

SECTOR ASSESSMENT (SUMMARY): URBAN DEVELOPMENT

1. Vanuatu's urban development sector encompasses a wide range of structural and nonstructural services and amenities. In Port Vila, the capital of Vanuatu, the impact of high urban population growth rates (4%) has created policy and planning challenges for national and local governments to meet the rapidly increasing demands for urban infrastructure and services. Constraints on the availability of land and the cost of housing are forcing many urban immigrants to live in poor environmental conditions in urban and peri-urban settlement communities with limited or no infrastructure or urban services. There is an urgent need to promote sustainable and climate-resilient urban development in Port Vila through the building of hygiene and sanitation infrastructure. A phased approach will be required to improve (i) the drainage system and the road network to solve the flooding problems and lift the conditions of the roads within the urban area and those that link to peri-urban areas; (ii) sanitation disposal and vital infrastructure to raise environmental conditions, with emphasis on treatment systems; and (iii) the hygiene system and hygiene awareness.

A. Sector Performance, Problems, and Opportunities

2. Efficient and adequate infrastructure systems are vital to the well-being and economic progress of Vanuatu, particularly for Port Vila, the national capital and seat of government and the nation's main center of commercial activity. Furthermore, Port Vila is a principal destination for tourism in Vanuatu, which is of great importance to the national economy. Tourists require and expect high-quality infrastructure and services.

3. Planning and policy have been largely nonexistent in guiding the development of Port Vila's infrastructure. The Port Vila Master Plan for Sanitation and Drainage, which has recently been developed through project preparatory technical assistance, provided a plan for undertaking investment in vital urban infrastructure.¹

4. Port Vila's major infrastructure, including the roads, storm water drainage, and sanitation subsectors, has received minimal capital support since independence in 1980. The present condition of infrastructure services is well below what may be considered efficient and acceptable. This leads to traffic delays and increased journey times and increases vehicle operation and maintenance (O&M) costs.

5. The major roads, although surfaced, are heavily potholed and deteriorated, largely due to deferred maintenance and the almost complete absence of a system to drain the storm water flows resulting from frequent downpours. The runoff from these downpours further damages the road surface and carries debris, which renders ineffective piecemeal attempts to drain areas prone to flooding. Heavy rainfall creates chaotic conditions for vehicle and pedestrians, which has considerable adverse financial and economic impacts.

6. The sanitation system in Port Vila is largely decentralized, consisting of privately managed household and commercial septic tanks for the collection of human waste. These allow the decomposition of the waste but the process leaves a sludge as a by-product. Periodically the residual sludge is removed by private service providers through tankers and disposed of at a site designated and maintained by the Port Vila Municipality. The present site, which serves Port Vila and the whole of Efate Island, is located adjacent to the solid-waste landfill site. This site is

¹ ADB. 2009. *Project Preparatory Technical Assistance to Vanuatu for Port Vila Urban Development Project*. Manila (TA7345-VAN).

unsatisfactory, as the present disposal method is to dump the sludge into a pond with no treatment, giving rise to serious environmental and health concerns. The poor sanitation and hygiene conditions are one of the reasons for the high incidence of waterborne diseases, which cause frequent illness, and are detrimental to the overall environment.

7. During the consultative process it was reported and observed that the existing public and/or community-managed multipurpose-multiuse units (MPMUs) catering for night soil, and bathing washing facilities, are inadequate and in poor condition. There is an urgent need to rehabilitate the existing facilities and construct new facilities, particularly managed by communities. For sustainability of community-managed units, it is imperative that women are involved in the planning, location, implementation, and post-construction O&M of these MPMUs. This requires strengthening the role and awareness of women about minimum standards for sanitation and hygiene and management of common assets.

8. As the physical infrastructure in general, and the drainage system and road network in particular, is vulnerable to the vagaries of nature, refurbishment and upgrade of existing structures and the design of proposed new structures need to account for the impacts of climate change.

9. Given the current status of urban infrastructure in Vanuatu, opportunities exist to provide assistance through (i) rehabilitating and upgrading road and drainage systems in the project area, comprising the central business district and the adjoining peri-urban residential areas; (ii) providing an efficient and hygienic human waste disposal and treatment system; (iii) improving hygiene facilities in the project area; (iv) improving and strengthening the capacity of government agencies to effectively and efficiently design, implement, and monitor physical infrastructure; (v) creating awareness among general users, particularly women, about their role and importance in planning, implementing, and managing common assets; and (vi) providing efficient and effective project management services. Undertaking these measures will result in improved environmental conditions, sustainable urban development, and healthier living conditions in Port Vila. The problem tree is shown in Appendix 1.

B. Government's Sector Strategy

10. **Priorities and Action Agenda 2006–2015.** The government's medium-term strategy for development is outlined in the Priorities and Action Agenda 2006–2015 (PAA), which has an overall objective of linking policy and planning with the limited resources of the government. One of the government's strategic priorities is to support progress towards achieving the Millennium Development Goals through economic infrastructure and support services. Supportive strategies include (i) expanding access to markets for products from rural areas, (ii) improving roads and other infrastructure, and (iii) lowering the cost of doing business and increasing competitiveness through reduced costs of transportation and utilities. The challenges defined in the PAA are to (i) achieve higher and sustainable economic growth to create jobs and raise incomes while conserving resources for future generations, (ii) ensure macroeconomic stability to create a stable investment climate, and (iii) raise standards of service delivery and improve access to basic services while lowering the costs of internal trade.

11. **Planning Long, Acting Short 2009–2012.** In September 2008, the government revised its PAA strategy with a consensus-based planning matrix for action. In it the government committed itself to increasing the reliability, accessibility, and overall quality of infrastructure services by strengthening the institutional resources of the Ministry of Infrastructure and Public

Utilities through a capacity development program, and undertaking feasibility studies on potential civil works improvements.

C. ADB Sector Experience and Assistance Program

12. The Asian Development Bank (ADB) has been a significant sector development partner since the mid-1980s, having undertaken various projects, including the Multi-Project Loan,² National Transport Development Plan,³ Inter-Island Shipping Study,⁴ Sanitation Master Plan for Port Vila,⁵ Outer Islands Infrastructure Development Plan,⁶ and Inter-Island Shipping Support Project.⁷ However, most of these projects have been in the form of technical assistance involving only the provision of reports for sector infrastructure investments and governance reform. Actual investment activity through the implementation of recommendations has been limited.

13. Based on the previous experience of ADB and other development partners in the sector, the following lessons have been learned:

- (i) the siting of infrastructure needs careful consultation with the communities that are intended to be the beneficiaries, as a means to ensure adequate utilization;
- (ii) project implementation management and delegation of responsibility for construction supervision need to be carefully scrutinized to ensure that designs are properly followed and internationally proven practices are adopted, such as the International Federation of Consulting Engineers formats for contract documents and the appointment of an engineer;
- (iii) infrastructure investment initiatives require accompanying institutional support to ensure optimal usage, effective O&M, and the collection of tariffs for cost recovery;
- (iv) there is a need for wide consultation and a thorough participatory process to obtain support and broad ownership, as any reform initiative to promote a project from initial concept to implementation cannot be underestimated;
- (v) commitment is required to fund institutional strengthening programs of key stakeholder agencies to ensure the alignment of outputs with the intended reform objectives; and
- (vi) the sequencing of reforms needs to be carefully assessed, with consideration for the sustainability of the reform process, ensuring that it is not overambitious.

14. The vision for the development of the sector specified in the proposed project is comprehensive in identifying and proposing infrastructure interventions and institutional policy and legal framework reforms. It is also complementary to the ongoing and known planned efforts of other agencies such as the Australian Agency for International Development (AusAID) as well as other multilateral and bilateral development partners. The proposed project will include cofinancing through a grant provided by AusAID, which will be administered by ADB. The sector results framework for the Vanuatu urban development sector for 2011–2015 is provided at the end of this document.

² ADB. 1985. *Multi-Project Loan in Vanuatu*. Manila.

³ ADB. 1989. *Technical Assistance to Vanuatu for the National Transport Development Plan*. Manila.

⁴ ADB. 1993. *Technical Assistance for the Republic of Vanuatu for the Inter-Island Shipping Study*. Manila.

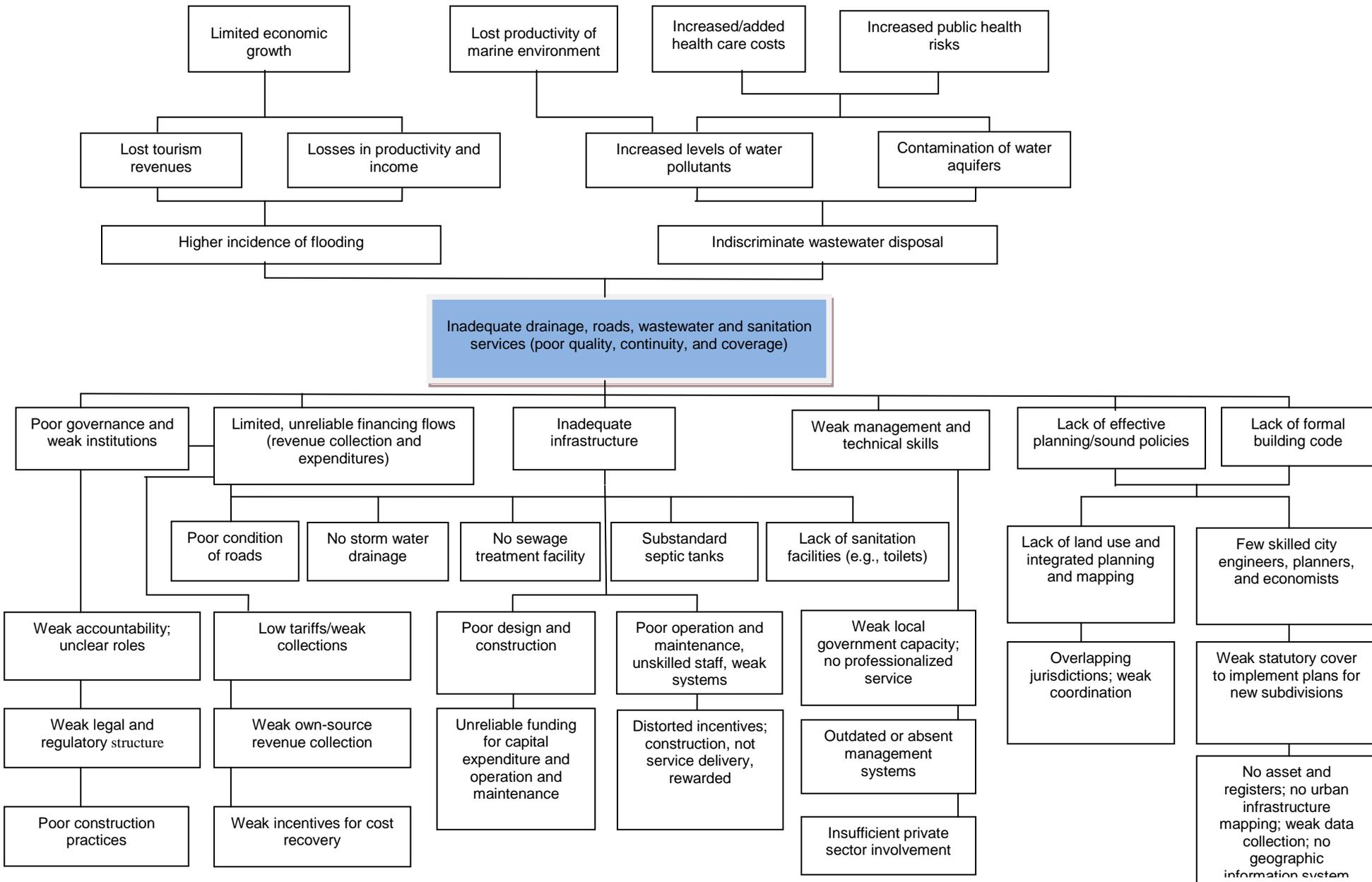
⁵ ADB. 1998. *Technical Assistance to Vanuatu for the Sanitation Master Plan for Port Vila*. Manila.

⁶ ADB. 1999. *Technical Assistance to the Republic of Vanuatu for Preparing the Proposed Outer Islands Infrastructure Development Project*. Manila.

⁷ ADB. 2010. *Technical assistance to Vanuatu for the Inter-Island Shipping Support Project*. Manila.

PROBLEM TREE

Port Vila Urban Development Project



Sector Results Framework (Vanuatu Urban Development Sector, 2011–2015)

Country Sector Outcome		Country Sector Outputs		ADB Sector Operations	
Outcomes with ADB Contributions	Indicators with Targets and Baselines	Outputs with ADB Contributions	Indicators with Incremental Targets (baselines zero)	Planned and Ongoing ADB Interventions	Main Outputs Expected from ADB Contributions
<p>Establish a comprehensive drainage network for Port Vila</p> <p>Reconstruct or rehabilitate the road network contiguous with the drainage network in Port Vila.</p> <p>Construct a plant for the treatment of sewage sludge and identify a site for a future comprehensive sewage treatment plant</p> <p>Construct new public and community sanitary facilities in Port Vila</p> <p>Rehabilitate existing public and community sanitary facilities</p> <p>Improve and enforce building code and other related legislation such as the public roads act, traffic management act, and sanitation policy</p>	<p>Drainage network established and operational by 2016</p> <p>Road network reconstructed/rehabilitated by 2016</p> <p>Sludge treatment plant operational by 2016</p> <p>New public and community sanitary facilities constructed and operational by 2016</p> <p>Rehabilitated public and community sanitary facilities operational by 2016</p> <p>Building code and other related legislation improved and enforced by 2014</p>	<p>Sustainable urban development and improved access to and delivery of drainage and sanitation services in Port Vila</p> <p>Support provision of affordable, effective, and sustainable drainage and sanitation services to the residents of Port Vila and surroundings</p> <p>Improve construction standards</p>	<p>Long-term spatial and zoning plans for Port Vila developed and endorsed by stakeholders</p> <p>An integrated sanitation and drainage master plan with adaptive design protocols and risk management; building code and development standards developed</p> <p>Institutional arrangements for efficient and effective urban planning and management are agreed upon and implemented</p> <p>An integrated sanitation and drainage master plan and a prioritized and costed road map for Port Vila prepared and endorsed by key stakeholders</p> <p>Mechanisms for funding and delivery of drainage O&M and provision of sanitation services endorsed by stakeholders</p>	<p>(i) Planned key activity areas</p> <p>Infrastructure intervention (80% of funds)</p> <p>Sector reform and capacity building (20% of funds)</p> <p>(ii) Projects in the pipeline with estimated amounts: N/A</p> <p>(iii) Ongoing projects with approved amounts: N/A</p>	<p>(i) Planned key activity areas</p> <p>Road and drainage in six drainage areas established/improved</p> <p>Sludge treatment plant constructed (1)</p> <p>New public toilets (6)</p> <p>Improved public toilets (4)</p> <p>New communal toilets (5)</p> <p>Improved communal toilets (1)</p> <p>Comprehensive training package developed and conducted</p> <p>Reorganization and strengthening of MIPU, PWD, MFEM/VPMU, DEPC and other agencies</p> <p>(ii) Projects: N/A</p> <p>(iii) Ongoing projects: N/A</p>

ADB = Asian Development Bank, DEPC = Department of Environmental Protection and Conservation, MFEM = Ministry of Finance and Economic Management, MIPU = Ministry of Infrastructure and Public Utilities, N/A = not applicable, O&M = operation and maintenance, PWD = Public Works Department, VPMU = Vanuatu Project Management Unit.

Source: Asian Development Bank.