000- times background levels). In the past, workers in asbestos milling or mining often encountered fibre concentrations a million times higher than background levels.

The Republic of Vanuatu (Vanuatu) requested financial assistance for the VARS. The project entails upgrading of existing settlement that may contained ACM. This asbestos management guideline serves as a guidance in

²³ enHealth (2013) *Asbestos: A guide for householders and the general public*. Environmental Health Standing Committee, Australian Health Protection Principal Committee, Canberra, 2013.

²⁴ OSHA (1995) *OSHA 3095 - Asbestos Standard for General Industry*. U.S. Department of Labor Occupational Safety and Health Administration

²⁵ enHealth (2013) *Asbestos: A guide for householders and the general public*. Environmental Health Standing Committee, Australian Health Protection Principal Committee, Canberra, 2013.

managing the potential ACM presence in Project area.

B. Regulatory Environment

a. International convention and standards for working with Asbestos

The International Labor Organization (ILO) established an Asbestos Convention (C162) in 1986 to promote national laws and regulations for the “prevention and control of, and protection of workers against, health hazards due to occupational exposure to asbestos.”²⁶ The convention outlines aspects of best practice: Scope and Definitions, General Principles, Protective and Preventive Measures, Surveillance of the Working Environment, and Workers’ Health. Key provisions of Convention No. 162 concern:

- replacement of asbestos or of certain types of asbestos or products containing asbestos with other materials or products evaluated as less harmful;
- total or partial prohibition of the use of asbestos or of certain types of asbestos or products containing asbestos in certain work processes; and
- measures to prevent or control the release of asbestos dust into the air and to ensure that the exposure limits or other exposure criteria are complied with and also to reduce exposure to as low a level as is reasonably practicable.

Some of the requirements include:

- work clothing to be provided by employers;
- double changing rooms and wash facilities to prevent dust from going home on street clothes;
- training of workers about the health hazards to themselves and their families;
- periodic medical examinations of workers,
- periodic air monitoring of the work environment, with records retained for 30 years;
- development of a work plan prior to demolition work, to protect workers and provide for proper waste disposal; and

protection from “retaliatory and disciplinary measures” of workers who remove themselves from work that they are justified in believing presents a serious danger to health.

The ILO Occupational Cancer Convention, 1974 (No. 139), provides for the measures to be taken for the control and prevention of occupational hazards caused by carcinogenic substances and agents. Key provisions of Convention No. 139 concern:

- periodically determining the carcinogenic substances and agents to which occupational exposure shall be prohibited or made subject to authorization or control;
- making every effort to have carcinogenic substances and agents to which workers may be exposed in the course of their work replaced by non-carcinogenic substances or agents or by less harmful substances or agents;
- reducing the number of workers exposed to carcinogenic substances or agents and the duration and degree of such exposure to the minimum.

b. World Bank Good Practice Notes on Asbestos

Practices regarding hazardous materials management including asbestos that are normally considered acceptable by the World Bank Group (WBG) in projects supported through its lending or other instruments are addressed in

²⁶ https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312307

the WBG's General Environmental, Health and Safety (EHS) Guidelines²⁷. This Good Practice Note provide background and context for the guidance in the WBG EHS Guidelines (World Bank, 2009).

Good practice is to minimize the health risks associated with Asbestos Containing Material (ACM) by avoiding their use in new construction and renovation, and, if installed asbestos-containing materials are encountered, by using internationally recognized standards and best to mitigate their impact. In all cases, the Bank expects borrowers and other clients of World Bank funding to use alternative materials wherever feasible. ACM should be avoided in new construction, including construction for disaster relief. In reconstruction, demolition, and removal of damaged infrastructure, asbestos hazards should be identified, and a risk management plan adopted that includes disposal techniques and end-of-life sites.

c. National Vanuatu Standard for Asbestos

In 2015, the Republic of Vanuatu conducted a nationwide survey on the distribution and status of asbestos contaminated construction and waste management practice. The findings of the survey was to meet the objectives of the Pacific Island Countries regional hazardous waste strategies. The Vanuatu report revealed most abundantly encountered Asbestos Containing (AC) building material was cement sheeting. This AC cement sheeting is mostly applied as wall cladding and can also be encountered in soffits, gables, pathways connecting buildings, etc. This survey reported presence of ACM in various buildings, dwelling and sites throughout the provinces of Vanuatu. It was recommended in that survey for ACM to be enacted into the a suitable legislation. This gap still exists in legislative instruments governing Environment Protection, Waste Management and Public Health and Safety. The Vanuatu Waste Management Plan does not provide a direct Asbestos Waste Management consideration. It can be inferred in that document that ACM is referred to as 'Hazardous Wastes'. The Asbestos report (2015) in part recommended that:

- If any reconstruction or renovation work to be carried out in old buildings, an asbestos assessment need to be conducted.
- Any asbestos roofs found on houses in Vanuatu should preferably be removed rather than encapsulated as encapsulation of roofs costs only a little less than removal and removal is a permanent solution.
- Asbestos waste should be disposed of at the Bouffa Landfill in Efate and the Luganville Waste Disposal Site in Santo. Special provision should be made at each landfill for the receipt and management of asbestos waste, including setting up of special landfill cells for asbestos and establishing the procedure to immediately cover up asbestos wastes as they are received.
- When remediation and disposal actions are undertaken, it is recommended that this is done together with the Department of Environment Protection and Conservation.
- Specialist supervision is also recommended to ensure that appropriate protection measures are implemented to eliminate the risks to workers, the environment and the surrounding population.

C. Risks Associated with Asbestos

Asbestos fibers can be released into the air whenever ACM is poorly maintained or disturbed. The following activities are known to increase the risk of exposure to asbestos:

- Any asbestos-related work, such as drilling, boring, cutting, filing, brushing, grinding, sanding, breaking,
- Smashing or blowing with compressed air
- The inspection, removal or disposal of ACM from a workplace

²⁷World Bank (2009) Good Practice Note: Asbestos - Occupational and Community Health Issues. May 2009

- The maintenance or servicing of ACM from vehicles, plant, equipment or workplaces
- The renovation or demolition of buildings containing ACM.
- Non-friable asbestos or ACM that has been subjected to extensive weathering or deterioration has a higher potential to release asbestos fibers into the air.

D. Identifying asbestos or ACM at the workplace

A person with management or control of a workplace must ensure, so far as is reasonably practicable, that all asbestos or ACM at the workplace is identified by a competent person. Identifying asbestos or ACM is the first step in managing the risk of exposure to asbestos in the workplace. As there may be more than one person in the workplace responsible for this duty, it is important that all duty holders consult, cooperate and coordinate with each other as well as consulting with workers and health and safety representatives. For example, the person with control of the workplace may carry out the task of identifying asbestos with the person who has day-to-day management of the workplace to ensure it has been done accurately. If the person with management or control of the workplace assumes that asbestos or ACM is present, or if they have reasonable grounds to believe that asbestos is not present, a competent person does not need to be engaged to make this decision.

E. Competent personal for ACM assessment

All asbestos removal activities must be supervised by a trained expert. For this project the supervision team will comprise the consultant asbestos specialist and the duly trained contractor's supervisor. The Personnel assigned to identified asbestos should be:

- trained to handle and take asbestos samples, have the knowledge and experience to identify suspected asbestos and be able to determine risk and control measures
- familiar with building and construction practices to determine where asbestos is likely to be present, and/or
- able to determine that material may be friable or non-friable asbestos and evaluate its condition.

F. Factors to consider when identifying ACM

The person who is carrying out the task of identifying asbestos should have all relevant information so they can correctly identify where asbestos is located in the workplace. For example, this might mean obtaining information on the products used in making the building, structure or plant, including building plans, design specifications, and correspondence with builders and plant manufacturers. The person carrying out the task might also collect relevant information by consulting workers in the workplace.

It is important that: **IF THERE IS ANY UNCERTAINTY THAT A MATERIAL INVOLVED OR USED IN A WORK ACTIVITY CONTAINS ASBESTOS – STOP, DO NOT TOUCH OR DISTURB THE MATERIAL – SEEK ASSISTANCE FROM THE SAFETY AND LEADERSHIP TEAM.**

Table 1: Factors to consider when identifying asbestos. (Adapted from Australia Safe work, 2020).²⁸

When was the building constructed?	Asbestos was widely used as construction and insulation material in buildings until the late 1980s when bans on its manufacture and use were put in place. As it is not known on the status and implication of importation and distribution of asbestos in Vanuatu and building materials may have been stockpiled, stored,
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²⁸https://www.safeworkaustralia.gov.au/sites/default/files/2020-07/model_code_of_practice_how_to_manage_and_control_asbestos_in_the_workplace_1.pdf

	or recycled and used, it is possible that asbestos may be present in buildings.
What type of material was used to construct the building?	The main construction materials used are made from timber, brick, steel and cement sheet. If cement sheet is present and was installed up until 1990, it is likely to contain asbestos bonded to the cement particles. For example, a roof made from corrugated cement sheeting is likely to contain asbestos. Areas of buildings that are prone to wet conditions may contain asbestos in the walls and floors due to its hardness and waterproofing qualities compared to other materials. For example, bathrooms, toilets and laundries may have asbestos sheeting or vinyl tiles. Likewise, pipes throughout the building that carry water and sewage may also contain asbestos.
Talk to workers who have worked at the construction site	Speaking with experienced workers will assist in the identification process as they may be aware of the history of the building, including its age, construction, renovation or repairs, and may know where asbestos is located in the workplace.
Visually inspect the workplace to identify asbestos, ACM and inaccessible areas	<p>A thorough inspection of all areas of the workplace must be conducted, including all buildings, structures, ceiling spaces, cellars, shafts, storage areas and wall cavities. Material needs to be considered to contain asbestos unless proven otherwise, if:</p> <ul style="list-style-type: none"> • it cannot be identified • there is uncertainty as to whether it contains asbestos, and • it is inaccessible <p>The design plans for a building, structure, may assist in identifying inaccessible areas, as would discussion with builders, architects, manufacturers of plant and maintenance workers. Knowledge of materials used in the construction of the building or experience and findings from inspections of similar sections of the building (or similar buildings) may also assist.</p>
Take notes and photographs	Taking notes and photographs while the inspection is being conducted can assist in producing the asbestos register.

G. Asbestos Removal Procedures

a. Asbestos removal control plan

An Asbestos Removal Control Plan is a document that identifies the specific control measures to be used to ensure workers and other people are not at risk when asbestos removal work is being conducted. It is focused on the specific control measures necessary to minimise any risk from exposure to asbestos. An asbestos removal control plan helps ensure the asbestos removal is well planned and carried out in a safe manner. The Control Plan must include details of:

- how the asbestos removal will be carried out, including the method, tools, equipment and PPE to be used; and
- the asbestos to be removed, including the location, type and condition of the asbestos

Contractor will be required to prepare its own Control Plan which will need to specify the PPE that will be provided to workers.

b. Access Control

Signs are to be erected at each removal site to indicate where the asbestos removal work is being carried out and barricades erected to delineate the asbestos removal area. Access to the removal area must be limited to the following people:

- workers who are engaged in the removal work;
- other people who are associated with the removal work; and
- people who are allowed under the Regulations to be in the asbestos removal area (for example inspectors, emergency service workers).

c. Decontamination

Decontamination for the work area, workers, PPE and tools used in asbestos removal work is an important process in eliminating or minimizing exposure to airborne asbestos fibers, particularly to people outside the asbestos removal work area. The risks of each individual asbestos removal job should be assessed to determine the appropriate decontamination procedure. Decontamination facilities must be available to decontaminate the asbestos removal work area, any plant used in that area, workers carrying out the asbestos removal work, and other persons who have access to the asbestos removal area because they are associated with the asbestos removal work.

d. Waste containment and disposal

Proper disposal of ACM is important not only to protect the community and environment but also to prevent scavenging and reuse of removed material. ACM should be transported in leak-tight containers to a secure landfill operated in a manner that precludes air contamination that could result from ruptured containers.²⁹

The removal contractor must ensure that asbestos waste is contained and labelled before it is removed from the asbestos removal area. Waste must be disposed of as soon as is practicable at a site authorized to accept asbestos waste. VARS Project is to consult with the Department of Environment and Conservation in risks and procedures relating to management and disposal of ACM.

e. Personal Protective Equipment

As asbestos removal is a high hazard activity, appropriate personal protective equipment (PPE) must be worn regardless of other health and safety control measures in place. PPE must be selected to minimize the risk to health and safety by ensuring it is:

- suitable for the nature of the work and any hazard associated with the work;
- a suitable size and fit and reasonably comfortable for the person wearing it;
- maintained, repaired or replaced so it continues to minimize the risk, including ensuring that the PPE is clean, hygienic and in good working order; and
- used or worn by the worker, so far as is reasonably practicable.

Workers must be provided with information, training and instruction in the proper use and wearing of PPE; and its storage and maintenance. A worker must, so far as reasonably able, wear the PPE in accordance with any information, training or reasonable instruction. The effectiveness of PPE relies heavily on workers following instructions and procedures correctly, as well as fit, maintenance and cleaning. If PPE must be used for long periods, if dexterity and clear vision are needed for the task, or if workers have not been adequately trained on how to fit and use PPE properly, workers might avoid using it. PPE includes the following items:

²⁹ ibid

- Coveralls - ideally disposable coveralls should be provided which are of a suitable standard to prevent tearing or penetration of asbestos fibres; one size too big, as this will help prevent ripping at the seams; and fitted with hood and cuffs to prevent entry of asbestos fibres;
- Gloves - gloves should be worn when conducting asbestos removal work. Gloves used for asbestos removal work should be disposed of as asbestos waste;
- Safety footwear - safety footwear (for example steel-capped, rubber-soled work shoes or gumboots) should be provided for all workers removing asbestos. Safety footwear should be laceless, as laces and eyelets can be contaminated and are difficult to clean. The footwear should remain inside the asbestos removal area for the duration of the asbestos removal work and should not be shared for hygiene reasons;
- Respiratory protective equipment (RPE) - all workers engaged in asbestos removal work must wear RPE conforming to the appropriate international standard.

f. Waste Transport and Disposal

When developing a waste transport and disposal plan, the following should be taken into account:

- the containment of waste so as to eliminate the release of airborne asbestos fibres;
- details of any asbestos or ACM to be left in situ;
- the location and security of waste storage on site;
- the transport of waste within the site and off site;
- the location of the waste disposal site;
- approvals needed from the relevant local disposal authority; and
- any local disposal authority requirements that may apply to the amount and dimensions of asbestos waste.

H. Emergency Procedures

For demolition work if an emergency occurs, the person with management or control of the workplace must ensure a procedure is developed that will, so far as is reasonably practicable, reduce the risk of exposure to asbestos of workers and persons in the vicinity of the demolition site to a level below the exposure standard before the demolition work starts. In developing the procedure, the asbestos register for the workplace must be considered, so far as is reasonably practicable. The person must also provide the regulator with written notice of the emergency immediately after they become aware of the emergency and before the demolition starts.

I. Training

A training program will need to be developed for the contractor's workers that will be involved in the removal, packaging, transport and disposal of ACM. The training program must be appropriate for the activity, undertaken prior to the commencement removal activities and include the following elements:

- the nature of the hazards and risks
- how asbestos can affect a person's health and the risks arising from exposure to airborne asbestos
- the control measures in place and maintenance of the asbestos removal control plan for that job
- the methods and equipment that will be used to do the job properly
- choosing, using and caring for personal protective equipment (PPE) and respiratory protective equipment (RPE)
- decontamination procedures
- waste disposal procedure; and
- emergency procedures.

Annex 9: Construction Waste Management Plan

(This guideline will provide guidance to Project team in preparing Construction Waste Management Plan as part of the E&S instruments (e.g., ESIA or ESMP) preparation. Depending on the amount and types of waste generated by the subproject, the waste management measures could either be embedded in the E&S instruments or contained in a separate and more elaborate Waste Management Plan which will also be attached and/or referred to into the instruments. Special cases of wastes such as asbestos, should be addressed by separate protocols based on the ACM Management Guideline available in the ESMF.)

A. Waste Management Considerations in the Subproject Design

In finalizing the design of the Subproject, the development team should consider the management of waste that might be generated by the Subproject during its operations and maintenance phase. The development/design team should refer to Section 3 (Operations Phase) of this Guidelines to incorporate any waste management design features into the Subproject design. Any design feature that will be adopted that deals with waste management should be described concisely in the ESMP or ESIA. In case the Subproject has only applied ECoP, a brief one-paragraph description of the design feature should suffice.

B. Management of Waste from Construction Activities

The management (i.e., minimization, reuse, recycling, collection, treatment, transport, and disposal) of waste generated from construction activities (including demolition) shall be, by contractual obligation, the responsibility of the contractor, under supervision and oversight of the PMU. The contractor's ESMP (CESMP) shall include waste management measures. It will also be the responsibility of the contractor to secure any permits or license needed for the waste handling and disposal. The ESMP of Subprojects will highlight some key wastes and aspects of the waste management measures to be applied during construction, but it is the contractor's responsibility to address them in its CESMP.

a. Waste Generated from Demolition Works

Some Subprojects may require the demolition of existing structures or facilities which, depending on the previous use and make of the structure, may generate several types of wastes. Demolition waste may comprise of concrete blocks, soil, and vegetation from site clearance, roofing materials, metal, plasterboard, bricks, windows, and timber wastes. It may also include hazardous materials such as asbestos, lead paints, synthetic mineral fibre (SMF), ozone depleting substances (from old air conditioning units) and polychlorinated biphenyls (PCBs).

Minimization Measures for Demolition Wastes

- Any existing structures that can be reused should be left intact subject to the design integrity of the new facility/structure to be built.
- Minimize the footprint of the works to that of the essentials for the works.
- Avoid tree and vegetation removal as much as is practicable.
- Mark out waste storage areas before dismantling begins to make the process smoother and help reduce damage to salvaged materials.
- Dismantle buildings into components in the reverse order to construction. Initially remove materials by hand e.g., wooden floorboards, to avoid damage and excess waste.
- Separate materials (metal, timber etc.) and store them in neat piles to avoid cross contamination.
- Ensure safe and dry storage of salvaged items.
- Place clear signage on all waste separation and collection areas.

- Minimize hazardous waste generation by ensuring that hazardous waste is not co-mingled with non-hazardous waste.
- Any hazardous materials shall be removed, handled, and segregated from other wastes in accordance with GIIP.

Reuse and Recycling of Demolished Materials

- Crush and reuse uncontaminated concrete onsite for new foundations, roading, embankment fills, parking areas.
- Reuse inert demolition waste such as concrete and bricks, offsite as clean fill material for roads and/or other construction sites.
- Mulch and/or chip tree and vegetation waste for reuse onsite as garden product.
- Cleared foliage, shrubs, and/or grasses can be given to local farmers for animal fodder and/or fuel, or they can be collected for composting and sent to the centralized composting facility at the municipal/island landfill, if there is any.
- Soil removed during site preparation can be reused back on-site for landscaping.
- Remove scrap metal, such as roofing materials and iron rebar from concrete, for reuse off-site or metal recycling where practicable.
- Plasterboard can be crushed and used as a soil conditioner in gardens.
- Collect undamaged windows for reuse or resale.
- Timber can be resold for utilisation as fuel (if non-treated) or for repairing houses in villages or outer island communities (if treated).

Disposal of Demolition Waste

Once all reduction, reuse and recycling options have been exhausted, disposal of any remaining demolition waste shall be carried out in accordance with Vanuatu requirements and to an approved and licensed landfill.

- Waste transported off site for disposal must be undertaken by a licensed waste contractor.
- Collection, transport, and disposal of hazardous waste to licensed/permitted hazardous waste sites only following GIIP for the waste being handled.
- All asbestos waste and products containing asbestos are to be buried at an approved and licensed landfill and must not be tampered with or broken down to ensure that no fibres become airborne. Asbestos containing material will be disposed of in accordance with the WBG/IFC EHS Good Practice Note on Asbestos: Occupational and Community Health issues and Asbestos Containing Material (ACM) Management Guidelines that is part of the ESMF.
- All other hazardous waste materials shall be disposed of in accordance with GIIP, including possibly (when risk is high) the hiring of professional and licensed handler.

b. Waste Generated from Construction Works

Construction wastes may comprise of offcuts of steel, timber (treated and untreated), plasterboard, plywood flooring, and insulation. It may also include excavation waste from site preparation, concrete waste from over pours and packaging wastes e.g., plastic and cardboard. Some hazardous wastes such as small amounts of fuel, oil and paints may also be generated. General wastes generated by the construction workers are also included.

Minimization Measures for Construction Wastes

- Preference should be given to materials that can be used to construct Project activities that reduce the direct and indirect waste generated.
- Avoid tree and vegetation removal as much as is practicable.
- The use of construction materials shall be optimized as much as is practicable e.g., by careful measurement and cutting which avoids excess offcuts.
- Specific areas on site shall be designated for the temporary management of the various waste streams prior to construction works beginning.
- Separate waste materials and store them in neat piles to avoid cross contamination.
- Place clear signage on all waste separation and collection areas to encourage workers to correctly separate waste.
- Minimize hazardous waste generation by ensuring that hazardous waste is not co-mingled with non-hazardous waste.

Reuse and Recycling Options of Construction Waste Materials

- Hardfill materials such as bricks, tiles, glass, and concrete over pours can be crushed and used as clean fill for roads and/or other construction sites.
- Steel off-cuts can be recovered and sold as scrap metal.
- Put treated timber and flooring off-cuts aside to encourage reuse. Reuse timber off-cuts on-site e.g., for roof over hangs. Untreated timber can be saved and sold as a fuel.
- Plasterboard offcuts can be saved and crushed and used for soil conditioner in gardens.
- Insulation off-cuts can be saved and sold for use by households.
- Recyclable materials such as packaging material (cardboard, paper, plastic, glass bottles etc.), should be segregated on-site from other waste sources and sent for recycling e.g., aluminum cans and PET bottles.

Disposal of Construction Wastes

- Once all reduction, reuse and recycling options have been exhausted, disposal of any remaining construction waste shall be carried out in accordance with government requirements and to an approved and licensed landfill.
- Collection, transport, and disposal of hazardous waste shall be undertaken by licensed/permitted hazardous waste disposal sites following GIIP for the waste being handled.

c. Domestic Wastes Generated from Workers Camp/Temporary Facilities

Grey wastewater and sewer generated from workers' camp and temporary facilities, shall be contained in a water-tight two-chamber septic tank system and the septage channeled into a soak pit/bed or discharged into the municipal sewer system, if available. Raw sewage and septage should not be discharged directly to the sea.

C. Waste Management during Operations and Maintenance of Phase

For ordinary grey (domestic and sewer) wastewater:

- a) If municipality sewerage system is available, the facility may be connected to municipal sewerage system. If municipal system is not reliable and the volume of waste is small, install a septic system/wastewater

treatment system for the facility. If the municipal system is unreliable, the facility may opt to construct a redundant system consisting of a septic tank or small wastewater treatment system, which could be designed to be flood resilient.

- b) In remote islands where municipal sewage service is not available, a flood-resilient septic tank system should be designed.

For ordinary solid waste (i.e., paper, cardboard, food waste, etc.), the facility should collect and dispose of the waste in accordance with the regulations, e.g., segregation of organic or degradable waste and disposal of residuals into the municipal landfill.

D. Monitoring, Reporting and Auditing

As the waste management plans are integrated into the ESMP or CESMP (in the case of contractors), the monitoring and reporting on the waste management should be part of the Monitoring and Reporting of the ESMP and CESMP implementation. Waste management shall also be included in the random audits to be conducted by PMU E&S Specialists and environmental and social officers during the construction period or during the start of operation of the facility.

Annex 10: Code of Environment Practice (CoEP) for minor works

A. Background

The VARS aims to improve access to and resilience of infrastructure and services in selected settlements and strengthen relevant public institutions' systems to manage human settlement. To improve access to infrastructure and services, the Project supports the development of new settlement, upgrading of existing settlements and development of sustainable urban drainage system (Components 1.1, 1.2 and 2.1). The technical design of these developments will consider identified future climate risks. All minor works supported under the Project are required to comply with this CoEP and this document will be included as a separate annex in all bidding documents.

The CoEP aims to provide guidance to the planning and implementation of mitigation measures for minor construction works, including but not limited to road upgrades, footpaths and minor road drains, installation of lighting and other utility connections. It sets out the standard practices and procedures for managing the potential negative impacts on local environment and communities of the minor civil works to be carried out through measures to prevent adverse environmental impacts.

B. Responsibilities

The contractors at the site level are the key entities responsible in the implementation of the ECOP. Project Management Unit (PMU), particularly the Environmental and Social specialists and the environmental officer, is responsible for supervision and monitoring of CoEP implementation. The contractors are responsible to ensure that the Project comply with the mitigation measures as prescribed in, relevant laws and regulations in Vanuatu, good international standards, and this CoEP.

C. Reporting

During the construction stage, **monthly reports shall be prepared by the contractor(s)** and submitted to the PMU for review. The reports will include information on: (i) the implementation of Health and Safety and Waste Management plans; (ii) any health and safety or environmental incidents; and (iii) information on any grievances received and how they were resolved.

Six-monthly reports will need to be prepared by the PMU and provided to the World Bank. The semi-annual environmental and social monitoring reports to the World Bank will include: (i) the status of the implementation of mitigation measures; (ii) the findings of monitoring programs; (iii) stakeholder engagement activities; (iv) grievances log; and (v) any incidents/accidents with adverse impacts and the actions taken to address it and prevent reoccurrence. Incidents/accidents must be reported in accordance with the World Bank Safeguards Incident Response Instrument Toolkit (SIRT).

D. Possible risks and mitigation measures proposed for the minor works

Issue / Risk	Mitigation measure
Impacts from the transport of equipment into the site	<p>The contractor shall be responsible for transporting their equipment to the island and to construction site.</p> <ul style="list-style-type: none"> Any temporary beach landing site should be cleared with the local authorities and must not contribute to beach erosion or damage a coral reef The contractor shall ensure that the heavy equipment route from port to the construction site is properly planned and capacities of the roads, bridges or causeways are carefully assessed

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Issue / Risk	Mitigation measure
Dust generation and air pollution from minor civil works	<p>The contractor(s) undertaking works shall implement dust control measures to ensure that the dust generation and air pollution are minimized and not perceived as a nuisance by settlement residents and general public. At a minimum the following is required:</p> <ul style="list-style-type: none"> • Materials used shall be covered and secured properly during transportation to prevent scattering of soil, sand, materials, or generating dust; • Keep stockpiles of aggregate materials covered to avoid suspension or dispersal of fine soil particles during windy days or disturbance from stray animals; • Minimize dust from exposed work sites and stockpiles by applying water on the ground regularly; • No burning of site clearance debris (trees, undergrowth) or construction waste materials; • Hydrocarbons shall not be used as a method of dust control; and • Immediately re-vegetate and/or stabilize exposed areas (if required).
Noise and vibration from minor civil works	<p>The contractor(s) undertaking works shall implement the following at a minimum:</p> <ul style="list-style-type: none"> • Plan activities in consultation with communities so that noisiest activities are restricted to being undertaken during periods that will result in least disturbance; • Noise levels should be maintained within the national permissible limits/standards; • If necessary, use temporary noise-control methods such as fences, barriers or deflectors (such as muffling devices for combustion engines) and select equipment with lower sound power levels where possible; • Minimize transportation of demolition waste and construction materials through community areas during regular working time; • Maintain a buffer zone (such as open spaces, row of trees or vegetated areas) between the project site and surrounding areas if possible, to lessen the impact of noise
Soil erosion and uncontrolled sediment causing negative impacts to surface or groundwater	<p>The contractor(s) undertaking works shall implement the following at a minimum:</p> <ul style="list-style-type: none"> • Implement suitable project design (e.g., establish appropriate erosion and sediment control measures) to minimize soil erosion and identify and protect receiving water courses and bodies; • Scheduling to avoid heavy rainfall periods; and • Use mulch, grasses or compacted soil to stabilize exposed areas promptly.

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Issue / Risk	Mitigation measure
Resource efficiency issues, including materials supply and extraction of raw materials	<p>The contractor(s) undertaking works shall at a minimum:</p> <ul style="list-style-type: none"> • Estimate the quantities of raw materials needed for the minor civil works; • Source raw materials and construction materials locally and from licenced/permitted facilities only; and • Use recycled or renewable building materials (e.g., timber) where possible.
Land and/or water pollution from waste generated by construction materials, and/or workers (solid, hazardous, and wastewater)	<p>The contractor(s) undertaking works shall implement the following at a minimum:</p> <ul style="list-style-type: none"> • Develop and follow a site-specific Construction Waste Management Plan (CWMP) prior to any physical works beginning. A generic Construction Waste Management Plan to guide the development of site-specific plan is available in Annex 9. CWMP must be submitted to PMU E&S Specialists for approval prior to any physical works commencing; • Use litter bins, containers and waste collection facilities at all places during works; • Store solid waste temporarily on site in a designated place prior to off-site transportation and disposal through a licensed waste collector; • Dispose of waste only at designated place identified and approved by local authority. Open burning or burial of solid waste on the construction site shall not be allowed. It is prohibited for the contractor(s) to dispose of any debris or construction material/paint in environmentally sensitive areas (including watercourses); • Provide adequate portable sanitation facilities serving all workers at all construction sites; • Ensure onsite worker sanitation facilities be properly operated and maintained to collect and dispose of wastewater; • Minimize hazardous waste generation by ensuring hazardous waste is not co-mingled with non-hazardous waste. Collect, transport and disposal of hazardous waste to licensed/permitted hazardous waste sites only following good international industry practice (GIIP) for the waste being handled; and • Design training for staff in the segregation of wastes.
Land and/or water pollution from use and storage of hazardous substances e.g., minor spills from fuel, oils, lubricants.	<p>The contractor(s) undertaking works shall implement the following at a minimum in accordance with relevant Vanuatu laws and GIIP such as the IFC EHS Guideline: Hazardous Materials Management:</p> <ul style="list-style-type: none"> • Using impervious surfaces for refuelling areas and other fluid transfer areas; • Ensure that refuelling and maintenance facilities are not located, or that activities do not take place, within 30 m of a watercourse, or in ecologically sensitive areas. If a 30m limit is impracticable

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Issue / Risk	Mitigation measure
	<p>then a lesser limit may be adopted provided approval is obtained. On no account shall the limit be less than 10 m;</p> <ul style="list-style-type: none"> • Providing adequate secondary containment for fuel storage tanks and for the temporary storage of other fluids such as lubricating oils and hydraulic fluids. If the secondary containment used is bunding, then the area should also be lined and covered; • Ensure that vehicles and plant are not stored within 30 m of a watercourse, or in ecologically sensitive areas, overnight or when not in use; • Regular checks for leaking oil or fuel from machinery undertaken. Any leaks are promptly repaired and/or parts replaced within two days as part of maintenance of vehicles and equipment; • Training workers on the correct transfer and handling of fuels and chemicals and the response to spills; and • Spill kit, appropriate to the hazardous materials being used, to be kept on-site and workers to be trained in its deployment.
Interruption of utility services	<ul style="list-style-type: none"> • Provide information to the PMU on working schedules as well as planned disruptions of water/power at least 3 days in advance. • Any damages to existing utility systems or cable shall be reported to authorities and repaired as soon as possible.
Occupational Health and Safety (OHS) risks for workers from minor civil works	<p>The contractor(s) undertaking works shall comply with all national and good practice regulations and GIIP regarding workers' safety, such as OHS section of the IFC EHS Guidelines on Construction and Decommissioning, and implement the following at a minimum:</p> <ul style="list-style-type: none"> • Complete different levels of risk assessment, i.e., from whole Job Safety Analysis down to the personal level, to identify any potential hazards, rank the risks, and identify ways to eliminate, control or minimize the hazards. • Appoint a health and safety officer at site, who will have the authority to issue directives for the purpose of maintaining the health and safety of all personnel authorized to enter and or work on the site; • Prepare and implement a simple action plan to cope with risk and emergency (e.g., fire, storm surge, cyclone, COVID-19 outbreak); • Have or receive minimum required training on occupational safety regulations and use of Personal Protective Equipment (PPE); • Undertake training of staff to meet standards for the proper operation and use of equipment; • Use of control zones and safety monitoring systems to warn workers of their proximity to fall hazard zones, as well as securing, marking, and labelling covers for openings in floors, roofs, or walking surfaces;

Issue / Risk	Mitigation measure
	<ul style="list-style-type: none"> • Take protective measures to prevent accidents such as: <ul style="list-style-type: none"> ○ implementing good house-keeping practices, such as the sorting and placing loose construction materials or demolition debris in established areas away from foot paths. ○ Locating electrical cords and ropes in common areas and marked corridors. ○ Planning and segregating the location of vehicle traffic, machine operation, and walking areas, and controlling vehicle traffic through the use of one-way traffic routes, establishment of speed limits, and on-site trained flag-people wearing high-visibility vests or outer clothing covering to direct traffic. ○ Ensuring moving equipment is outfitted with audible back-up alarms. ○ Use of temporary fall protection measures in scaffolds and out edges of elevated work surfaces, such as handrails and toe boards to prevent materials from being dislodged. • Provide PPE and other safety measures as appropriate during works such as safety glasses with side shields, face shields, hard hats, hi-vis vests and safety shoes with non-slip soles, first aid kits, restricted access zones, warning signs, overhead protection against falling debris; • Refer any grievances received by the community or local businesses to the local PMU E&S Specialist who will coordinate the GM; and • Provide project workers with accessible means to raise workplace concerns (refer to Project LMP, Annex 6)
<p>Health and safety risks for community from minor civil works.</p>	<p>The contractor(s) undertaking works shall implement the following at a minimum:</p> <ul style="list-style-type: none"> • Complete different levels of risk assessment, i.e., from whole Job Safety Analysis down to the personal level, to identify any potential hazards, rank the risks, and identify ways to eliminate, control or minimize the hazards; • Develop a Traffic Management Plan (TMP) as appropriate; • Comply with all national and good practice regulations regarding workers' safety and the Project's LMP (Annex 6); • Take protective measures to prevent accidents such as: <ul style="list-style-type: none"> ○ Barriers to prevent unauthorised access to worksites. ○ Implementing good house-keeping practices to eliminate the hazard where possible, such as the sorting and placing loose

Issue / Risk	Mitigation measure
	<p>construction materials or demolition debris in established areas away from foot paths.</p> <ul style="list-style-type: none"> ○ Planning and segregating the location of vehicle traffic, machine operation, and walking areas, and controlling vehicle traffic through the use of one-way traffic routes, establishment of speed limits, and on-site trained flag-people wearing high-visibility vests or outer clothing covering to direct traffic. ○ Ensuring moving equipment is outfitted with audible back-up alarms. ● Provide safe access routes and other safety measures as appropriate during works such first aid kits, restricted access zones, warning signs, covering openings to small-confined spaces, overhead protection against falling debris and barricaded exclusion areas for drop zones (e.g., when working at heights), lighting system to protect community against construction risks; ● Communicate risks and community safety mitigation measures to project stakeholders and communities; and
<p>Impacts on local communities from traffic obstruction, congestion, and traffic and road safety.</p>	<p>The contractor(s) undertaking works shall implement the following at a minimum:</p> <ul style="list-style-type: none"> ● Construction and establishment of haul roads shall be kept to a minimum; ● Communicate traffic management plans – including traffic volumes, schedules, road closures and community safety measures – to project stakeholders and local communities; ● Minimise the extent of traffic and construction impacts on adjacent villages and other residential areas where possible; and ● All traffic signs used for the warning or direction of traffic at road works sites shall comply with appropriate traffic regulations. Homemade signs shall not be used; and ● Implement dust suppression measures.
<p>Damage to cultural heritage.</p>	<p>The contractor(s) shall have a Chance-Finds Procedure in place prior to any physical works beginning. Chance Finds Procedure is available in Annex 11.</p>

Annex 11: Chance Find Procedure

Cultural heritage encompasses tangible and intangible heritage which may be recognized and valued at a local, regional, national or global level. *Tangible cultural heritage*, which includes movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Tangible cultural heritage may be located in urban or rural settings and may be above or below land or under the water. *Intangible cultural heritage*, which includes practices, representations, expressions, knowledge, skills—as well as the instruments, objects, artefacts and cultural spaces associated therewith— that communities and groups recognize as part of their cultural heritage, as transmitted from generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history.

The list of negative activity attributes which would make an activity ineligible for support includes any activity that would adversely impact cultural heritage assets. In the event that during reconstruction or construction sites of cultural value are found, the following procedures for identification, protection from theft, and treatment of discovered artefacts should be followed and included in standard bidding documents.

Chance find procedures will be used as follows:

- Stop the earthworks, construction or land clearing activities in the area of the chance find;
- Delineate the discovered site or area;
- Secure the site to prevent any damage or loss of removable objects. In cases of removable antiquities or sensitive remains, a night guard shall be present until the MoLNR, with responsible local authorities and the relevant Ministry take over;
- Notify the supervisory Engineer or manager who in turn will notify the responsible local authorities and the relevant Ministry immediately;
- Responsible local authorities and the relevant Ministry would be in charge of protecting and preserving the site before deciding on subsequent appropriate procedures;
- Decisions on how to handle the finding shall be taken by the responsible authorities and the relevant Ministry;
- Implementation for the authority decision concerning the management of the finding shall be communicated in writing by the relevant Ministry; and
- Construction work could resume only after permission is given from the responsible local authorities and the relevant Ministry concerning safeguard of the heritage.

These procedures must be referred to as standard provisions in construction contracts. During project supervision, the Site Engineer shall monitor the above regulations relating to the treatment of any chance find encountered are observed.

Relevant findings will be recorded in World Bank Supervision Reports and Implementation Completion Reports will assess the overall effectiveness of the project's cultural heritage mitigation, management, and activities.

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Annex 122: Vanuatu Land Administration Assessment (Component 3)

A. Background

The Vanuatu Affordable and Resilient Settlements Project (Project) aims to improve access to and resilience of infrastructure and services in selected settlements in greater Port Vila and strengthen relevant public institutions' systems to manage human settlement across Vanuatu. To achieve this aim, the Project will support land tenure regularization activities through institutional and systems strengthening for future settlement planning and development, as well as, targeted support for implementing the National Land Subdivision Policy (NLSP). The NLSP provides a framework for risk-informed land subdivision for urban residential land development. The Project will finance systems design, establishment and staff training for an improved land management information system and develop associated regulations and standard operating procedures to implement the NLSP. These activities are included under Component 3: Strengthening Institutional Capacity for Implementation and Sustainability.

Vanuatu's National Land Use Planning Policy of 2013 (Land Use Policy) calls for appropriate and effective land use planning in the face of growing population and assets in hazardous areas, compounded by the impacts of climate change. The Land Use Policy highlights that Vanuatu is rapidly urbanizing, with population growth in urban areas (including provincial centers) nearly double that of rural areas. The Land Use Policy recognizes that, if properly planned, the economic and social benefits of urbanization can be realized in an inclusive and resilient manner. Conversely, land subdivision for development and the associated infrastructure can create new risk and vulnerability. The Land Use Policy therefore directs that risk and vulnerability assessment tools, methodologies, and information be formally integrated into the land use planning process, particularly in determining development controls and assessing development applications. The NLSP provides a framework for risk-informed land subdivision for urban residential land development which is founded on a set of general principles and minimum standards for infrastructure and service provision, amenity and accessibility, affordability, disaster risk reduction, and climate change adaptation.

The NLSP applies to any land in Vanuatu that is intended to be leased/subdivided into two or more lots (including by customary landholders) and any public land that is to be re-subdivided into a new configuration. All land in Vanuatu is either under: (i) customary landholding (98 percent) in rural, rapidly growing peri-urban, and non-declared urban areas, or (ii) government (public) landholding (2 percent) in gazetted physical planning/urban areas. The NLSP provides the regulatory framework (and the associated instruments) for the development of land including for the productive sectors, infrastructure networks, and most importantly human settlement. The NLSP will apply to all components of the Project. Below is the current legal status of affected lands:

- Component 1, Etas (peri-urban area) is kastom land held under a 75-year,³⁰ registered lease by the Government of Vanuatu (represented by the Ministry of Justice and Social Welfare, pending amendment to MoLNR)
- Component 2, Ohlen Mataso, portion of Anambrou and Seaside (urban) are each held under one or more registered leases.
- Component 2, Tokyo is registered public land.

B. Assessment Rationale and Objective

This Vanuatu Land Law and Administration Assessment (Assessment) assesses how land administration activities

³⁰ Commencing on 1 January 1997.

under the NLSP align with the World Bank's Environmental and Social Standards (ESS). The assessment aims to identify potential risks and impacts, as well as appropriate design measures to minimize and mitigate adverse economic and social impacts, especially those that affect poor and vulnerable groups. The directive to prepare this assessment responds to the following requirements set out in the World Bank's Environmental and Social Framework (ESF):

- ESS1, para 28 b highlights that the project must identify and mitigate risks that project impacts fall disproportionately on individuals and groups who, because of their particular circumstances, may be disadvantaged or vulnerable; any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable; negative economic and social impacts relating to the involuntary taking of land or restrictions on land use; and risks or impacts associated with land;
- ESS5, para 7: Where a project supports land titling or other activities intended to confirm, regularize or determine land rights, a social, legal and institutional assessment will be required under ESS1.12. The NLSP will support 'regularization' activities, which means the NLSP will seek to promote recognition of occupancy and land use rights or more broadly, recognition of non-title holders to remain on the lot without threat of eviction by the authorities.

The Assessment is compiled of the following sections.

C. Overview of Vanuatu Land Law and Administration

This section provides an overview of land tenure in Vanuatu. The National Statistics Office classify land tenure into five main categories: customary, rural lease, urban lease, occupied with informal arrangements, and other. For urban households, land tenure is primarily under urban (69.5%) and rural (17.5%) leases. The urban population is defined as the population residing in Port Vila & Luganville. Rural is all others. All land in Vanuatu falls into the following categories:

- Owned by indigenous **kastom** owners (approximately 99 percent of land), or
- **Public** land held by the government (approximately one percent of land). This includes all land designated as 'state land' prior to independence (1980), i.e., held by the British or French governments and land within designated municipal boundaries. Under Order 1981, 'state land' was included in the definition of 'public land'.

Irrespective of whether land is kastom or public, it may also fall under one or the following categories:

- (i) **registered lease** or sublease
- (ii) **unregistered lease** or sublease
- (iii) **informal** tenure or occupancy arrangements.

Subdivision applications for land: already registered in an urban area or in a rural area but less than 10 subdivided lots are made under the Land Leases Act. Subdivision applications for land already registered in a rural area and for more than 10 subdivided lots are made under the Land Reform Act.³¹

The authority to register leases resulting from subdivision made under the Land Leases Act [CAP 163] and the Land Reform Act [CAP 123] is vested in the Director of Lands, Ministry of Lands and Natural Resources (MoLNR).³²

³¹ Legal opinion provided by Republic of Vanuatu, State Law Office, reference AG010510CJDT, dated 17 August 2021.

³² Ibid.

The Land Leases Act is silent on who has the authority to approve subdivisions made under the Act.³³ In practice, the inter-agency Land Management and Planning Committee (LMPC) receives, reviews and recommends approval of subdivision applications made under the Land Lease Act to the Minister of Lands and Natural Resources for approval (and subsequent registration by the Director of Lands).

Section 6U, sub-section (7) of the Land Reform Act specifies that “A person must not subdivide a land in a rural area unless the Minister [of Lands and Natural Resources] grants his or her consent for the subdivision to occur”. The LMPC may only recommend an approval to the Minister if the application is “agreed to by the custom owners” [section 6U (11)]. To verify the agreement by the kastom owners, the LMPC refers the application to the National Coordinator of Customary Land Management Office, Ministry of Justice to provide a written report verifying that the kastom owners or potential kastom owners have consented to the subdivision or change of lease type over their land. The processing of the application does not proceed without this.

The formal legal system recognizes customary land ownership and places it at the top of the hierarchy of land ownership and limits ownership to indigenous ni-Vanuatu under custom. Land can only be acquired by the state for public purposes; however, in practice use of eminent domain is rarely exercised. Interests in land can otherwise be registered through leases for various purposes. Each of these legal mechanisms are further detailed in the following sections. However, it is important to provide background on the context in which these laws operate within to understand the challenges the land tenure system presents and the role of the NLSP. This context largely revolves around traditional cultural practices (or kastom), shifts towards greater urbanization or modern influences, and the tensions between these spaces.

a. Land, culture and *kastom*

Connectedness to land is central to indigenous ni-Vanuatu identity. This relates to the idea of *ples* (Bislama for ‘place’) and the notion that every ni-Vanuatu person has a ples to which they are connected.³⁴ This ples may not be where they currently reside but instead relates to the territory to which they have connection through their kinship ties and heritage. Custodianship and the exchange of rights are central to kastom³⁵ practice, and have a significant role in ensuring that harmony, authority, relationship networks and social responsibility are maintained.

Kastom is the term used for those customary rules, practices and norms that define appropriate ways of acting. While kastom rules vary greatly throughout Vanuatu, kastom always plays a central role in determining how land is managed and by whom. Customary kinship-based groups have historically governed access to and use of land and resources in Vanuatu and continue to do so to an extent. These rules that govern rights to land, however, are often not easily identifiable and are normally dependent upon oral histories, ‘memory culture’, complex local categories, and varying inheritance practices.

The clustering of the population into villages, plantation communities and towns has also meant that many customary landowners and users no longer live within their traditional boundaries or even with their own communities. Because of this, boundaries and rights have inevitably become less certain over time.

Within a single community it is not uncommon for there to be conflicting forms of interest in the same area of land. While the Constitution recognises that custom rules apply to customary land dealings, the lack of formal

³³ Ibid.

³⁴ McDonnell, S. 2016. *My Land My Life: Power, Property and Identity in Land Transformations in Vanuatu*. A thesis submitted for the degree of Doctor of Philosophy of The Australian National University. Canberra, Australia.

³⁵ Customary rules are known as *kastom*.

rules has led to ongoing disputes and a lack of certainty and security over ownership, boundaries and use of the land. Dispute resolution in general vitally depends on custom and community chiefs and kastom, in the sense of customary norms, practices and rules, to clarify any conflicting local practices. Despite its diversity, kastom retains wide respect and authority in Vanuatu society and is almost universally regarded as the core of national identity. Formal dispute resolution relating to customary land ownership, however, is dependent on the land laws current at the time, which vary in their approach to incorporating kastom or custom rules into the laws that regulate the identification of customary land ownership. *Note: the NSLP will not involve land titling, only regularization of existing formal leases.*

b. Customary land tenure

Customary land is the dominant tenure comprising 99% of land. The remaining 1% is public or government land acquired from a public purpose.³⁶ 90% of the customary land is unleased, which means landowners have unalienable rights to use their land according to their own terms. At independence in 1980, the return of alienated land to the Indigenous ni-Vanuatu population was central to narratives of national independence.³⁷ The new Constitution proclaimed: 'All land in the Republic of Vanuatu belongs to the indigenous custom owners and their descendants'. It further proclaimed that the rules of custom form the basis of land ownership and use in Vanuatu.³⁸ Land transactions between indigenous citizens and either non-indigenous citizens or non-citizens required the consent of the government.³⁹ The Constitution also built in specific safeguards that required any land transaction to not be prejudicial to customary owners or indigenous citizens who are not customary owner and recognized customary law as a source of law.

As such, land is linked through the legal framework to cultural and clan heritage, power structures, and spirituality, and ultimately controlled by the custom owners subject to any laws or regulations limiting the custom landowners powers to make decisions over their land.

Since the land law reforms in 2013, the process of identifying the customary owners of the land requires a consensus, and only after all owners are identified can a green certificate be issued. The green certificate is a requirement for a lease to be agreed to by the Government on the land. The exception to this is if all parties claiming ownership of the land agree to the lease before ownership is resolved.⁴⁰ These land reforms along with mechanisms established in the Constitution aimed to protect customary owners from potentially unscrupulous actions when establishing long-term formal leases. The Minister of Lands also has the duty to protect customary owners from formal dealings that may be prejudicial to the owner, user or national interest.⁴¹

c. Land Leases

Under the current law, persons that are not the custom owners of the land, including Government and private investors, can negotiate long-term (e.g. 75 year renewable) leases with the customary owners. While all land is deemed customary, leases are deemed to be incontestable by law and there is no legal recourse for a customary owner to rescind the deal or regain any right to their land, subject to overriding interests that existed at the time

³⁶ See Land Acquisition Act.

³⁷ McDonnell, S. 2016. *My Land My Life: Power, Property and Identity in Land Transformations in Vanuatu*. A thesis submitted for the degree of Doctor of Philosophy of The Australian National University. Canberra, Australia.

³⁸ Article 73 and 74 of the Constitution

³⁹ Carodenuto, S., Schwartz, B., Andre, G., Kampai, J., Nelson, A., McDonnell, S., Weaver, S. 2017. *Analytical Studies for Reducing Emissions from Deforestation and Forest Degradation (REDD+)*. Unique LLC on behalf of Vanuatu Department of Forests. Port Vila, Vanuatu.

⁴⁰ *Customary Lands Management Act*

⁴¹ Land Reform Act: Part V, Section 8 (2) (c).

of first registration.⁴² Registered leases can be transferred but require the approval of the Minister of Lands if located in an urban area.⁴³ For land to be used as collateral for a mortgage (for example to build a home or rental unit), commercial banks require the applicant to hold a registered lease and to prove there is no ongoing ownership dispute over the land. Around half of the greater Port Vila area (i.e., land within the municipal area and surrounding peri-urban settlements) is not covered by registered leases. Land occupants on these lands are excluded from mortgage finance.

Urban and broader development on the two main islands of Efate and Espiritu Santo account for 93 percent of all leases in the country. The remaining 7 percent are mainly large agricultural leases, spread across all islands, many of which are significantly under-developed. Approximately 2,800 leases (or 27 percent) are taken out directly on customary land, while the rest are sub-leases of public land (mainly residential and commercial). On Efate, 43.6% of rural land is under lease while on Santo, 9.7% of rural land is under lease.⁴⁴ On Efate, the largest area of unleased customary land also includes some of the highest-quality (least degraded) forests on the island: this is the proposed ELMA conservation area that was first proposed in 1995.⁴⁵

In the past, leases for the development of large agricultural holdings, or for the provision of land for public needs, have been the touchstone of many ongoing disputes. However, these are insignificant compared to recent land development issues. Vanuatu is now being heavily promoted as a tourist destination, resulting in many pristine coastal and hilltop sites having been leased, with local community access being blocked to beach frontages, foreshores and associated infrastructure. In other cases, the leased land has remained idle for speculative purposes or has tied up prime agricultural land for alternative land uses.

d. Informal Land Tenure

While customary land tenure is the dominant form of land tenure, most customary land is not registered. It is common for people to make arrangements to use, access, or live on land, which is not registered customary land or registered through a lease. The arrangements are also not often made through written agreements. Note; the NLSP only applies to the regularization of formally leased land, this information about informal land tenure is provided for context.

Identification customary ownership is required for the customary land rights to be formally registered and both the identification and registration processes are time consuming and costly. Since the 2013 land law reforms, only 9 land disputes have been resolved through the new processes and resulted in ownership of the land being formally registered.

Informal settlements are also occurring at more than twice the national average. Vanuatu's population growth rates are quite high (2.6 percent) and in 2004, 41 percent of people were under 15 years of age. This demographic profile places a huge strain on education and youth employment, which is driving growth in urban areas and peri-urban villages placing further pressures on land leading to conflict when incursions on customary land occur. As a result, many informal settlements have been established which lack basic services, including water and sanitation, thereby posing a serious public health risk. The NLSP works to protect non-title holders with claim to lands and where formalized leasing arrangements exists, address the aforementioned issues.

⁴² See ss 14 and 17(a) *Land Leases Act*.

⁴³ See s 51(1) *Land Leases Act* Cap 163 (Vanuatu).

⁴⁴ Scott, S., Stefanova, M., Naupa, A., Vurobaravu, K. 2012. Vanuatu national leasing profile: a preliminary analysis. Justice for the Poor Briefing Note. The World Bank, Washington, DC

⁴⁵ Carodenuto, S., Schwartz, B., Andre, G., Kampai, J., Nelson, A., McDonnell, S., Weaver, S. 2017. Analytical Studies for Reducing Emissions from Deforestation and Forest Degradation (REDD+). Unique LLC on behalf of Vanuatu Department of Forests. Port Vila, Vanuatu.

e. Land tenure issues

Although the land tenure system creates a framework where indigenous ni-Vanuatu's customary land rights are protected and respected, and a mechanism for land rights to be formally registered by others, there are issues that frequently hinder development and present unique challenges.

Kastom rules being used for the determination of land ownership and disputes for example enable each indigenous group to govern land in line with own traditions or customary practices and institutional frameworks, including who is able to access and to use land, and make decisions regarding land management. However, the inherent subtleties of custom law, the uncertainty of custom authority and the lack of recognition of the customary group as a legal entity, has also been the source of many land ownership disputes and reports of inequitable land dealings.

Gaps exist in how kastom rules guide the **distribution of benefits**. In the case of lease registration, benefits have often been captured by a few, with some being estranged from their land because the lease terms and conditions have unfavourable clauses for renewal and fail to provide access rights and/or long-term financial return. Benefits derived from improvements to the land, or agricultural activities, planted forests etc. will be owned by the individual or group involved in making the improvements. How those benefits are shared within the group is determined within the groups, which is where considerations over gender equity in these decision-making processes will be of importance. Benefit-sharing in land lease situations is also not well-documented, nor consistent across Vanuatu. Only monies received from leases issued over disputed customary land is required to be placed in a trust for the customary owners, yet to be determined.

The **land lease administration system** in its currently application, is also believed by many to have gone well beyond the original intent of providing security of tenure. The consequences of this are central to many of the disputes over land in Vanuatu. Generally, it is the less powerful and less vocal segments of the community who are most negatively impacted. Without effective policy and enforcement, the long-term social and economic impacts of current practice are likely to harm both investors and local communities alike.

Severe problems exist with a significant backlog of leases awaiting registration in the Department of Land's (DoL) Registry Office. Lease approvals are very slow, particularly residential leases for ni-Vanuatu, and can often take from two to four years to establish. In contrast, international investors generally find that their leases take less time. As such, ni-Vanuatu are disadvantaged as banks will not lend until leases are officially registered. Furthermore, the poor record-keeping and uncertainty of the lease registration process leads at best to huge operational inefficiencies and at worst to the exploitation of loopholes in the process to facilitate speedier registration. Hence clearing the backlog and establishing transparent and efficient processes for land lease administration are seen as an urgent priority for the land sector. This Project specifically seeks to identify and address weaknesses in the land administration; with support to the NLSP being one main pillar of assistance.

Without formal registration, access to credit using land as security is limited, and investment is unsecured. It is also common for land disputes to arise where land has been used for private, community and government developments without being formally registered or currently going through formal dispute resolution processes without ownership having yet been determined.

f. Gender Perspectives

Land legislation in Vanuatu does not directly discriminate against women, however, women do generally not have

rights to participate in decision-making processes. Although there is variance in kastom rules from area to area, kastom rules relating to land ownership predominately dictate that land ownership rights can only be inherited patrilineally. There are a few areas and islands where land can be inherited through both the matrilineal and patrilineal lines, and there are also a few that exclusively transfer land matrilineally, however, this does not equate to women being involved in the decision-making relating to land. The decision-making processes relating to how land is utilised and managed remain predominately patriarchal.⁴⁶

While one of the strengths of customary systems is their ability to evolve to ensure social security, safety and sustainability in traditional subsistence communities, integrating many practices that go some way toward protecting women's rights and participate in decision-making processes, this does not extend to land issues generally.

There are some exceptions for women that do not have any brothers or are widows, however, there is more evidence of women being relegated to acting as a secretary in land processes, or being undermined and marginalised by formal, national processes relating to land. There are also indications that the 2013 land law reforms do not adequately address these issues and may further marginalise women's participation in decision-making relating to land, including ownership. More significantly, it is possible that the decision-making processes.

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Furthermore, evidence suggests that even the traditional protection of women's interests afforded by kastom are being eroded, and the management of customary land is becoming even more male-centric. This is driven in part through the manipulation of kastom in response to issues such as pressures on limited land resources and the increasing commoditisation of land. Women have generally become more marginalised from the decision-making processes involving land and many of the decisions are potentially less socially equitable and transparent than before.⁴⁸

Although land legislation is gender-neutral, the implementation of the process, combined with custom rules relating to land, has adopted a male bias. Women hold less than 0.1% of registered leases in land. One report from the land registry evidenced that less than 20 of the 30,000 registered leases were held by women. This is because, unless a woman is recognised as the owner of customary land and for a lease to be granted in her favour, which is virtually unknown in Vanuatu, the only way a woman can acquire title to land is to buy an existing lease in an urban area.⁴⁹

The issue of women's access to land has been placed on the national agenda in Vanuatu to ensure that gender-specific policies are addressed.⁵⁰ Improved gender equality has been shown to improve social cohesion, security and economic opportunity. This is reinforced if women are included in decision-making and their rights to utilise, own and develop land are protected and their awareness of these rights is increased.

D. National Land Subdivision Policy Risk Assessment and Mitigation Measures

The following section considers potential risks and impacts associated with supporting the NLSP, as well as appropriate design measures to minimize and mitigate adverse economic and social impacts, especially those that affect poor and vulnerable groups. This section was reviewed and confirmed by the author of the NLSP.

⁴⁶ Bowman et al. *Women in Vanuatu, Analyzing Challenges to Economic Participation*, World Bank, 2009, at 47-8

⁴⁷ Conflict Management and Access to Justice in Rural Vanuatu, AusAid 2016 at 118-9

⁴⁸ Bowman et al. *Women in Vanuatu, Analyzing Challenges to Economic Participation*, World Bank, 2009, at 50

⁴⁹ Bowman et al. *Women in Vanuatu, Analyzing Challenges to Economic Participation*, World Bank, 2009, at 50

⁵⁰ See for example, *Vanuatu National Gender Equality Policy*, 2015-2019

The NLSP is used to guide the review by the Land Management Planning Committee (LMPC) of subdivision applications lodged for approval. The purpose of the NLSP is to establish “the minimum standards of amenity, access, disaster risk reduction, health and safety which must be met in any subdivision development”. The NLSP is expected to benefit residents in future subdivisions as they will be better prepared for extreme weather events (settlements located on low hazard risk land and land uses appropriate to the risk of the area); more affordable by lower income groups by encouraging more efficient land use and a mix of land uses; and improved amenity or livability by setting aside minimum standards for open space, social and cultural facilities, and similar. Developers of future subdivisions – whether commercial property developers, kastom land owners or small and medium individual developers, will have clarity and consistency of minimum standards to be applied to the development. This will also assist greater transparency in the pricing of serviced lots and houses in the market as minimum standards (water and electricity supplies, drainage, road widths, amount of open space, etc.) will be applied to all approvals. More specifically, implementing the NLSP standards in Etas (component one) will demonstrate to the market that these standards can be met and still be affordable by low-middle income households. Implementing the NLSP principles in the four upgrading areas (component 2) will demonstrate to staff of government agencies and local authorities that existing settlements can be upgraded in situ to acceptable minimum standards without the need to demolish and relocate. Potential risks associated with the NLSP are considered below:

The risk of involuntary displacement and resettlement: Subdivision applications for land already registered in an urban area or in a rural area but less than 10 subdivided lots are made under the Land Leases Act. Subdivision applications for land already registered in a rural area and for more than 10 subdivided lots are made under the Land Reform Act. Therefore, the underlying land title including land rights have been determined prior to subdivision applications being lodged. The NLSP does not deal with land titling, only regularization (subdivision) of formalized leased. Under the NLSP there is no possibility of titled or non-titled persons being required to vacate land, including state owned public land.

The risk that land tenure rights are not recognized: Under the Land Reform Act, the LMPC may only recommend an approval to the Minister if the application is “agreed to by the custom owners” [section 6U (11)]. To verify the agreement by the kastom owners, the LMPC refers the application to the National Coordinator, Customary Land Management Office, Ministry of Justice to provide a written report verifying that the kastom owners or potential kastom owners have consented to the subdivision or change of lease type over their land. The processing of the application does not proceed without this. This Assessment has determined that Land Reform Act has clear and adequate rules for the recognition of relevant land tenure rights.

Conflict over land titles or tenure claims: The NLSP does not pertain to land titles or tenure claims. Land claims are processed through the National Coordinator of Land Dispute Management, Ministry of Justice and Social Welfare under separate procedures for determining custom ownership of land in terms of the Custom Land Management Act, 2013. The Custom Land Management Act, 2013 and Articles 73 and 74 of the Vanuatu Constitution establishes a fair criteria and functioning, transparent and participatory processes for resolving competing tenure claims.

Other forms of dispute: In terms of the Constitution of the Republic of Vanuatu (78. Disputes) where there is a dispute concerning the ownership of alienated land, the Government holds the land until the dispute is resolved, and the Government is responsible for arranging for the appropriate customary institutions or procedures to resolve disputes concerning the ownership of custom land. Project implementation will use the criteria and procedures established in the Project Operation Manual (POM) including a clear grievance redressal mechanism as part of this ESMF.

The risk of elite capture, land grabbing, exclusion of the vulnerable: VARS project design will support the MoLNR and Port Vila City Council to implement:

- i) improved living conditions and basic urban infrastructure in low-income informal settlements where some of the poorest inhabitants of Port Vila currently live;
- ii) in situ upgrading so that those living in the project sites directly benefit from the project investments;
- iii) a well-located sites-and-services in Etas with basic infrastructure (preliminary engineering design options demonstrate affordability by 40th income percentile) and self-housing technical support;
- iv) increased transparency and efficiency in land administration systems to address bottlenecks in transactions over registered land, elite capture and nepotism;
- v) reviews, updating and strengthening existing, outdated standard lease conditions to clarify the rights and responsibilities of leaseholders and tenants; and
- vi) measures to strengthening LMPC members' knowledge and capabilities for more efficient and timely approvals of subdivisions in well-located safer lands and require developer betterment levies (a simplified form of land value capture) to balance resources from individual value capture to public investments, and counter land speculation.

Area upgrading will be implemented in existing informal settlements based on already initiated inclusive participatory planning processes to meet the needs and priorities of each settlement. Infrastructure investments will be designed to a basic standard to ensure public health and amenity and livability but not to a standard that encourages gentrification - for example, upgrading only footpaths and perimeter and emergency vehicle access roads (not road access to every plot) will be constructed. In the sites and services area (Etas), lessons from successful Bank post disaster housing reconstruction projects will be implemented to ensure supported self-housing and that plots are allocated using a transparent, well publicized lottery system, targeting lower-middle income groups.

The risk of gender exclusion: There are no legal barriers to women holding leases or subleases in Vanuatu. However, in practice women are unlikely to have registered leases or sub-leases reflecting the fact that only a small proportion of households are headed by women. Under the project, joint titling will be implemented where sub-leases, strata title recording is implemented.

The risk associated with costs associated with the NLSP implementation from a land user perspective: No new tax obligations are foreseen. Under existing procedures, government fees and lease creation costs are charged and amount to around 5% of the value of a fully developed property.

The risk of poor information sharing and consultation: The project will be implemented under the Bank's ESF including the standard for Stakeholder Engagement, Consultation and Information Disclosure. MoLNR recognizes that managing relationships with all stakeholders is critical. Involvement by the residents of the settlements in planning of their areas and agreeing priorities for investments will be maximized as part of project implementation. In addition to participatory planning with identified settlements, the project will support the capacity of MoLNR and Port Vila City Council and Shefa Provincial Council to manage such transitions and development efforts. There are several other settlements and vulnerable communities in Greater Port Vila which will also need to be upgraded over the longer term. Thus, this project support will serve as a model or pilot to be followed, after necessary amendments if needed, in the future. Ensuring informed participation by beneficiaries and that beneficiaries have the knowledge and support to protect their rights is a main theme for Stakeholder Engagement activities.

E. Conclusion

The NLSP provides a framework for risk-informed land subdivision for urban residential land development which is founded on a set of general principles and minimum standards for infrastructure and service provision, amenity and accessibility, affordability, disaster risk reduction, and climate change adaptation.

Assessment of the NLSP has determined that the Project and NLSP implementation will not inadvertently compromise existing legitimate rights (including collective rights, subsidiary rights and the rights of women) or have other unintended consequences, such as enabling elite capture, land grabbing, and exclusion or forced eviction of people who refuse formalization processes. The affordability of land registration, including consideration of plus ongoing taxes and municipality fees, as well as power asymmetries between men, women and seniors must be explicitly addressed to safeguard vulnerable and marginalized people and future generations.

The Assessment has demonstrated that activities associated with implementation of the NLSP (a) provide clear and adequate rules for the recognition of relevant land tenure rights; (b) establish fair criteria and functioning, transparent and participatory processes for resolving competing tenure claims; and (c) include genuine efforts to inform affected people about their rights and provide access to impartial advice. This Assessment confirms that the land development and regularization activities promoted under the project are compliant with the ESS requirements. The TA TOR will ensure that activities and outputs are in compliance with the requirements of ESF and reviewed for compliance once completed. This commitment is reflected in the project's ESCP.