Initial Poverty and Social Analysis

February 2019

VAN: Port Vila Integrated Urban Improvements Project

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Asian Development Bank
CURRENCY EQUIVALENTS
(as of 13 February 2019)

Currency unit – vatu (Vt)
Vt1.00 = $0.009
$1.00 = Vt12.650

ABBREVIATIONS

ADB – Asian Development Bank
O&M – operations and maintenance
PVMC – Port Vila Municipality Council
TA – technical assistance

NOTE

In this report, "$" refers to United States dollars, unless otherwise stated.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.
INITIAL POVERTY AND SOCIAL ANALYSIS

Country: Vanuatu  Project Title: Port Vila Integrated Urban Improvements Project

Lending/Financing Modality: Sector Lending  Department/Division: PARD/PAUS

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The proposed project will contribute to the National Sustainable Development Plan 2016–2030 (Vanuatu 2030) and its vision of “a stable, sustainable and prosperous Vanuatu” through three strategic goals and policy objectives of society, environment and economy. It will also contribute to The Vanuatu Climate Change and Disaster Risk Reduction Policy 2016-2030 and vision “Vanuatu is a resilient community, environment and economy.” It is consistent with the ADB corporate direction (ADB Strategy 2020 midterm review), and the Pacific Department’s Pacific Approach 2016-2020, and Vanuatu Country Operations Business Plan 2017-2019. It is listed as a priority in the Vanuatu Infrastructure Strategic Investment Plan 2015. The proposed project also will support government efforts towards achieving its Sustainable Development Goals, and 2030 Agenda for Sustainable Development. It is aligned with ADB’s Livable cities approach to urban development.

The proposed project will focus on increasing resilience in Port Vila through urban planning and management, infrastructure development, and local partnerships. The project will incorporate measures to strengthen Vanuatu’s resilience to climate change and disasters caused by natural hazards and geohazards.

B. Poverty Targeting

General intervention  Individual or household (TI-H)  Geographic (TI-G)  Non-income MDGs (TI-M1, etc.)

Based on the latest Vanuatu Hardship and Poverty Report: Analysis of the 2010 Households Income and Expenditure Survey, the incidence of food poverty across Vanuatu more than halved, dropping from 7.4% of the population in 2006 to 3.2% in 2010. In Port Vila, the incidence of food poverty decreased from 5.4% in 2006 of the urban population to 2.8% in 2010. The incidence of basic needs poverty in Vanuatu decreased from 13.0% of the population in 2006 to 12.7% in 2010. A similar trend was seen amongst the urban population in Port Vila: About 20.1% of the population in 2006 was below the basic needs poverty line compared to 18.4% in 2010.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. A stakeholder analysis will be completed during project preparation to identify potential beneficiaries and other stakeholders of varying degrees of influence. The expected beneficiaries of the project are expected to be the residents of Greater Port Vila Area (Port Vila municipality and surrounding area in Shefa province), businesses in Port Vila central business district (CBD), migrants and informal settlers, tourists, and people transiting or doing business in Port Vila.

2. Impact channels and expected systemic changes. The impact channels are unknown at this time; however, efforts will be made to ensure segments of the population in Port Vila are not excluded from the perceived benefits of the project. Port Vila Urban Development Project focused mainly on improving the sanitation and transport networks outside of the Port Vila CBD. The proposed project will improve resilience in urban infrastructure development and service delivery provision within Port Vila CBD; thereby transforming it into a sustainable economic hub.

3. Focus of (and resources allocated in) the transaction TA or due diligence. A poverty and social analysis will be completed during project preparation and design, with due diligence completed on all project components and activities. Lessons from the Port Vila Urban Development Project will be reviewed and incorporated. In addition, a series of workshops will be conducted during project preparation. Any issues arising from this assessment, review and consultations will be addressed through costed measures in the project design.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program? Women continue to have less access to productive and economic resources than men in the country. Labor force participation rate out of the total working age population is estimated at 61% for women and 81% for men. Women’s share of wage employment in non-agriculture sector is 41.3% mostly concentrated in the civil service, tourism, and other services industries. Most women are engaged in the informal sector especially as open-air vendors, handicraft makers and sellers and running stalls at the markets. Women experience both physical and cultural constraints in accessing public facilities. The proportion of population using improved sanitation facilities in Vanuatu was 57.9% in 2015. The maternal mortality rate in Vanuatu is 78 per 100,000 live births—relatively better compared with other Pacific countries. A gender analysis and gender action plan will be prepared during project
Appendix 4

II. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

A stakeholder analysis and mapping will be completed during project preparation. Potential stakeholders include the government of Vanuatu (and different ministries), Port Vila Municipality Council, residents of Port Vila CBD and those residing in Shefa province, businesses, community groups, civil society and non-governmental organizations (CSOs/NGOs), development partners, private sector, and others. Safeguard documents will be prepared to mitigate against any potential negative effects.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded?

A stakeholder analysis and mapping will be completed during project preparation to determine and confirm stakeholders and their sphere of influence. A series of workshops, sample survey, focused group discussions and interviews will be conducted separately with men and women, poor, vulnerable groups. This, together with the project feasibility and design preparations, will determine the types of issues that require further attention.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

Information generation and sharing (H) Consultation (H) Collaboration (M) Partnership (M)

The Ministry of Internal Affairs has a desk that coordinates and facilitates CSOs work in Vanuatu. Known CSOs in the project area include: World Vision, Oxfam, Care, Save the Children, Wan Smol Bag, Live and Learn, Society of People with Disabilities, Vanuatu Women’s Center.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed?

Yes ☒ No

At this time, categorization is EGM but this will be confirmed during project preparation.

III. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category ☒ A ☒ B ☐ C ☐ FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☒ Yes ☐ No

The extent of land and assets acquisition and the estimated number of affected persons will be determined during project preparation. The project is not expected to have significant involuntary resettlement impacts as the project design will be required to avoid such impacts. Resources will be allocated to assess the project components and design of the priority investments and prepare the necessary safeguards documents.

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?

Resettlement plan ☒ Resettlement framework ☒ Social impact matrix

Environmental and social management system arrangement ☐ None

A gender analysis will be prepared during project preparation to determine if there are any potential adverse impacts on women and/or girls. A series of workshops and focused group discussions will also be conducted with men and women, separately. A gender action plan will be prepared accordingly. Women or households headed by women are affected by land acquisition or resettlement will be included as part of the resettlement planning document.

2. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes ☒ No ☐

A gender analysis will be prepared during project preparation to determine if there are any potential adverse impacts on women and/or girls. A series of workshops and focused group discussions will also be conducted with men and women, separately. A gender action plan will be prepared accordingly. Women or households headed by women are affected by land acquisition or resettlement will be included as part of the resettlement planning document.

3. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women’s access to and use of opportunities, services, resources, assets, and participation in decision making? ☒ Yes ☐ No

A gender analysis will be prepared during project preparation to determine the potential of the project to contribute to the promotion of gender equity and empowerment of women. A gender action plan will be prepared accordingly.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity) ☐ EGM (effective gender mainstreaming) SGE (some gender elements) ☒ NGE (no gender elements)

At this time, categorization is EGM but this will be confirmed during project preparation.
At this time, the categorization is B, but it will be confirmed during project preparation. A resettlement framework will also be prepared, as the project is anticipated to use sector lending modality.

**B. Indigenous Peoples Category**

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? ☑ Yes ☐ No
2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☑ Yes ☐ No

The proposed project will be in the commercial district of Port Vila. About 97% of the population in Vanuatu is Melanesian and nearly 98% identify themselves as Ni Vanuatu. There are no distinct and vulnerable indigenous groups to be affected.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Vanuatu</th>
<th>Shefa province</th>
<th>Port Vila</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (urban)</td>
<td>272,459 (67,749)</td>
<td>97,602</td>
<td>50,944</td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Melanesian</td>
<td>264,516</td>
<td>94,832</td>
<td>49,677</td>
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<tr>
<td>Non-Melanesian</td>
<td>2,039</td>
<td>1,573</td>
<td>1,267</td>
</tr>
<tr>
<td>Nationality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ni Vanuatu</td>
<td>264,962</td>
<td>95,108</td>
<td>49,844</td>
</tr>
<tr>
<td>Non-Ni Vanuatu</td>
<td>1,593</td>
<td>1,297</td>
<td>1,100</td>
</tr>
</tbody>
</table>


3. Will the project require broad community support of affected indigenous communities? ☑ Yes ☐ No
4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?
   - ☑ Indigenous peoples plan
   - ☐ Indigenous peoples planning framework
   - ☐ Social impact matrix
   - ☐ Environmental and social management system arrangement
   - ☑ None

At this time, the categorization is C, but it will be confirmed during project preparation.

**IV. OTHER SOCIAL ISSUES AND RISKS**

1. What other social issues and risks should be considered in the project design?
   - ☑ Creating decent jobs and employment (M)
   - ☑ Adhering to core labor standards (H)
   - ☐ Labor retrenchment
   - ☐ Spread of communicable diseases, including HIV/AIDS (L)
   - ☐ Increase in human trafficking (L)
   - ☑ Affordability (H)
   - ☑ Increase in unplanned migration (L)
   - ☐ Increase in vulnerability to natural disasters (M)
   - ☐ Creating political instability
   - ☐ Creating internal social conflicts
   - ☑ Others, please specify ______________

2. How are these additional social issues and risks going to be addressed in the project design?
   These are social issues and risks that will be part of the due diligence and will be part of the design. For instance, improvements to any market area will require attention to ensuring the market space is accessible to vendors after the improvement. Similarly, some of the social risks (core labor standards) will be part of conditions of contracts for ensuing infrastructure construction. Population growth projections for designing infrastructure capacity will reflect all sources of population growth, including in-migration. Infrastructure and capacity development activities will include measures to strengthen resilience to natural and climate change risks.

**VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT**

1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified? ☑ Yes ☐ No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence?

Consultants will be part of the project preparation consulting team, who will be engaged to conduct social surveys, lead stakeholder consultation and participation processes, conduct social, poverty and gender analysis, preparation of safeguard documents, and for needful due diligence. In addition, respective ADB staff will be team members to oversee and direct the project preparation and due diligence process.

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CBD = central business district, CSOs = civil society organizations, NGOs = non-governmental organizations

b The Secretariat of the Pacific Community. 2015. **Vanuatu Climate Change and Disaster Risk Reduction Policy 2016-2030.** Fiji.

Source: Asian Development Bank