Vanuatu: Luganville Urban Water Supply and Sanitation Project

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Luganville Urban Water Supply and Sanitation Project</th>
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<tr>
<td>Project Number</td>
<td>51335-001</td>
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<tr>
<td>Country / Economy</td>
<td>Vanuatu</td>
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<tr>
<td>Project Status</td>
<td>Proposed</td>
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| Project Type / Modality of Assistance | Grant
Loan |
| Source of Funding / Amount | Grant: Luganville Urban Water Supply and Sanitation Project concessional ordinary capital resources lending / Asian Development Fund US$ 3.00 million Loan: Luganville Urban Development Project concessional ordinary capital resources lending / Asian Development Fund US$ 8.00 million |

Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change
- Gender Equity and Mainstreaming
- Governance and capacity development
- Knowledge solutions
- Partnerships
- Private sector development

Sector / Subsector
- Water and other urban infrastructure and services / Urban sanitation - Urban water supply

Gender
- Effective gender mainstreaming

Description
The project will improve access to integrated and resilient urban water supply and sanitation services in greater Luganville, Vanuatu. The project and associated project readiness financing facility will assist the government to implement selected high priority improvements, and will include three outputs: (i) urban water access, quality, and resilience is improved; (ii) urban sanitation and hygiene awareness are improved; and, (i) capacity and resilience in urban service delivery is improved. The project will also investigate potential support for future private sector participation water supply system operation.

Project Rationale and Linkage to Country/Regional Strategy
Luganville is Vanuatu's second largest urban area with an estimated population of 20,500. Over the past 10 years, population in greater Luganville has grown at about 4.9% per year and is forecast to grow to more than 40,000 by 2035. Luganville is an important tourist destination and trading hub for the northern islands of Vanuatu. Despite the importance of Luganville as Vanuatu's second largest municipal area, less than 60% of households in greater Luganville have access to piped water supply, relying mainly on rainwater tanks and shallow groundwater wells that are vulnerable to drought, climate change and contamination from poorly performing septic tanks and floods. No centralized wastewater collection or treatment exists in Luganville. In the municipal area, most households and businesses have on-site septic tanks, but many are unsealed and most are rarely emptied, preventing them from providing their intended treatment function. Coupled with poorly performing transpiration trenches due to clay soils and high water-tables, these poorly constructed and maintained septic tanks create a major health risk in Luganville. The national, provincial and municipal governments of Vanuatu are committed to implementing the United Nation's 2030 Agenda for Sustainable Development Goals; however, without substantial investment to improve access to safe water and sanitation, Vanuatu is unlikely to achieve Goal 6 of the Sustainable Development Goals.

Impact
Luganville has a vibrant, resilient, and inclusive economy.

Outcome
Access, reliability, sustainability, and resilience of water and sanitation in greater Luganville is improved.

Outputs
Urban water access, quality, and resilience is improved.
Urban sanitation, and hygiene awareness are improved.
Capacity and resilience in urban service delivery is improved.

Geographical Location
Luganville

Safeguard Categories
- Environment B
- Involuntary Resettlement B
- Indigenous Peoples C

Summary of Environmental and Social Aspects
- Environmental Aspects
- Involuntary Resettlement
- Indigenous Peoples

Stakeholder Communication, Participation, and Consultation
- During Project Design
- During Project Implementation

Responsible ADB Officer
Stephen Blaik

Responsible ADB Department
Pacific Department
Responsible ADB Division: PAUW

Executing Agencies: Ministry of Finance & Economic Management

P.M.B. 058
Port Vila
Vanuatu

<table>
<thead>
<tr>
<th>Timetable</th>
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<tbody>
<tr>
<td>Concept Clearance</td>
<td>16 Jan 2019</td>
</tr>
<tr>
<td>Fact Finding</td>
<td>11 May 2020 to 15 May 2020</td>
</tr>
<tr>
<td>MRM</td>
<td>02 Jul 2020</td>
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<td>Approval</td>
<td>-</td>
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<td>Last PDS Update</td>
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Project Page: https://www.adb.org//projects/51335-001/main

Request for Information: http://www.adb.org/forms/request-information-form?subject=51335-001

Date Generated: 24 September 2023

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