



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 03-Nov-2023 | Report No: PIDISDSA36893



**BASIC INFORMATION**

**A. Basic Project Data**

Country Solomon Islands	Project ID P181388	Project Name Urban Water Supply and Sanitation Sector Project Additional Financing	Parent Project ID (if any) P165872
Parent Project Name Urban Water Supply and Sanitation Sector Project	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 08-Nov-2023	Estimated Board Date 12-Dec-2023
Practice Area (Lead) Water	Financing Instrument Investment Project Financing	Borrower(s) Solomon Islands through the Ministry of Finance and Treasury	Implementing Agency Solomon Islands Water Authority

Proposed Development Objective(s) Parent

To increase access and quality of water supply and quality of sanitation services in selected service areas of Solomon Water, and to improve the operational performance of Solomon Water.

Components

- Urban Water Supply
- Urban Sanitation
- Water Conservation, Sanitation and Hygiene Awareness and Education
- Institutional Strengthening and Project Management
- Contingencies

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	41.26
<b>Total Financing</b>	41.26
<b>of which IBRD/IDA</b>	15.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**



International Development Association (IDA)	15.00
IDA Credit	13.00
IDA Grant	2.00

**Non-World Bank Group Financing**

Other Sources	26.26
Asian Development Bank	26.26

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

Country Context

1. Solomon Islands’ geography presents significant challenges to services delivery, infrastructure, and economic integration. The total population of Solomon Islands, estimated at 720,900 in 2019<sup>1</sup>, is distributed amongst an archipelago of more than 300 inhabited islands spread over some 1.34 million km<sup>2</sup>. The country has among the lowest population densities (23.7 persons/km<sup>2</sup>) and urbanization rates (27.6 percent) in the world. At the current annual urban growth rate of 5.9 per cent, about 38 per cent of the country’s population will be living in urban areas by 2030. Greater Honiara, the country’s only significant urban center, was home in 2019 to about 129,500 people, a figure expected to surpass 300,000 within the next 20 years largely due to internal migrations. Other urban centers (e.g., Auki, Gizo, Noro) do not exceed 8,000 inhabitants. According to the last available Household Income and Expenditure Survey<sup>2</sup>, 12.7 percent of the population lived under the national basic needs<sup>3</sup> poverty line in 2013 (9.1 percent in urban areas).

2. Honiara offers opportunities for cash employment, access to higher education and specialized social services unavailable elsewhere in Solomon Islands, and so, over the past decade, has witnessed the burgeoning of informal settlements<sup>4</sup>. Population in informal settlements is estimated to be growing by more than 6 percent

<sup>1</sup> Solomon Islands Government. 2023. *2019 Population and Housing Census National Report, Volume 1*.

<sup>2</sup> Solomon Islands Government. 2013. *Household Income, Consumption and Expenditure Survey*.

<sup>3</sup> Defined in reference to the absolute minimum resources necessary for long-term physical well-being, usually in terms of consumption goods

<sup>4</sup> Informal or unplanned residential areas that have developed outside of the formal urban planning rules of a city, often physically located in marginal or peri-urban areas and that are not recognized by government agencies. They are characterized



per annum.<sup>5</sup> Peri-urban households around the capital Honiara suffer from disproportionate levels of poverty, with up to 25 percent of their population below the basic needs poverty line (12.5 percent nation-wide in 2013).

3. The country was affected between 1998 and 2003 by a civil conflict spurred by grievances between Greater Honiara landowners and migrants drawn by economic opportunities. The causes included the disproportionate concentration of economic development in and around Honiara compared to the rest of the country, and rapid social changes associated with increasing urbanization, leading to disenchantment among youth and a loss of social cohesion. While institutions have since then been re-built, their capacity is continuing to develop.

4. Since the end of the conflict, Solomon Islands has experienced significant economic growth, driven mainly by logging, fisheries, and agriculture (copra and palm oil production), which combined account for over a third of Gross Domestic Product (GDP) in nominal terms<sup>6</sup>. The tourism sector is also considered as having the potential to contribute to the country's growth in the longer-term. However, economic development has been largely diluted across a fast-increasing population base (2.6 percent per year from 2009-2019) and COVID-19 has induced several years of declining economic activity. The current per capita gross domestic product (PPP, current international) is US\$2,650<sup>7</sup>. Growth is expected to average 2.7 percent over the medium term driven by large infrastructure investments, services sector growth, and new investment in the mining and fishing sectors.

#### Sectoral and Institutional Context

5. *Access to safely managed water supply services.* Per recent census data, 91 percent of the urban population has access to an improved water source and 84 percent has access to improved sanitation facilities. Honiara and the country's largest towns, Auki, Munda, Noro and Tulagi, have reticulated water supply systems, which cover about 55 percent of their population (8,500 connections) and are operated by the national water utility, Solomon Islands Water Authority, trading as Solomon Water (SW). SW is also expected to take over the supply to Gizo, where past local government initiatives to provide a reliable long-term water supply have failed and population resorts almost exclusively to rainwater harvesting. Overall, currently SW customers in Honiara receive water supply services with average 23 hours of service per day (up from eight hours per day in 2010), but during the rainy season, raw water quality issues prompt SW to shut down a major surface water production system (Kongulai) and more than half of its customers suffer service outages. The average residential consumption was 169 liters per capita per day in 2017 – a rather high level considering the country's level of socio-economic development. That same year, only 70 percent of tested water samples met national standards for residual chlorine, however, this has since increased to 88 percent in 2022. Moreover, most bores (and to a lesser extent spring sources), including those operated by SW, are vulnerable to contamination from human and solid waste, particularly from informal settlements, which typically lack formal drainage or sewerage / septic systems. Reticulation storage is limited, leading to insufficient supply security and to water outage during power failures where backup power supply via diesel generators is unavailable. Urban centers such as Tulagi and Auki do not have any water treatment system. In informal settlements, SW is currently piloting various service delivery models, including pre-paid metering systems or community-based management of water distribution.

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by uncertain or illegal land tenure, minimal or no access to public services (such as water supply, sanitation, electricity, and roads) and high presence of informal employment and low-income population.

<sup>5</sup> World Bank. 2015. *Unsettled: Water and Sanitation in Urban Settlement Communities of the Pacific*. The World Bank Group. Washington, D.C.

<sup>6</sup> Solomon Islands Government. 2023. *2019 Population and Housing Census National Report, Volume 1*.

<sup>7</sup> World Bank Open Data, <https://data.worldbank.org/>



In urban communities not served by SW (e.g., in informal settlements on the fringes of Honiara city limits), households rely primarily on individual or collective household rainwater tanks, shallow wells and occasionally on surface water.

6. *Water availability.* On the larger islands such as those where SW operates, surface water from springs or rivers is the main source of drinking water and is often complemented with groundwater. In Honiara, the reticulated system draws from various springs, small rivers and bores, with a production capacity of 32.5 million liters per day (MLD). Raw water quality is generally satisfactory outside of bacteriological parameters (requiring chlorination), except during the rainy season, when surface water sources become highly turbid. There are currently no water resource protection management plans. The current demand in Honiara, in conjunction with physical losses in the network, exceeds SW's water production capacity by 10.9 MLD. Even with a major reduction of physical losses and a decrease in per capita consumption, the gap could reach 40 MLD in 2040 as population grows and networks expand in urban areas. The development of water production capacity on the Lungga river, about five kilometers south of Honiara, has been identified as the best option to address this long-term supply gap and improve energy efficiency of the system of the capital, which now relies heavily on substantial pumping from underground sources.<sup>8</sup> Other considered options included desalination and more distant surface water sources, which may not be cost-competitive. While water production capacity is about sufficient to meet average water demand in the urban centers of Auki, Noro and Tulagi, shortages are frequent during the dry season and will be exacerbated with population growth.

7. *Climate change.* Current climate change projections foresee negative impact on water and sanitation services and infrastructure because of warmer overall climate and more extremely hot days; increases in rainfall variability – both annual and seasonal; more frequent and more intense extreme rainfall events, which may lead to flash floods and landslides; rising sea levels; and, potentially more frequent and/or more intense droughts.<sup>9</sup> In 2014, flooding was assessed to have caused US\$4.5 million of damage and economic loss in the water and sanitation sector.<sup>10</sup> The 1997 and 1998 droughts are estimated to have reduced the availability of freshwater in Honiara by around 30–40 percent, damaging crops and negatively affecting livelihoods. Rainwater harvesting, increasingly utilized by households not supplied by SW, is insecure due to projected seasonal and increasingly unpredictable changes in rainfall patterns as well as more frequent droughts. These climate-related risks are compounded by SW's lack of strategic and operational tools to prepare for and manage water supply crises induced by climate shocks.

8. *Access to improved sanitation and quality of sewerage services.* Currently 84 percent of urban households and 19 percent of rural households have access to improved sanitation.<sup>11</sup> The remaining population use shared sanitation facilities, onsite unimproved sanitation systems or resort to open defecation (49 percent of total population). Honiara is the only partially sewerage urban area serviced by SW, with about 9 percent of the population currently connected to a system built in the 1970s and subject to repeated breakdowns, surcharge and overflows (8 blockages per kilometer of sewer in 2022).<sup>12</sup> Sewage from this system, managed by SW, is discharged without treatment (except for a few poorly maintained communal septic tanks) through ocean and river outfalls, most of which have been broken during previous storms and are discharging on the shoreline.

<sup>8</sup> Solomon Water. 2017. *30 Year Strategic Plan*.

<sup>9</sup> CLIMSystems. 2017. *Climate Change Impact for Honiara, Solomon Islands* (report prepared for ADB).

<sup>10</sup> Solomon Islands Government. 2023. *2019 Population and Housing Census National Report, Volume 1*.

<sup>11</sup> Improved sanitation includes flush/pour flush to piped sewer system, septic tanks or pit latrines, ventilated improved pit latrines, composting toilets or pit latrines with slabs.

<sup>12</sup> New International Benchmarking Network, <https://newibnet.org/utility-dashboard>



Coastal areas are heavily polluted by the continuous flow of raw septage. Households that are not connected to the sewerage system typically rely on private flush toilets connected to septic tanks (or pit latrines commonly in informal areas), which are often inadequate to prevent groundwater pollution. Sludge generated from communal and household septic tanks is managed by Honiara City Council or by the private sector and transported near Lungga River estuary to a landfill disposal site that does not meet sanitary confinement requirements. A preliminary estimate<sup>13</sup> suggests about 60 percent of households use those septic tanks emptying services. Flooding, common on the larger islands such as those where Honiara and Auki are located, can be a major health hazard. For example, in 2015 a flash flood event in Honiara triggered more than 4,200 cases of diarrhea (notably among children), which ultimately turned into a nation-wide epidemic.<sup>14</sup>

9. In urban communities not served by SW, sanitation facilities mainly consist of shared toilets and on-site unimproved sanitation systems such as hand-dug pit latrines. Rivers are often used for laundry, bathing, and open defecation, to which about 3 percent of Honiara's population resort regularly. Diarrheal diseases are the sixth most common cause of deaths in Solomon Islands, accounting for four percent of deaths.<sup>15</sup> A study conducted between 2008 and 2012 found more than 8 percent of children underweight.<sup>16</sup> The link between poor water, sanitation and hygiene services and diarrhea, child undernutrition and other enteric infections has been documented. Environmental enteric dysfunction, a gut disorder caused in part by chronic ingestion of pathogenic microorganisms, is hypothesized to be the primary causal pathway between poor water supply, sanitation and hygiene, and child growth.<sup>17</sup>

10. *Efficiency of water supply and sanitation services and financial viability.* Historically, financial management of SW has been poor, reaching a state of near financial and operational collapse in 2010. Due to weak governance by the previous Board, poor management with limited skills, and inappropriately low tariffs, SW was at that time unable to pay its electricity bills and accumulated a substantial debt to the Solomon Islands electricity utility. In mid-2010, Solomon Island Government (SIG) initiated a series of reforms to strengthen SW, which began with the replacement of the Board, the appointment of donor-funded General Manager and Finance and Administration Manager, and the preparation of a Short-Term Recovery Strategy (2011-2013) and subsequently a Two-Year Plan (2013-2015) to guide urgent reforms to SW's organization, finances and operations. Since then, water services have significantly improved in terms of quality of supplied water and continuity of service. SW's operational capacity and performance have also improved markedly in areas such as metering, billing and collections, asset management and operating profits.

### C. Proposed Development Objective(s)

#### Original PDO

To increase access and quality of water supply and quality of sanitation services in selected service areas of Solomon Water, and to improve the operational performance of Solomon Water.

#### Current PDO

<sup>13</sup> Calculation based on a two-week survey of the amounts of fecal sludge downloaded by vacuum trucks at the landfill, conducted as part of UWSSSP preparation.

<sup>14</sup> Jones, Forrest Kirby. 2015. "Widespread Dissemination Of Diarrhea Due To Rotavirus Serotype G9p8 In The Solomon Islands After A Focal Flood-Related Outbreak". *Public Health Theses*. 1143.

<sup>15</sup> ADB. 2016. *Strengthening Urban Infrastructure Investment Planning in the Pacific*. Manila (TA9181-REG).

<sup>16</sup> UNICEF. 2013. *Solomon Islands Statistics*.

<sup>17</sup> Humphrey, Jean H. 2009. "Child undernutrition, tropical enteropathy, toilets, and handwashing". *The Lancet*, 374, 1032-1035



To increase access and quality of water supply and quality of sanitation services in selected service areas of Solomon Water, and to improve the operational performance of Solomon Water.

#### Key Results

- People provided with access to improved water sources through piped house water connections (male/female)
- Samples tests meeting national water quality standards at distribution points (%)
- Percentage of collected wastewater disposed of in accordance with international environmental standards (%)
- Volume of water unaccounted for (cubic meter per year)
- Operating cost coverage (Number)

#### D. Project Description

11. To achieve the Project Development Objectives (PDOs), the Urban Water Supply and Sanitation Sector Project (UWSSSP) has four components. The project is jointly cofinanced with Asian Development Bank (ADB) (which is the project lead co-financier) and includes counterpart financing contribution. The Additional Financing seeks to cover part of a financing gap due to cost overruns for the parent project only and will not add new activities. The full scope of the parent project activities is below, highlighting the use of Additional Financing, which will contribute to Component 1.

##### **Component 1. Urban Water Supply**

12. This component will aim to improve access and quality of safe water supply services in Honiara and selected provincial capitals. The activities financed under this component include: (i) the construction, rehabilitation, upgrade and expansion of water production and treatment systems; (ii) the installation of additional water storage capacity within Solomon Water distribution network; (iii) the rehabilitation, upgrade and expansion of water supply transmission and distribution system; and (iv) carrying out non-revenue water reduction activities including leak detection and network repairs.

13. Investments will include: (a) *in Honiara*, (i) rehabilitation and expansion of water production and treatment systems to meet water demand and ensure full compliance with drinking water guidelines across the city and until 2027, (ii) installation of water supply mains to expand and rehabilitate the water supply system, (iii) additional water storage capacity, (iv) leak detection and pipeline repairs to reduce non-revenue water from its current level of 62 percent to 40 percent or less by 2028, (v) installing bulk supply metering and expansion of SW's customer meter replacement program to install pre-payment meters, and (vi) expanding SW's water supply networks to unserved areas, including in informal settlements; (b) *in Auki, Noro and Tulagi*, rehabilitation and expansion of the existing water supply systems; and (c) *in Munda*, development of a new water supply system.

14. Under Component 1, the Additional Financing will co-finance non-revenue water activities and Munda water supply system.

##### **Component 2. Urban Sanitation**

15. This component aims to improve quality and efficiency of sewerage and sanitation services in Honiara. The activities financed under this component include: (i) the design, construction, operation and maintenance



of a septage treatment facility; (ii) the improvement of the septage management institutional and regulatory framework; and (iii) the rehabilitation and upgrade of sewerage systems, including sewer mains, pumping stations and submarine outfalls.

16. Through this component, capacity to treat septage from 9,000 households in the greater Honiara, which rely on onsite wastewater treatment and disposal methods, will be provided. The septage treatment plant will be procured implemented through a Design-Build-Operate (DBO) contract including an operation phase. The preparation of septage management regulations and the provision of technical advice to private fecal sludge collectors will help boost effective citywide fecal sludge management. Additionally, sewage from 65 percent of Honiara's sewer system will be subject to preliminary treatment (coarse screening) and, by 2027, discharged into the sea at depths and distances to not affect water quality on the shore. The replacement and upgrade of the existing sewerage transmission system and existing wastewater outfalls in a state of disrepair will reduce the current public and environmental health risks resulting from the discharge of untreated sewage to Honiara's foreshore and will benefit all residents of Honiara.

### **Component 3. Water Conservation, Sanitation, and Hygiene Awareness and Education**

17. This component aims to support significant transformations in the population's water use and behavior that are key to project success, with a particular focus on informal areas. It will support the formulation and implementation of water conservation, sanitation and hygiene awareness and education activities. Activities will include the design and implementation of awareness and education programs aiming to change behaviors linked to sanitation, hygiene, menstrual hygiene management, and solid waste management in a nutrition-sensitive manner (i.e., considering and seeking to address the multiple pathways of fecal-oral transmission in the local context). Awareness activities will also focus on water supply issues, including water conservation and the importance of paying water and sanitation bills. Efforts to reduce per capita water demand will further help address water stress and enhance local resilience to climate change.

### **Component 4. Institutional Strengthening and Project Management**

18. This component will aim to improve SW's financial, technical and operational sustainability so that by 2027, SW is expected to fully recover its annual operations and maintenance costs, asset depreciation costs, and debt servicing costs from user charges and SIG community service obligation payments. The activities financed under this component include: (a) the preparation and implementation of priority corporate and water sector policies; (b) strengthening of Solomon Water operational capacity; (c) the preparation of infrastructure designs and carrying out of construction supervision; and (d) strengthening management capacity of the PMU to administer, supervise and monitor Project implementation.

## **E. Implementation**

### **Institutional and Implementation Arrangements**

19. The implementation arrangements for the Additional Financing will follow the parent project, without change. The implementing agency is SW. A UWSSSP Steering Committee (SC) has been formed to provide strategic direction and guidance during project implementation. It provides general oversight and will review progress and the results of periodic monitoring and evaluation activities. The SC is chaired by the Chairman of SW Board and includes as core members Permanent Secretaries of several key ministries, representatives from





Honiara City Council and from Guadalcanal Province, and may be expanded to include representation from other stakeholders, if needed, to strengthen coordination and implementation. The SC will meet on a semi-annual basis, or more frequently, as needed.

20. A PMU has been established within SW to support UWSSSP implementation. In addition to its manager, the PMU has appointed specialists with expertise in technical and social matters, procurement and contract management, communication, and environmental and social safeguards. The PMU, under the guidance of SW Chief Executing Officer (CEO), has responsibility for overseeing and managing project execution and compliance with project requirements, including those associated with procurement, financial management and audits, safeguards, monitoring and evaluation, and project reporting. SW will mainstream into its routine activities some components of the PMU's work. SW permanent staff will contribute to works supervision, financial management and monitoring and evaluation.

#### **F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

Under the IDA Additional Financing, the project's activities will involve NRW reduction activities in Honiara, and implementation of Munda water supply system. The environment in Greater Honiara is greatly modified and substantially degraded due to uncontrolled urban sprawl, lack of solid waste management and aged / absent sewage sanitation infrastructure. Communal septic tanks are overflowing or have blockages and consequently, raw sewage is found in stagnant ponds at various locations. The sewage outfalls to sea and the river have been damaged over the years, resulting in discharges to the beach at 13 locations along Honiara's water front and to informal gardens along the river banks. Groundwater wells for drinking water abstraction are located nearby sewage outfalls, septic tanks and unserved informal dwellings, leading to groundwater contamination and public health risks. Honiara is characterized by a hilly and rugged terrain, with steep slopes in some areas. This topography can affect the distribution and flow of water. The city is growing rapidly, leading to increased demand for water services. Apart from the Lungga River water supply scheme, all interventions under the original parent project activities in Honiara will take place in existing SW facilities and brownfield areas. The general area around the river is largely modified and vegetation has been cleared throughout the hills surrounding Greater Honiara. Topography of Munda is characterized by flatter terrain compared to Honiara, but it still has some hilly areas. Munda also experiences a tropical rainforest climate with high and consistent rainfall, which can be harnessed for water supply systems. The majority of the interventions will also take place in brownfield areas, although the general environment at these locations has not been ascertained yet. Climate and disaster risks are also considered substantial in proposed areas, considering the project areas' increased exposure to extreme climate events such as droughts and flooding.



**G. Environmental and Social Safeguards Specialists on the Team**

Joyce Onguglo, Social Specialist  
Khine Thwe Wynn, Environmental Specialist  
Bonnie Frances Cavanough, Environmental Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	Yes	
Involuntary Resettlement OP/BP 4.12	Yes	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The parent project is assessed as 35 percent complete. However, half of the implementation time has elapsed, indicating a need to expedite remaining contracts. It is anticipated that all WB-funded project activities be completed by July 2027. Key results to-date include: (i) rehabilitation of the Auki water supply system (increasing storage capacity by 820 m3, and improving water quality from 72 percent compliance to 95 percent compliance); (ii) water, sanitation and hygiene awareness raising campaigns in six informal settlements in Honiara (835 people reached face-to-face, and 285,000 people reached through social media); and (iii) the drafting of the Greater Honiara Area Sanitation Masterplan and sanitation bylaw (Plan finalized in collaboration with SW and Honiara City Council). Four civil works



contracts are under construction in Honiara: (i) water supply mains, 11.0 km; (ii) water supply reservoirs, three reservoirs with total storage capacity 8,550 m<sup>3</sup>; (iii) Kongulai Water Treatment Plant (WTP); and (iv) sewer works from Ranadi to Goodwood outfall, 1.7 km. Across the entire project, there are 13 civil works contracts requiring safeguards instruments. To date, 9 out of 13 Initial Environment Examination documents have been cleared and 5 out of 13 Land Acquisition and Resettlement Plans. 5 CESMPs have been cleared, but others not yet due since civil works have yet to commence.

The environment and social safeguards team, are ensuring that compliance with the WB/ADB policies are met including country safeguards systems, the team is familiar with the safeguards policy and are capable of applying the mitigation measures described in the ESMF. Overall the management of E&S risks is satisfactory. The key challenges and issues that have been identified lie with the contractors who are not familiar with the WB/ADB processes and documents (CESMP). Key lessons learned through UWSSSP implementation to address these challenges are the need for well-resourced PMU, early identification and engagement with stakeholders and training of contractors on WB/ADB processes. There is an ongoing need to increase consultations in the community whether it be by the PMU or contractors. The project will have to plan for regular consultation under the AF. Often consultations are done in light of a complaint, it would be best to do regular consultation prior to complaints coming through.

The project will by and large have positive impacts on target communities in terms of increased access to good quality water supplies, improved sanitation outcomes, and associated public health and pollution reduction benefits. There are no potential large-scale, significant or irreversible impacts associated with the project. The AF of the project is proposed to remain as Category B. The proposed activities under the AF includes USD 13.00 million for NRW reduction activities (including contingencies), and USD 2.00 million for Munda water supply system. NRW reduction activities under the AF have been scoped through hydraulic modelling, leak detection, pipeline rehabilitation prioritization, and pre-paid smart metering trials.

The social and environmental benefits that will results from the project are generally positive, including reduction of public health and environmental contamination risks. There are no potential large-scale, significant or irreversible impacts associated with the proposed activities of the project.

The parent project and AF have been screened for short and long-term climate change and disaster risks. Current climate change projections predict: a warmer overall climate and more extremely hot days; increases in rainfall variability – both annual and seasonal; more frequent and more intense extreme rainfall events, which may lead to flash floods and landslides; rising sea levels; and, potentially more frequent and/or more intense droughts. These climate-related hazards are likely to put physical infrastructure at risk of damage and likely to increase pressure on the water and sanitation services, for example, due to increased demand for domestic, industrial and agricultural supply, and the need to minimize exposure to fecal contaminants during floods. The project and the proposed AF will address these risks through increasing availability of freshwater supplies, considering climate change in the design of water and sanitation systems, and improved collection, transport and treatment of sewage and fecal sludge in Honiara.

Key environmental concerns during construction period include generation of noise and vibration due to construction operation; pollution of air, water, soil; generation of solid, hazardous, domestic waste; occupational health and safety for project workers; road and traffic safety; risks related to unexploded ordinance.

Key social risks remain with land impact matters, activities where minimal to high land use. Land access will be managed and monitored closely by the PMU and mitigation measures have been highlighted in the relevant safeguards documents, including the RF and RP.

The nature and magnitude of these direct impacts and risks are temporary, site specific, predictable and reversible



and relevant mitigation measures are to be properly implemented to minimize any residual risks. The potential risks on human populations and the environment is not significant, and the residual risks are not likely to be significant. The environmental and social risks will be managed through regular community consultations (project awareness), and having the mitigation measures in place.

Under the parent project, an Initial Environmental Examination (IEE), Environmental Assessment and Review Framework (EARF), Resettlement Framework (RF) and Resettlement Plan (RP) were prepared, and the relevant instruments will be applied for the proposed activities under AF.

Close implementation support will be provided to the PMU by both the ADB and Bank social safeguards team. Climate and disaster risks are also considered substantial, considering the project areas' increased exposure to extreme climate events such as droughts and flooding. This risk will be mitigated through the preparation under Component 4 and adoption of Water Safety Plans by SW, including a disaster management plan, a drought management plan, and a climate change risk assessment and associated adaptation plan for SW's water supply and wastewater systems.

The overall safeguards performance is rated satisfactory as the Solomon Water PMU have a strong safeguards team who have developed a strong understanding of E&S risk management, they have build a good capacity to implement E&S risk management measures. The project has adequate resourcing within the PMU to undertake training specifically on areas like OHS, CESMP and GRM.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No potential indirect or long-term impacts have been identified, apart from positive impacts to the target communities, as described in the previous section.

The PMU will undertake consultation with the communities to respond to grievances and manage the response to any project related grievances through the GRM.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The few activities that will be undertaken in green field areas will be screened for potential impacts on natural habitats, physical cultural resources and involuntary resettlement. Where these impacts are found to be significant, alternative locations will be sought, or impacts will be mitigated and compensated in accordance with the safeguards policies.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The implementation arrangements of the parent project involves Solomon Water as the single Implementation Agency, and the arrangement will be the same for this AF. Solomon Water (SW) has not implemented IFI-funded projects before the parent project (P165872) and was hence not familiar with World Bank and ADB Safeguard policies before implementing the parent project. However, under the parent project, the Implementation Agency and Project Management Unit has attained good experience on implementation of the ES instruments such as ESMF, preparation of the site specific instruments, supervising, monitoring and reporting as the project moves along. The PMU safeguards team have attended several ESF training online and in person, even during the COVID-19 outbreak. The capacity of the PMU is strong in understanding safeguards and ESF policy issues and also implementing measures to monitor and ensure the activities are in compliance with the safeguards policies.

The Environmental and social risk rating for the parent project has been reassessed from substantial to moderate due to improved demonstration of client commitment to environmental and social risk management since the project was



previously downgraded in February 2021. Monitoring and supervision for subprojects has improved following the lifting of COVID-19 travel restrictions and the quality of environmental and social impact assessments and management plans produced by the client have improved. The Safeguards performance rating was assessed as satisfactory following the February 2023 mission.

The PMU has a full-time environmental safeguards specialist who is supported by a part-time international specialist. The PMU has a good understanding of E&S risk management and good capacity to implement E&S risk management measures. This has been evidenced through SW’s management of civil works projects in Honiara, including close supervision of erosion and sediment control at the Kongulai WTP site, and occupational health and safety. The AF will address a financing gap for the parent project only and will not add new activities.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders include the Environment Conservation Division (MECCDMM) and other government departments such as the Ministry of Infrastructure Development (MID) , Honiara City Council, Ministry of Health, provincial government, etc. Local communities, land owners, NGOs and CSOs constitute another important group of stakeholders. While most communities will benefit from the investments, there will be some temporary nuisance and impacts associated with the construction activities themselves. In addition, the introduction of higher usage charges for water supply may have impacts on the less affluent and needs to be communicated and consulted on extensively as part of project implementation.

Consultations have started and will continue during implementation of the individual subprojects. A community consultation plan will be developed and implemented to ensure stakeholders are consulted regularly and comprehensively.

The project has disclosed safeguards instruments as required by the financing agencies’ policies, i.e. on Solomon Water’s website, as well as on the WB website.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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**"In country" Disclosure**



**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank

Date of submission for disclosure

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**"In country" Disclosure**

**Indigenous Peoples Development Plan/Framework**

Date of receipt by the Bank

Date of submission for disclosure

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**"In country" Disclosure**

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**



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**APPROVAL**

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**Approved By**



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Country Director:	Toufiq Ahmed	07-Nov-2023

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