

Safeguards Monitoring Report

Semi Annual Report
August 2017

VAN: Cyclone Pam Road Reconstruction Project

Prepared by Ministry of Infrastructure and Public Utilities for the Vanuatu Government and the Asian Development Bank.

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DRAFT Semi-Annual Safeguards Monitoring Report – January–June 2017

Cyclone Pam Road Reconstruction Project

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Acronyms and abbreviations

ADB	Asian Development Bank
CEMP	Construction environmental management plan
CLMO	Customary Land Management Office
CPP	Consultation and Participation Plan (for the project)
CSS	Country safeguard system
DDR	Due Diligence Report
DEPC	Department of Environment Protection and Conservation
DGMW	Department of Geology, Mines and Water (within Ministry of Land and Natural Resources)
DFAT	Department of Foreign Affairs and Trade (Australian Government)
DSC	Design and supervision consultant
EARF	Environmental Assessment and Review Framework
EIA	Environmental impact assessment
EPCA	Environment Protection and Conservation Act 2010 (as amended)
GDP	Gross domestic product
GRM	Grievance Redress Mechanism
IEE	Initial environmental examination
IWG	Infrastructure Working Group
MCC	Ministry of Climate Change, Meteorology and Geo-hazards, Environment, Energy, and Disaster Management
MIPU	Ministry of Infrastructure and Public Utilities
MOU	Memorandum of Understanding
PAM	Project Administration Manual
PDNA	Post Disaster Needs Assessment (prepared by government and development partners)
PEA	Preliminary environmental assessment
PMU	Project Management Unit (within MIPU for the project)
PWD	Public Works Department (within MIPU)
RF	Resettlement framework
SPS	Safeguards Policy Statement 2009 (of ADB)

Executive summary

The Cyclone Pam Road Reconstruction Project (the Project) commenced on 6 July 2016. The purpose of the Project is to restore the Efate ring road to pre-Cyclone Pam conditions.

During the period from January to June 2017, Phase I construction works of the Project was being tendered and Phase II feasibility and design phases were completed. This included information gathering, consultations, options assessment, social, environmental and climate change screening and assessments, economics analysis and engineering design.

This semi-annual safeguards monitoring report was prepared in June 2017, to document the monitoring activities of the first six months of 2017. The report outlines the policy and legislative framework for the Project, the safeguards monitoring activities undertaken, the outcomes of the monitoring, including non-conformances and how these have been addressed, and any conclusions and recommendations for the future.

No non-conformances have been identified to date.

The key safeguards issue is to obtain the final MOUs (for Epule nakamal and Waisisi), and the third party validation report, and issue the Phase II DDR. Verbally, agreement to these MOUs has been obtained, but the written agreement will be followed up.

All of the other project Memoranda of Understanding (MOUs) for Phase II were agreed and signed with landowners during the period.

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1 Introduction

Severe Tropical Cyclone Pam (TC Pam) was a category 5 cyclone that moved through Vanuatu on 13 March 2015. Passing just east of the island of Efate, the ensuing impact resulted in severe damage to infrastructure including roads, bridges, housing, telecommunications, and sewerage and water supply systems. 17,000 buildings were destroyed or damaged, livelihoods dependent on agriculture were compromised^[1] and 11 fatalities were suffered.^[2]

Large waterway flows and debris build-up caused damage to bridges, including to piers, abutments and scour protection. Road approaches to bridges, causeways and culverts collapsed or were washed away and road pavement stability was affected in a number of locations. The major damage to the transport sector was to the Efate Ring Road. This road is a 120 km sealed two-way road, providing transport services to the rural population (about 29,150 people) around the Efate Island and connects to the capital (Port Vila, with an urban population of 55,525); it is the only road link servicing the rural population of Efate.

This disaster caused the Vanuatu's gross domestic product (GDP) growth to contract to 0.9 per cent in 2015, down from 2.3 per cent in 2014^[3]. TC Pam had a notable effect on tourism, with immediate and future bookings affected for up to 12 months.

The original Project scope (now known as Phase I) was funded by ADB a grants and loans to the value of USD 16,290,000, with USD 2,210,000 being provided by the government for tax and duty exemptions, in-kind audit fees and office space. A design and supervision consultant (DSC), Cardno Emerging Markets (Australia) was procured to design and supervise the works. The DSC commenced services on 6 July 2016 and delivered all services in line with the agreed program. Detailed design was completed in December and the civil works was tendered in January 2017. Post-reporting period, the contract was awarded to China Civil Engineering Construction Company (CCECC) on 13 July 2017.

Following a request from government, ADB have identified further funds for the Project. This additional financing is for Phase II and are targeted at increasing the scope of works at two sites in Phase I (Tanoliu and Epule) and addressing new works at four sites (Waisisi, Tassiriki, Saama and Ulei).

1.1 Scope of report

This semi-annual safeguards monitoring report was prepared to meet the requirements of government and ADB. The report covers the period from 1 January 2017 to 30 June 2017.

The report outlines the policy and legislative framework for the Project, the safeguards monitoring activities undertaken during the period, the outcomes of the monitoring, including non-conformances and how these have been addressed, and any conclusions and recommendations for the future.

^[1] Widespread crop destruction occurred to 80% of Vanuatu's rural communities (Government of Vanuatu, 2015)

^[2] Government of Vanuatu. 2015. Post Disaster Needs Assessment Report. Port Vila.

^[3] <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=VU>, accessed 03/08/2016

2 Policy and legal framework

2.1 Government of Vanuatu

Monitoring activities form part of the implementation of the environmental impact assessment and management system in Vanuatu, which is provided for under the Environmental Management and Conservation Act No. 12 as amended by The Environmental Protection and Conservation (Amendment) Act No. 28.

The Environmental Protection and Conservation Act 2002 (EPC Act) is the umbrella environmental legislation in Vanuatu and effects the Environmental Impact Assessment (EIA) Regulations.

The EPC Act is administered by the department of Environmental Protection and Conservation (DEPC) and focuses on four main areas:

- > Administration
- > Environmental impact assessments
- > Biodiversity
- > Bio-prospecting laws and community conservation areas (CCAs)

The Amendment Act makes a number of important changes directly relevant to climate change:

- > Includes a definition of climate change
- > Adds the concept of ecosystem services and processes to the Act
- > Applies the precautionary principle to any decision made regarding the environment that may risk human health or threaten damage to the environment
- > Specifies that any decision made under the terms of the Act must be guided by consideration of climate change adaptation and mitigation issues

The Act states that 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 an EIA. The EIA Regulations establish the procedures for undertaking the environmental assessment of any development or activities that are likely to cause significant environmental, social, and/or custom impacts, under the provisions of the EPC Act.

The Project operates under this legislation and is also subject to the requirements of the ADB's Safeguard Policy Statement, 2009.

2.1.1 Other relevant legislation

There is other legislation to which the Project must comply. The legislation, the administering body, relevant permits and monitoring requirements under each are tabled below.

Table 2-1 Legislation, permits and monitoring

Legislation	Relevant Approving Authority	Detail	Approval and Permit	Monitoring required
Environmental Management and Conservation Act	Department of Environmental Protection and Conservation (DEPC)	The entire development requires approval under this Act. As determined by the Director authorised under the Act	A Preliminary Environmental Assessment (PEA) is required by DEPC, to obtain the Director's determination	Observance of conditions of obtained permit
Foreshore Development Act	Physical Planning Unit c/o Department of Provincial Affairs	An application for consent is required for works below the mean high water mark, on and/or over the seabed	Application is required, including consent from landowners (Memorandum of Understanding (MOU)) and other government agencies	Observance of conditions of obtained permit
Physical Planning Act	Shefa Provincial Council	The project sites are located within the Shefa Provincial Council. Some parts of Efate have been designated "physical planning area" and therefore development approval from the Council is needed	PWD confirmed this does not apply to this Project (8 Nov 2016)	N/A
Water Resources Management Act	Department of Geology, Mines, and Water Resources	An application is required for the construction, operation and maintenance of works relating to the protection, management and use of water including stormwater and wastewater	The Contractor is to obtain water extraction and working in waterways permit	Observance of conditions of obtained permit
Quarry Act	Department of Geology, Mines, and Water Resources	An application is required for a quarry permit for construction materials (road base, aggregates), including quarry management plan	The Contractor is to obtain quarry permit if operating their own quarry	Observance of conditions of obtained permit, if required
Customary Land Management Act	Customary Land Management Office	Consent for use of land for construction camp sites, storage of machinery and Project work sites	General agreement provided during consultations with the Council of chiefs but will require individual custom land owner to agree through a MOU	Observance of signed MOUs
Building Permit	Public Works Department (PWD)	Building consent application	PWD confirmed this does not apply to this Project (8 Nov 2016)	Nil
Airspace permit	Airports Vanuatu	For all work that requires craneage or piling within the controlled airspace radius, a permit may be required. This affects Prima, Mele and Klems Hill subproject sites	Contractor is required to consult Airports Vanuatu to obtain clearance or permit, as required	Observance of conditions of obtained permit, if required

2.2 ADB Safeguard Policy Statement

Safeguard policies are generally understood to be operational policies that seek to avoid, minimise, or mitigate adverse environmental and social impacts, including protecting the rights of those likely to be affected or marginalised by the development process. ADB's safeguard policy framework – Safeguard Policy Statement, 2009 (SPS) – consists of three policies: the environment, indigenous peoples, and involuntary resettlement.

The objectives of ADB's safeguards are to:

- (i) avoid adverse impacts of projects on the environment and affected people, where possible;
- (ii) minimize, mitigate, and/or compensate for adverse project impacts on the environment and affected people when avoidance is not possible; and
- (iii) help borrowers/clients to strengthen their safeguard systems and develop the capacity to manage environmental and social risks.

2.2.1 Environmental safeguards

ADB's environmental safeguards aim to ensure the environmental soundness and sustainability of projects, and to support the integration of environmental considerations into the Project decision-making process. For this Project, the policy required screening which lead to a Category B impact assessment, which requires the preparation of an Initial Environmental Examination (feasibility and design phase). Institutional arrangements, an environmental management plan (EMP) and monitoring and reporting mechanisms must be included in the IEE and planned for implementation during the pre-construction, construction and post-construction phases.

2.2.2 Social safeguards

The SPS requires ADB-assisted projects to:

- > Avoid involuntary resettlement wherever possible
- > Minimise involuntary resettlement by exploring project and design alternatives
- > Enhance, or at least restore, the livelihoods of all affected persons in real terms relative to pre-project levels
- > Improve the standards of living of the affected poor and other vulnerable

It covers both physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of land acquisition or restriction on land use or on access to parks and protected area.

2.3 Project-specific documents

2.3.1 Project Administration Manual

The Project Administration Manual (PAM) notes the following planning and implementation requirements:

- > Grievance redress mechanism (GRM), including both men and women – Para. 10, 104 (iv), 130, 143
- > Resettlement and community consultation meetings will involve women and be conducted by male and female facilitators – Para. 50
- > Community Consultation Plan – Para's. 59 (iv), 61 (iii), 104 (i), 107 (i), 137, also noted in the Financing Agreement (Loans), Schedule 6, Para. 17
- > Monitoring of the construction environmental management plan (CEMP) – Para. 61 (iii)
- > Six-monthly Safeguards monitoring reports submitted to ADB – Para. 61 (vi)
- > Template for environmental monitoring reporting – Para. 97 (iii)
- > Implement system for monitoring social safeguards compliance – Para. 104 (xiii)

2.3.2 Environmental Assessment and Review Framework

An Environmental Assessment and Review Framework (EARF) was prepared for the Project in 2015. The framework sets out the processes to be followed for the Project as a whole and for individual subprojects as and when they are identified. The framework covers the types of subprojects to be implemented (in terms of identifying generic impacts and mitigations) and clearly identifies the process to be followed (from screening through to monitoring) and the implementation arrangements (procedures, roles, responsibilities, and budget).

The EARF identifies this Project as category B for environmental impact, as it has been assessed that its potential adverse environmental impacts are less adverse than those of category A projects, impacts are site-specific, few if any of them are irreversible, and in most cases mitigation measures can be designed readily. This was confirmed by the assessments during feasibility phase and reported in the Initial Environmental Assessments (IEEs).

The monitoring is as required by the environmental management plans. The environmental management plans are drafted in the IEEs for both Phase I and II, which will be used as the basis of the CEMPs. The CEMPs will address development consent conditions and detailed working statements and methodologies.¹ The CEMPs are to set out a monitoring and reporting program and describe monitoring measures with technical details, including:

- > Parameters to be measured
- > Methods to be used
- > Sampling locations
- > Frequency of measurements
- > Detection limits
- > Definition of thresholds that will signal the need for corrective actions
- > Reporting and disclosure procedures²

The reporting requirements under the EARF are the semi-annual safeguards monitoring reports (by DSC), quarterly progress reports (by DSC), monthly progress reports (by Contractor) and the Project Completion Report (by MIPU).³

A GRM and consultation process is required under the EARF.⁴ The requirements for this are co-ordinated with the requirements of the Resettlement Framework and PAM for GRM disclosure, operation and management.

2.3.3 Resettlement Framework

A Resettlement Framework (RF) was prepared for the Project in 2015. The Project objective, as stated in the RF, is:

“to avoid land acquisition and resettlement impacts to a maximum possible extent; to minimize resettlement impacts by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons (DPs)⁵ relative to pre-project levels; and to improve the standards of living of the poor DPs and other vulnerable groups”⁵

The RF focusses on the criteria, impact assessment and process to be followed to evaluate, consult, document and ultimately avoid, resettlement. Monitoring is only required under the RF if a resettlement plan

¹ ADB, 2015, Environmental Review and Assessment Framework, Para.119, p22

² ADB, 2015, Environmental Review and Assessment Framework, Para.97, p17

³ *ibid*, Para.123-125, p23

⁴ *ibid*, Para.104, p18

⁵ ADB, 2015, Resettlement Framework, Para.20, p5

is required under the Project. At this stage, no resettlement impacts are identified and a social safeguards due diligence report has been prepared and approved for Phase I and Phase II.

2.4 Institutional arrangements

Using the arrangements outlined in the EARF, the implementation arrangements for environmental and social safeguards are updated in the table.

Table 2-2 Implementation arrangements

Project implementation organisations	Management Roles and Responsibilities
Ministry of Finance and Economic Management	<ul style="list-style-type: none"> ▪ Executing agency and ministry representing the recipient
Ministry of Infrastructure and Public Utilities (through Public Works Department)	<ul style="list-style-type: none"> ▪ Implementing agency ▪ Responsible for overall implementation of the Project through PWD and DSC ▪ Establish Infrastructure Working Group (IWG) within MIPU to review and approve Project documents and direction ▪ Responsible for submitting withdrawal applications, reporting requirements, including submitting the annual audit report and audited financial statements and record keeping ▪ Responsible for providing counterpart in-kind contribution (e.g., land, office space, taxes and duties, counterpart staff) for project components ▪ Review of safeguards documents and key liaison for the interaction of government departments
DEPC	<ul style="list-style-type: none"> ▪ Coordinate and liaise with MIPU and the DSC and confirming the process and safeguards instruments to be prepared for the project ▪ Provide advice, information and assistance on the environmental details and existing management plans or legislation covering aspects of the subproject areas ▪ Review the environmental permit application in line with statutory requirements and determine whether further information and/or assessment is required ▪ Upon acceptance of the applications and assessments, issue environmental permit with or without conditions ▪ Undertake periodic monitoring of the subprojects and implementation of environmental permit conditions as required ▪ Undertake to review the environmental grievances or complaints that cannot be resolved through the GRM
ADB	<ul style="list-style-type: none"> ▪ Financier through Asian Development Fund grant and loan and Global Environment Fund ▪ Full administrator of the Project ▪ Technical and compliance review of safeguards documents
DSC	<ul style="list-style-type: none"> ▪ Employ a national safeguards specialist, international environmental safeguards specialist, national social and gender safeguards specialist and international social safeguards specialist ▪ Ensure that the environmental safeguards are implemented as set out in the EARF so as to meet intended requirements ▪ Undertake safeguards assessments during the feasibility study ▪ Ensure that the EMPs from approved environmental assessments (consents) are included as part of construction bid and contract documents ▪ Undertake monitoring

Project implementation organisations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> ▪ Supervise the implementation of the EMP during construction ▪ Brief the DSC team on the EARF and safeguards and CCP requirements that need to be implemented during the Project ▪ Consult with DEPC to confirm the process and safeguards instruments to be prepared to meet both EPC Act and SPS requirements ▪ Undertake the screening of each subproject (including individual components such as water crossings at different locations) and identify main environmental impacts and prepare project descriptions ▪ Prepare the environmental assessments for the selected or prioritised subprojects to meet the requirements of the EARF ▪ Undertake adequate consultations with affected people and studies of the subproject area/catchment to identify baseline conditions and impacts ▪ Prepare the environmental permit applications including subproject descriptions, screening forms, and assessments and after approval by MIPU and ADB, submit to DEPC for review ▪ Ensure that disclosure of the draft assessments is done in accordance with the project's CCP in compliance with ADB's Public Communications Policy (2011) and requirements under the EPC Act ▪ Arrange for a copy and the conditions of the environmental permit issued by DEPC to be sent to the ADB ▪ During pre-construction, ensure that issues that need to be addressed by the design engineers are considered. Prepare a design brief containing main requirements for action by the construction team ▪ Based on detailed designs, update the EMP from the approved environmental assessment. Integrate the revised/updated EMP and DEPC's environmental permit conditions into the construction section of the bid and contract documents ▪ Arrange public consultation to advise affected communities of the scope and scheduling of the subproject and to raise awareness within the communities of the likely phasing of events that will occur within their boundaries ▪ Following the award of the contract and prior to submission of the construction EMP (CEMP), provide EMP and safeguards induction for the contractor ▪ Ensure that contractor has access to the environmental assessments of the subprojects and the environmental permit conditions issued by DEPC ▪ Evaluate, and when satisfactory, advise MIPU (Engineer to the Contract) that the CEMP may be approved ▪ Advise the contractor of their responsibilities to mitigate environmental impacts and implement the GRM for any issues associated with construction activities. ▪ Supervise and monitor the contractor's compliance with the approved CEMP. ▪ Issue defect notices concerning non-compliant work. Any instructions or requirements for corrective actions will be issued through the Engineer ▪ Prepare reports of site visits and compliance checks at least every two months, compile quarterly progress reports (summary of compliance reports and contractor's monthly reports and any other

Project implementation organisations	Management Roles and Responsibilities
	safeguards activities including training seminars or workshops etc.), and prepare safeguards monitoring reports twice per year
Contractor	<ul style="list-style-type: none"> ▪ Prior to construction, address the construction section of the EMP which will be developed into the detailed CEMP that addresses the development consent conditions and details working statements and methodologies as required by the EMP. It will include a monitoring plan and a reporting program ▪ Submit the CEMP to MIPU for clearance ▪ Designate an environmental and safety officer and deputy environmental and safety officer who will take lead responsibility for implementation of the CEMP ▪ Provide briefings and training seminars for all workers (and sub-contractors) on the CEMP and safeguards requirements governing the Project ▪ Following approval of the CEMP, the contractor is required to attend a site meeting where the CEMP is further discussed to ensure that all compliance conditions are clearly understood ▪ Site engineer and environmental and safety officer will be responsible for daily supervision of the CEMP. ▪ Undertake work as directed by the Engineer. If the work is non-compliant with the CEMP or conditions, the Contractor must respond to the defect notice issued and rectify the issue or work ▪ Report on CEMP implementation, including grievance redress, in the monthly reports that will be submitted to MIPU. The report will also contain the monthly accident/incident report

2.5 Monitoring arrangements

The monitoring arrangements will change throughout the life of the Project, through pre-construction, construction and post-construction phases.

In general, the DSC operates on behalf of PWD to review, monitor and record compliance with safeguards documents. To date (pre-construction phase), this has been on an as-needed basis and as a minimum, 6-monthly.

During construction, the minimum frequency of the monitoring will be monthly. The monitoring will be undertaken by the DSC, specifically, the national safeguards specialist and the national social, gender and community consultation specialist. This will be undertaken with PWD counterpart staff, where possible.

A construction site monitoring template has been prepared, based on the EMPs in the IEEs. Use of these will ensure that all aspects of environmental and social requirements of the permits, consents, ADB policy, legislation, CEMP and project plans are complied with.

An asset management plan was submitted in February 2017 and will be updated again following completion of the Phase II detailed design and again at the completion of construction. This includes all aspects of environmental management required as a result of the Project. These will be part of the handover of responsibilities to PWD upon Project completion.

3 Environmental monitoring activities and status

3.1 Monitoring activities

3.1.1 General activity overview

The January to June period continued the **pre-construction** (feasibility, design and procurement) phase of the Project. During this time, the following environmental safeguards activities were undertaken:

- > Liaison with government departments and agencies, including DEPC, Department of Fisheries, Department of Forestry, Department of Biosecurity, Department of Agriculture, Department of Geology, Mines and Water Resources, Port Vila Municipal Council
- > Receipt of permits from DEPC and Physical Planning for Phase I works
- > Community consultation for Phase II preparation, MOUs and updates on Phase I
- > Co-ordination with social safeguards, climate change, engineering and other DSC specialists
- > Collaboration with PWD Safeguards Manager and ADB Senior Environmental Specialist
- > Site inspections, subproject screening and impact assessment of each Phase II subproject
- > Background study of existing environment
- > Biodiversity study on fish and invertebrates and particular species at three selected sites (Creek Ai, Epau, Ulei)
- > Contribution to Phase II subproject options, assessment, feasibility study report, design and review
- > Preparation of IEE and Preliminary Environmental Assessment application, including EMPs for Phase II

3.1.2 Documents reviewed

During this reporting period, the key documents reviewed were:

- > Phase II bidding documents (design and specification only, to date)
- > Background biodiversity information for bats, mangroves and wetlands
- > Project documents including the EARF, to extract the construction monitoring requirements

3.1.3 Documents prepared

For Phase I, the application for the environmental permit was submitted in December 2016, under seven separate applications. The permit for Eastern Efate subprojects (12 of 20 sites) was received on 30 January 2017, and the five approvals for the western Efate subprojects were received on 8 March 2017.

Additional baseline biodiversity information was required prior to construction, to meet the conditions of consent:

- > Fish and invertebrates study for three sites, as identified in the conditions of consent for Phase I (Epau and Creek Ai) and site assessments for Phase II (Ulei). This was undertaken by a subconsultant to the DSC and completed on 9 June 2017. The findings will be incorporated into the CEMP

The foreshore development applications for Tanoliu, Malatia, Eton Dry Creek, Sara and Onesua were re-submitted by PWD 30 January 2017. This followed requests for separate applications for each of the subprojects, including additional support documents from relevant government departments. Approval was received from the Minister of Internal Affairs on 21 April 2017, for all five sites.

Preparation of the Phase II feasibility study commenced in February 2017. Ahead of this, there was consultation with representatives of the ADB and DEPC in order to facilitate the preparation of the IEE, as the IEEs were a requirement of the ADB's SPS (2009). It was agreed that one IEE document would be prepared for all subprojects and that this document would accompany six separate applications for an environmental permit. This application was made on 20 June 2017 and requests the Department to decide whether further assessment is required, under the Environmental Management and Conservation Act. 2001.

A section of the feasibility study report (Section 8) was prepared, to describe the environmental assessment undertaken for the feasibility study and concept design. Contributions were also provided to other sections of the report, such as consultation and permits. The feasibility report was submitted as a draft on 13 April 2017 and as a final on 17 May 2017.

A draft IEE was prepared as an appendix to the feasibility study report. These were internally reviewed for compliance with the EARF prior to submission. They were externally reviewed by PWD and ADB and comments were provided to the DSC on 11 April 2017.

The comments were incorporated into the draft IEE submitted with the draft feasibility study report in April. This was considered to be a 'draft final' when submitted with the final feasibility study report in May.

Additional baseline biodiversity information was required to complete the Phase II IEE. These were:

- > Identify the bat caves that are close to Phase II subprojects
- > Identify the rivers close to Phase II subprojects and cite which are "important", "degraded", or "vulnerable" (as per NBSAP, 1999 definitions)
- > Identify the endemic bird species relevant to Phase II subprojects
- > Identify whether or not the Wild Sage and Climbing Liana are relevant to Phase II subprojects
- > Confirm that the two wetlands on Efate are not affected by Phase II subprojects

These assessments were proposed to be undertaken by DEPC, with support from the DSC, but, at PWD request, were simply be completed by the DSC. The final IEE was submitted for ADB approval on 16 June and approved for disclosure on 19 June 2017.

Monitoring templates were drafted, to include the Project requirements. Upon submission and approval of the Contractor's site specific environmental management plan, all mitigations and monitoring proposed by the Contractor will be added to site monitoring checklists, for use in the field by the DSC.

3.1.4 Fieldwork

Construction has not yet commenced.

3.1.5 Monitoring

Monitoring undertaken during this period is shown in the table and outcomes described further below.

Table 3-1 Environmental monitoring requirements and status

Reference	Clause/Para.	Relevant Approving Authority	Requirement	Monitoring required	Output to be monitored	Monitoring frequency	Responsible	Update	Status	Date Completed	Additional reference
Environmental Management and Conservation Act	Environmental Impact Assessment Regulations Order No. Of 2011	Department of Environmental Protection and Conservation (DEPC)	The entire development requires approval under this Act. As determined by the Director, authorised under the Act	Observance of obtained permit	Environmental Permit	Monthly	PWD/ DSC	Phase I received. Undertaken pre-construction consent conditions. Phase II submitted 20 June 2017	In progress	Phase I 30 Jan and 8 March 2017	
Foreshore Development Act	Schedule 5 subsection 3 (3) Section 5 & Section 9 (i)	Physical Planning Unit, Ministry of Internal Affairs	An application for consent is required for works below the mean high water mark, on and/or over the seabed	Observance of obtained permit	Foreshore Development Permit for relevant sites	Monthly	PWD/ DSC	Phase I received. Phase II to be submitted July 2017	In progress	Phase I 21 April 2017	
Physical Planning Act	Section 4 , 5 & 6	Shefa Provincial Council	The project sites are located within the Shefa Provincial Council. Some parts of Efate have been designated “physical planning area” and therefore development approval from the Council is needed	Observance of obtained permit	Permit	Monthly	PWD/ DSC	PWD confirmed this does not apply to this Project (8 Nov 2016)	Complete	8/11/2016	
Water Resources Management Act	Part 2, Section 7	Department of Geology, Mines, and Water Resources	An application is required for the construction, operation and maintenance of works relating to the protection, management and use of water including stormwater and wastewater	Observance of obtained permit	Permit	Pre-start - once only	PWD/ DSC	Required during mobilisation (by Contractor)	In progress		
Quarry Act	Part 4, Division 2	Department of Geology, Mines, and Water Resources	An application is required for a quarry permit for construction materials (road base, aggregates), including quarry management plan	Observance of obtained permit, if required	Permit	Pre-start - once only	PWD/ DSC	Required during mobilisation (by Contractor)	In progress		
Building Act No. 13 of 2013	Part 3, Section 7, 8 and 9	Public Works Department (PWD)	Building permit	Observance of obtained permit	Permit	Monthly	PWD/ DSC	PWD confirmed this does not apply to this Project (8 Nov 2016)	Complete	8/11/2016	
Civil Aviation Act No. 5 of 2005	Part 4 Section 32, Section 53 (2) b	Civil Aviation Authority	For all work that requires crane or piling within the controlled airspace radius, a permit may be required. This affects Prima, Mele and Klems Hill subproject sites	Observance of obtained permit, if required	Permit	Pre-start - once only	PWD/ DSC	Required during mobilisation (by Contractor)	In progress		
EARF	Para 50	ADB	Implement objectives of ADB SPS: (i) avoid adverse impacts on environment and affected people, where possible; (ii) minimise, mitigate and/or compensate if not possible to avoid; and (iii) help strengthen in-	Screening, consultation, MOU, EMP and use of government systems	DDR (incl MOU), IEE (incl EMP), application for environmental permit submission	Quarterly	DSC	DDR, IEE and PEA for Phase I all completed and approved Phase II documents drafted, awaiting approval	In progress	Phase I 20/12/2016	ADB Safeguards Policy; Para 51 PAM Para. 104 (vi)

Reference	Clause/Para.	Relevant Approving Authority	Requirement	Monitoring required	Output to be monitored	Monitoring frequency	Responsible	Update	Status	Date Completed	Additional reference
			country safeguards systems								
EARF	Para 53	ADB	Adherence to ADB's safeguards due diligence	(i) Potential risks identified (ii) Effective measures incorporated (iii) Borrower capacity to manage risks (iv) Role of third parties defined in safeguards docs (v) Consultations conducted in accordance with ADB requirements	DDR (incl MOU), IEE (incl EMP), TPV report	Quarterly	DSC	DDR, IEE and PEA for Phase I all completed and approved Phase II documents drafted, awaiting approval	Complete	Phase I 20/12/2016	
EARF	Para 54-55	ADB	Provide workers with a safe and healthy working environment	Compliance with Labour Act (Amended) 2009 and Health and Safety at Work Act 1987 and international good practice, as reflected in internationally recognized standards such as the World Bank Group's Environmental Health and Safety Guidelines	Requirements of these docs need to be extracted and made into a checklist	Monthly	Government		In progress		
EARF	Para 56,123,124	ADB / MIPU	GoV and ADB requirements for monitoring complied with and reports prepared accordingly	Monthly and Quarterly progress reports submitted, including environmental and social safeguards monitoring report. Semi-annual safeguards monitoring reports submitted	Monthly and Quarterly progress report, Semi-annual safeguards report	Monthly	DSC	Jul-Dec 2016 report submitted 17 Jan 2017, approved 20 Jan 2017	Ongoing		
EARF	Para 68-71	ADB/ GoV	Design and location impacts are identified and mitigation and monitoring measures are outlined during design stage	Monitoring of management and mitigation measures developed for the following design and location impacts: i) Climate change ii) Run-off Management Design iii) Flora, Fauna, and protected areas and iv) Land acquisition.	Feasibility study report (FSR) and detailed design inclusion of measures	Upon completion of FSR and design documents	DSC	Detailed design complete Phase I 26 Jan 2017 Phase II June 2017	Complete		

Reference	Clause/Para.	Relevant Approving Authority	Requirement	Monitoring required	Output to be monitored	Monitoring frequency	Responsible	Update	Status	Date Completed	Additional reference
EARF	Para 89	DEPC/ ADB	Environmental Screening	Screening is undertaken at feasibility stage of the project	IEE includes screening outcomes	Upon completion of FSR	DSC	IEEs - Appendix E of FSR for Phase I and II complete	Complete	Phase I 26 Nov 2016 Phase II 19 Jun 2017	PAM Para 95 (iii)
EARF	Para 91-99, 122	DEPC/ ADB	EMP complies with clause 9 (1) and (2) of EIA Regulations and outlines: i) Risks ii) Mitigation measures iii) Monitoring measures iv) Implementation Arrangements v) Performance Indicators. EMP contains a suitable reporting program for subprojects and monitoring checklist for every two months in addition to daily CEMP compliance.	Confirmation of IEE and EMP approved by ADB and DEPC	Approved IEE	Upon completion of IEE	DSC	Complete for Phase I Phase I in progress	In progress		
EARF	Para 100-102	ADB / DEPC	Consultation with affected parties and stakeholders as part of environmental assessment is held and recorded as required under the EPCA and SPS	IEE documents consultations held and responses and complies with ADB SPS and Public Communications Policy 2011 and GoV requirements in EPCA for information disclosure	IEE includes consultations undertaken and is disclosed	Upon completion of IEE	DSC	Consultations for Phase II in March 2017	Complete		PAM, Para 50, 59 (iv), 61(iii), 104 (i), 107(i), 137 (calls it a Comms and Consultation Plan) Financing Agreement (Loans), Sched. 6, Para. 17 says 12 months from Effective Date
EARF	Para 102	ADB	A Community Consultation Plan (CCP) is developed and established	Observance of CCP	CCP is developed through consultation, approved, established and documented.	Upon completion of CCP	DSC	CCP updated for Phase II and approved on 19/4/2017	Complete	6/10/2016 19/04/2017	
EARF RF	Para 103-104 Para 69-72	ADB	Grievance Redress Mechanism (GRM)	Establish GRM using similar principles to current project implementation in Vanuatu (VISSP, PVUDP), including establishing the GRM in consultation with relevant stakeholders - Community leaders, MIPU, CLMO, Vaturisu Council of Chiefs	Approved and established prior to commencement of construction	Quarterly	DSC	GRMs set up as part of CLCs. CLCs established in March-April 2017. When contractor is engaged, GRM will be formalised	In progress		PAM, Para 10, 104 (iv), 130, 143
EARF	Para 124	ADB	Disclose semi-annual safeguards reports	Disclosure on ADB website	Disclosure on ADB website	6 monthly	DSC	SMR for Jul-Dec 2016 disclosed on 20/01/2017	Ongoing		

Reference	Clause/Para.	Relevant Approving Authority	Requirement	Monitoring required	Output to be monitored	Monitoring frequency	Responsible	Update	Status	Date Completed	Additional reference
PAM	Para. 130		GRM committees will include both women and men		Attendance sheets for GRM meetings	Monthly	DSC	Nominees for each CLC included men, women, youth and disabled reps	In Progress		
PAM	Para. 39		Landmark, tourist attraction feature	Review of design documents	Inclusion in design	Upon completion of design	DSC	Co-ordination of landscaping to Tassiriki Park provides pedestrian amenity into the Korman Stadium precinct	Complete		
PAM	Para. 61 (vi)		Six-monthly Safeguards monitoring reports submitted to ADB	Observance of report	Report submission to ADB	6 monthly	DSC	July - December 2016 Monitoring report approved on 20 Jan 2017	In progress		
PAM	Para. 95 (iii)		Prepare Project Description and applications to DEPC for level of EIA required	Application for environmental permit submitted	PEA from DEPC	Upon submission	DSC	Phase I approvals received 30 Jan and 8 March 2017. Phase II submitted on 20 June 2017	In progress	Phase I 25/11/2016 Phase II TBC	
PAM	Para. 95 (v)		Draft EIA to be submitted to MIPU/ADB for review prior to submission to DEPC	IEE document	IEE	Upon submission	DSC	Phase II in progress	Phase I Complete	24/11/2016	
PAM	Para. 95 (vi)		Disclose EIA and permits as required by Van Govt and ADB	Disclosure on ADB website	Disclosure on ADB website	once	DSC	No public disclosure of environmental permits required to be undertaken by the Project	Complete		
PAM	Para. 95 (vii)		Integrate Environmental approval/permit with tender documentation and design	Review of approval conditions being included in design and tender documents	Inclusion of conditions	Upon completion of design	DSC	Requirements of Phase I conditions will be integrated into Phase I CEMP. Phase II in progress	In progress		
PAM	Para. 96 (i)		Prepare waste, traffic, materials, erosion, drainage and health and safety management plans	Review of plans submitted by contractor, in accordance with EMP	Plans submitted by contractor	Pre-start - once only	DSC	Required during mobilisation (by Contractor)	In progress		
PAM	Para. 97 (iii)		Template for environmental monitoring reporting	Observance of template(s)	Template	Pre-start - once only	DSC	Templates for monitoring developed. To be completed, pending approval of the CEMP	In progress		

3.2 Monitoring outcomes

3.2.1 Compliance

Compliance outcomes for the monitoring undertaken during this period are shown in **Table 3-1**.

Following the experience of delays for both the environmental and foreshore development permits under Phase I, additional proactive consultations were held with DEPC and Physical Planning for Phase II.

Non-conformance and actions taken are described further below.

3.2.2 Key non-conformances

Nil

3.2.3 Corrective measures

Nil

4 Social safeguards monitoring activities and status

4.1.1 General activity overview

The January to June 2017 period continued the **pre-construction** (feasibility, design and procurement) stage of the Project. During this time, the following social safeguards activities were undertaken:

- > Liaison with community leaders to obtain early work consent for geotechnical investigations and topographical survey at each subproject site for Phase II
- > Liaison with government departments and agencies, including Department of Lands, Custom Lands Management Office, Department of Women's Affairs, Ministry of Health and Shefa Provincial Government
- > Liaison with civil society groups, including Chamber of Commerce, Vanuatu National Council of Women
- > Consultation with community leadership, including Vaturisu Executive Council (Efate Chiefs) briefing on Phase II and community liaison committees (CLCs)
- > Meaningful consultations for villages along the ring road (Epule, Emua, Tanoliu) and with business owners, market vendors and residents in Tassiriki
- > Establishment of CLCs in the five major villages, relevant to the subproject works, in consultation with Vaturisu chiefs and local chiefs
- > Collaboration with PWD Safeguards Manager and ADB Senior Environmental Specialist
- > Subproject screening and social Impact assessment of each subproject for Phase II
- > Contribution to Phase II subproject options, assessment, feasibility study report, design and review
- > Preparation of social safeguards DDR for Phase II
- > Planning, preparation, awareness and execution of agreement and signing of Memorandum of Understanding (MOU) for each Phase II subproject, including third party validation

4.1.2 Documents reviewed

During this reporting period, the key documents reviewed are:

- > RF
- > Port Vila Municipal Council planning and policy documents

4.1.3 Documents prepared

The DDR prepared for Phase I was finalised and issued as 'final' on 19 January 2017. This followed ADB's approval.

Sections of the Phase II feasibility study report (Section 3 and 9) were prepared, to describe the consultation and social impact assessment undertaken for the feasibility study and concept design for Phase II. Contributions were also provided to other sections of the report, such as consultation and permits. The feasibility study report was submitted as a draft on 13 April 2017 and as a final on 17 May 2017.

The DDR was considered as a 'draft final' upon submission with the feasibility study report. It was finalised and submitted to ADB for approval following completion of the MOU process. It was approved for disclosure on 26 June 2017.

MOU documents were prepared and executed on 24 May 2017. A Third Party Validator's report was received on 26 June 2017.

The community consultation plan (PL-012-161005-Community Participation Plan-3.0-UPDATE) was updated and revised to include details and processes relevant to Phase II and the establishment and operation of CLCs. A draft terms of reference for the operation of the CLCs was included as an appendix. This CCP was approved on 19 April 2017.

4.1.4 Fieldwork

Construction has not yet commenced.

4.1.5 Monitoring

Monitoring undertaken during this period is shown in the table and outcomes described further below.

Table 4-1 Social safeguards monitoring requirements

Reference	Clause/Para.	Relevant Approving Authority	Requirement	Monitoring required	Output to be monitored	Monitoring frequency	Responsible	Update	Status	Date Completed	Additional reference	Enviro/ Social
Customary Land Management Act No. 33 of 2013	Part 2, Section 7	Customary Land Management Office	Consent for use of land for Project work sites	Observance of signed Memoranda of Understanding (MOUs)	MOU	Monthly	PWD/ DSC	Phase II completed 24 May 2017	Complete	Phase I 21/11/2016 Phase II 24/05/2017	Custom Land Management (Amendment) Act No. 12 of 2014; Land Leases Act [CAP. 163]; Land Surveyors Act [CAP. 175]; Land Acquisition Act 1992 (CAP. 215); Land Acquisition (Amendment) Act 2014 (No. 31 of 2014); Land Reform Act [CAP. 123]; Customary Land Tribunal Act No. 7 of 2001 [CAP. 271]; Municipalities Act [CAP. 123] and Decentralization Act [CAP. 230]; Public Roads Act No. 35 of 2013	S
EARF RF	Para 103-104 Para 69-72	ADB	Grievance Redress Mechanism (GRM)	Establish GRM using similar principles to current project implementation in Vanuatu (VISSP, PVUDP), including establishing the GRM in consultation with relevant stakeholders - Community leaders, MIPU, CLMO, Vaturisu Council of Chiefs	Approved and established prior to commencement of construction	Quarterly	DSC	GRMs set up as part of CLCs. CLCs established in March-April 2017. When contractor is engaged, GRM will be formalised	In progress		PAM, Para 10, 104 (iv), 130, 143	E/S
RF	Para 46	ADB	Each subproject will be screened for its land acquisition and resettlement impacts	Review of screening documentation	Screening process and outcomes documented in DDR	Upon completion of DDR	DSC	Phase II	Complete	Phase I 6/10/2016 Phase II 16/06/2017	PAM Para. 104 (ix-xii)	S

Reference	Clause/Para.	Relevant Approving Authority	Requirement	Monitoring required	Output to be monitored	Monitoring frequency	Responsible	Update	Status	Date Completed	Additional reference	Enviro/ Social
RF	Para 47	ADB	DDR prepared and includes: (i) SLO approved and signed MOUs signed by custom landowners and third party validators; (ii) agreed terms and conditions; (iii) any compensation; (iv) consultations with GoV stakeholders and affected communities (v) Process to obtaining MOUs; Names of Custom Land owners and leaseholders are verified by Custom Land Management Office (CLMO) and Department of Lands (DoL).	Observance of DDR, including all requirements	DDR adhering to all requirements	Upon completion of DDR	DSC	Phase II	Complete	Phase I 6/10/2016 Phase II - 5 out of the 6 sites are complete except for Waisisi. MOU still yet to be signed. In progress.		S
RF	Para 66	ADB / MIPU	Consultation and information disclosure processes are adhered to	Consultation with affected communities and chiefs, and assessment of losses and impact conducted and documented and reported.	Attendance sheets for consultation meetings	Monthly	DSC	Consultations for Phase II in March 2017	In Progress			S
PAM	Para. 130		GRM committees will include both women and men		Attendance sheets for GRM meetings	Monthly	DSC	Nominees for each CLC included men, women, youth and disabled reps	In Progress			E/S
PAM	Para. 33		Gender sensitive design	Review of design documents	Inclusion of gender sensitive design features	Upon completion of design	DSC	Noted as part of the design strategy	Complete	Phase I 9/12/2016; Phase II 9/06/2017		S
PAM	Para. 39		Landmark, tourist attraction feature	Review of design documents	Inclusion in design	Upon completion of design	DSC	Co-ordination of landscaping to Tassiriki Park provides pedestrian amenity into the Korman Stadium precinct	Complete			E/S
PAM	Para. 50		Engage an NGO for STI/HIV/AIDS education awareness and prevention campaigns Also prepare and support implementation of CCP	Engagement of NGO	Contract arrangement with NGO	Once	DSC	HIV Awareness campaign conducted between 20 April and 3 May 2017. Final report issues 24 May 2017	Complete			S

Reference	Clause/Para.	Relevant Approving Authority	Requirement	Monitoring required	Output to be monitored	Monitoring frequency	Responsible	Update	Status	Date Completed	Additional reference	Enviro/ Social
PAM	Para. 50		Resettlement and community consultation meetings will involve women	30% of participants are women (agreed at inception)	Attendance sheets for consultation meetings	Monthly	DSC	28% Women	In progress		PAM Para. 130	S
PAM	Para. 50		Resettlement and community consultation meetings will be conducted by both male and female facilitators	At least 50% female facilitators	Attendance sheets for consultation meetings	Monthly	DSC	30% Women	Complete	1/09/2016	PAM Para. 130	S
PAM	Para. 61 (vi)		Six-monthly Safeguards monitoring reports submitted to ADB	Observance of report	Report submission to ADB	6 monthly	DSC	July - December 2016 Monitoring report approved on 20 Jan 2017	In progress			E/S
PAM	Para. 73 (ix)		Provide pathways to streams, steps, laundry tubs, where identified by communities	Review of design documents	Inclusion in design	Upon completion of design	DSC	Included in Phase II design for Tanoliu and Epule	Complete	Phase I 9/12/2016 Phase II 23/06/2017		S
PAM	Para. 104 (xiii)		Implement system for monitoring social safeguards compliance and inputs to QPR and 6-month Safeguards report	Observance of system	System in place	Pre-start - once only	DSC	Templates for monitoring developed. To be completed, pending approval of the CEMP	In progress		PAM Para. 105 (iv)	S
PAM	Para. 107 (viii)		Gender and Social Awareness seminar for PWD and MIPU staff	Attendance sheet from seminar	Seminar	Once	DSC	Required during mobilisation (by Contractor)	In progress			S

4.2 Monitoring outcomes

4.2.1 Compliance

Compliance outcomes for the monitoring undertaken during this period are shown in **Table 4-1**.

There are no outstanding compliance issues for social safeguards. The DDR will be updated and reissued ahead of the tender and will form one of the supplementary information documents in the tender.

4.2.2 Key non-conformances

Several issues arose during the period, which are not considered to be non-conformances, but which bear mentioning.

The MOU for Epule was expected to be considered problematic. However, as the land use is minor, agreement with the landowner was reached and an MOU signed. There is an existing Nakamal structure within the road corridor that the community has agreed to remove to a more suitable location, prior to construction works. This will be included specifically in a further MOU.

At Prima, there was a noted reluctance for Phase II works, Firstly the topographic survey experienced obstruction to their work. Later, Shefa Council expressed the observation that designing a functional drainage outlet through the settlements would prove difficult. Finally, PWD requested the DSC to abandon design work for the Prima site and undertake a design study for the Waisisi culvert to the west of Prima. This resulted in the site of works being transferred to a site 750 m to the west, called Waisisi.

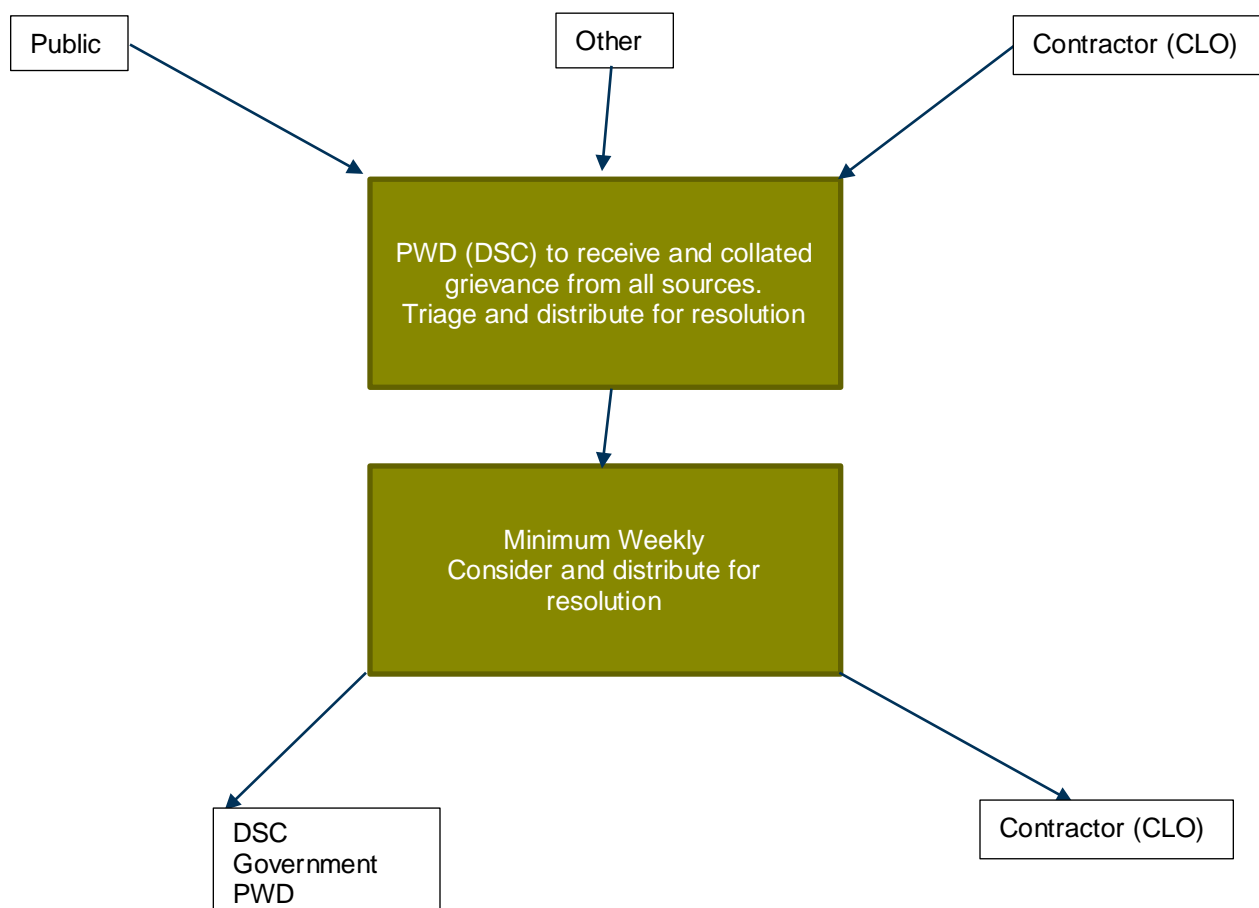
4.2.3 Corrective measures

Nil.

5 Grievance redress mechanism

The GRM is established within PWD. CLCs were instituted in April and will form an essential part of the GRM operation. The contractor will be inducted into their role within the GRM and CLC framework, in order to take responsibility for the relevant aspects of its operation (e.g., maintaining their own GRM register and funding the CLC meetings). A draft GRM is included in the IEEs, the CCP and DDR.

The DSC, on behalf of PWD, will take the lead role in maintaining the GRM register. The detailed operation of the GRM is shown in the diagram below.



6 Disclosure

The following documents were disclosed during the monitoring period:

- > July-December 2016 Semi-annual safeguards monitoring report was approved for disclosure on 20 January 2017
- > Final DDR for Phase I was disclosed on the website on 19 January 2017
- > Updated CCP (Revision 3.0) was disclosed on the website on 19 April 2017
- > Final DDR for Phase II was approved for disclosure on 26 June 2017
- > Final IEE for Phase II was approved for disclosure by ADB on 19 June 2017

7 Capacity building

The PWD Environment and Social Officer, Uravo Nafuki, continues to demonstrate an admirable ability to work within the system and obtain results. The DSC has been ably supported and led as necessary, in consultation logistics, protocols, who to consult, sensitivities, requirements, approvals and proactive follow up. Uravo's support officer, Jason Andrews, is developing but is also quite capable and is able to operate in Uravo's absence. While no specific capacity building is proposed under the Project, an opportunity to undertake a week long regional ADB safeguards refresher course would be valued by these frontline staff.

The pre-construction HIV/AIDS awareness campaign at selected sites – Eton, Epau, Emua, Tanoliu, Creek Ai (including Mangaliliu) and Mele were completed on 3 May and a final report was submitted on 24 May 2017. Positive feedback was received from the communities that participated. More than 50% of participants were women and an overall increase in knowledge about HIV/AIDS, among the communities, was recorded after the programme was implemented. Recommendations were provided for consideration by the Contractor.

An ADB workshop, titled Advanced Environmental Safeguards Training Course, was held on 14-15 June 2017 in the PWD Conference Room. The workshop was attended by international contractors, consultants, government officers and ADB. The understanding gained by all is expected to assist with the appropriate preparation of CEMPs in the near future, by improving inputs to bidding documents and the understanding of risk assessments.

The biodiversity study on fish and invertebrates and particular species at three selected sites (Creek Ai, Epau, Ulei) was undertaken by the DSC, in conformance with the requirements of the environmental conditions of consent and agreements under DSC Variation 04. The early stages of the planning for the survey included liaison with the Department of Fisheries. The study was undertaken by KBC-Elevate, under a subcontract agreement with the DSC. An officer from the Department of Water Resources contributed to the field work for this study, but undertaking the water sampling at the three sites.

8 Conclusion and recommendations

The DSC have worked collaboratively with PWD to achieve a high level of consultation and agreement with the community on the proposed Project works.

The key outstanding issue is obtaining an MOU for Waisisi and Epule's nakamal, attaching these to the Phase II DDR and issuing it.

Templates for site monitoring were developed during reporting period, ahead of the expected construction start in July 2017.