



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

Appraisal Stage | Date Prepared/Updated: 27-Mar-2019 | Report No: PIDISDSA25523

**BASIC INFORMATION****A. Basic Project Data**

Country Solomon Islands	Project ID P165872	Project Name Urban Water Supply and Sanitation Sector Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 01-Apr-2019	Estimated Board Date 14-May-2019	Practice Area (Lead) Water
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance and Treasury	Implementing Agency Solomon Islands Water Authority	

## Proposed Development Objective(s)

The proposed PDOs are 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

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

<b>Total Project Cost</b>	82.33
<b>Total Financing</b>	82.33
<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	15.00



**Non-World Bank Group Financing**

Counterpart Funding	9.00
Sub-borrower(s)	9.00
Other Sources	58.33
Asian Development Bank	38.00
EC: European Development Fund (EDF)	20.33

Environmental Assessment Category

**B-Partial Assessment**

Decision

The review did not authorize the team to appraise and negotiate

**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 600,000 in 2016, 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 (18 persons/km<sup>2</sup>) and urbanization rates (22 percent) in the world. With an annual urban growth rate of 4.7 per cent, it is projected that by 2030, about 30 per cent of the country’s population will be living in urban areas if the present trend continues. Greater Honiara, the country’s only significant urban center, was home in 2017 to about 105,000 people, a figure expected to surpass 300,000 within the next 30 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 (HIES), 12.7 percent of the population lived under the national basic needs<sup>1</sup> poverty line in 2013 (9.1 percent in urban areas).

2. 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 rebuilt, their capacity remains for the most part very limited.

<sup>1</sup> Defined in reference to the absolute minimum resources necessary for long-term physical well-being, usually in terms of consumption goods



3. Since the end of the conflict, Solomon Islands has experienced significant economic growth, driven mainly by logging, services (with boosted public sector and international community spending in the post-conflict context), and agriculture (copra and palm oil production). 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 (over 2 percent per year in the past fifteen years) and the per capita gross domestic product (GDP) of US\$2,070 per capita, when adjusted for inflation, remains lower today than it was before the conflict. Offering opportunities for cash employment, access to higher education and specialized social services unavailable elsewhere in Solomon Islands, Honiara has witnessed over the past decade the burgeoning of informal settlements<sup>2</sup>. Population in informal settlements is estimated to be growing by more than 6 percent per annum.<sup>3</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).

#### Sectoral and Institutional Context

4. *Access to safely managed water supply services.* Per recent data (WHO/UNICEF JMP, 2017), 90 percent of the urban population has access to a basic water supply service<sup>4</sup> (79 percent in informal settlements<sup>5</sup> and 56 percent in rural areas). 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 is 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 the population resorts almost exclusively to rainwater harvesting. Overall, in 2015 SW customers in Honiara experienced quasi continuous 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, often for several weeks. 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. 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. In urban communities not served by SW (e.g. in

<sup>2</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 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>3</sup> World Bank, 2015. *Unsettled: Water and Sanitation in Urban Settlement Communities of the Pacific*. The World Bank Group. Washington, D.C.

<sup>4</sup> A household has access to basic water supply service when an improved water source is available with a collection time that is no more than 30 minutes for a roundtrip, including queuing. Improved water sources are those that are potentially capable of delivering safe water by nature of their design and construction. These include piped water, boreholes or tubewells, protected dug wells, protected springs, and rainwater. (SDG definition)

<sup>5</sup> Solomon Water, 2017. *30 Year Strategic Plan*



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.

5. *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 conjunction with physical losses in the network, exceeds SW's water production capacity by 6.3 MLD. Even with a major reduction of physical losses and a decrease in per capita consumption, the gap could reach 50 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>6</sup> Other considered options included desalination and more distant surface water sources, which would 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.

6. *Climate change.* Current climate change projections foresee negative impacts on water and sanitation services and infrastructure due to: a warmer overall climate and more extreme 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>7</sup> In 2014, flooding was assessed to have caused US\$4.5 million of damage and economic loss in the water and sanitation sector across the Solomon Islands.<sup>8</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.

7. *Access to improved sanitation and quality of sewerage services.* Currently 76 percent of urban households have access to basic sanitation<sup>9</sup> (18 percent in rural areas, where open defecation is reported as 50 percent).<sup>10</sup> The remaining population use shared sanitation facilities and onsite unimproved sanitation systems.<sup>11</sup> Honiara is the only partially sewerred urban area, with about 9 percent of the population currently connected to a system built in the 1970s and subject to repeated breakdowns,

<sup>6</sup> Solomon Water, 2017. 30 Year Strategic Plan

<sup>7</sup> CLIMsystems. 2017. Climate Change Impact for Honiara, Solomon Islands (report prepared for ADB).

<sup>8</sup> Government of Solomon Islands, 2014. Rapid Assessment of the Macro and Sectoral Impacts of Flash Floods in the Solomon Islands.

<sup>9</sup> A household has access to basic sanitation services when it uses sanitation facilities designed to hygienically separate excreta from human contact, and are not shared with other households. This 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>10</sup> WHO/UNICEF JMP, 2017

<sup>11</sup> Including here public or shared latrines and pit latrines without a slab or platform.



surcharge and overflows (20 blockages per kilometer of sewer in 2017).<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. 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 (when it is not illegally dumped elsewhere). 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>

8. 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 9 percent of urban 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>

9. *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. Investments in recurrent and preventative maintenance and capital works programs were low due to inadequate revenue and funding, which has resulted in the deterioration of SW's water and sewerage networks. Due to weak governance under the previous Board, poor management, and inappropriately low tariffs, SW was in 2010 unable to pay its electricity bills and accumulated a substantial debt to the Solomon Islands electricity utility.

10. 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

---

<sup>12</sup> IB-Net

<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 project 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



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)

Development Objective(s) (From PAD)

The proposed PDOs are 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)

\* corporate results indicator

### D. Project Description

11. To achieve the Project Development Objectives (PDOs), the proposed Urban Water Supply and Sanitation Sector Project (UWSSSP) will have four components. The project will be jointly cofinanced with ADB (which will be the project lead cofinancier) and the European Development Fund 11 (EDF)<sup>18</sup>, and will include a counterpart financing contribution. The EDF grant will be administered by ADB. Table 1 below describes the respective contribution of these financing sources to each project component.

**Table 1: Project cost (including contingencies) and financing plan by component**

Project Components	Project cost	IDA Credit	ADB Grants	ADB Loan	EDF Grant	Counterpart (SW) Funding
Component 1: Urban Water Supply	43.07	11.00	1.00	21.80	9.27	0.00
Component 2: Urban Sanitation	16.39	2.31	5.00	3.00	6.08	0.00
Component 3: Water Conservation, Sanitation and Hygiene Awareness and Education	2.00	0.00	1.00	0.00	1.00	0.00
Component 4: Institutional Strengthening and Project Management	7.25	0.00	2.50	0.00	2.00	2.75
Contingencies (unallocated amount)	12.16	1.69	0.50	2.59	1.13	6.25
Interests during construction	0.61	0.00	0.00	0.61	0.00	0.00
EU Grant management fee	0.85	0.00	0.00	0.00	0.85	0.00
<b>Total Project Costs and Financing</b>	<b>82.33</b>	<b>15.00</b>	<b>10.00</b>	<b>28.00</b>	<b>20.33</b>	<b>9.00</b>

<sup>18</sup> EDF Board confirmation is scheduled in June 2019 and ADB's Board date is scheduled in September 2019.



**Component 1. Urban Water Supply (Cost: US\$43.07 million - Financed by IDA: US\$11.00 million, and ADB and EDF: US\$32.07 million)**

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 30 percent or less by 2027, (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 an additional 5,700 connections in unserved areas, including in informal settlements; (b) *in Auki, Gizo,<sup>19</sup> Noro and Tulagi*, rehabilitation and expansion of the existing water supply systems; and (c) *in Munda*, development of a new water supply system.

**Component 2. Urban Sanitation (Cost: US\$16.39 million – Financed by IDA: US\$2.31 million; and ADB and EDF: US\$14.08 million)**

14. 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.

15. Through this component, capacity to treat septage from 9,000 households in the Greater Honiara area, 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 five years for the 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 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.

---

<sup>19</sup> After SW is formally mandated by the government to take over water supply services in Gizo.



**Component 3. Water Conservation, Sanitation, and Hygiene Awareness and Education (Cost: US\$2.00 million – Financed by ADB and EDF: US\$2.00 million)**

16. 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 settlement 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. Hygiene and sanitation improvement plans will be defined at community level. Efforts to reduce per capita water demand will further help address water stress and enhance local resilience to climate change. The selection of target communities will be carried out in coordination with the Community Access and Urban Services Enhancement Project (P161320), to seek opportunities for synergy between the awareness and behavior change campaigns of both projects.

**Component 4. Institutional Strengthening and Project Management (Cost: US\$7.25 million – Financed by ADB and EDF: US\$4.75 million; and SW: US\$2.50 million)**

17. 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

18. The implementing agency will be SW. This will be the first time SW plays that role in a project financed by the World Bank or by a Multilateral Development Bank (MDB). A UWSSSP Steering Committee (SC) has been formed to provide strategic direction and guidance during project implementation. It will provide 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,<sup>20</sup> 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.

---

<sup>20</sup> Ministry of Finance and Treasury, Ministry of Mines, Energy and Rural Electrification, Ministry of Environment, Climate Change, Disaster Management and Meteorology and Ministry of Development Planning and Aid Coordination, Ministry of Health and Medical Services



19. A Project Management Unit (PMU) has been established within SW to support UWSSSP implementation. In addition to its manager who has already been recruited, the PMU will appoint 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)**

The environment in Greater Honiara is greatly modified and substantially degraded due to uncontrolled urban sprawl, lack of solid waste management and aged / absent sewerage and 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 to 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. The current septage disposal facility is located at the landfill. The facility is not engineered and septage is dumped directly to the ground. Due to its location in a swampy area that is subject to flooding, infiltration and drying of the septage is severely hampered and again leads to environmental degradation of the nearby soil and groundwater. The Urban Water Supply and Sanitation Sector Project will increase access and quality of water supply and quality of sanitation services in selected service areas of Solomon Water, more specifically in Honiara, Tulagi, Gizo, Noro, Auki and Munda. The project also aims to improve the operational performance of Solomon Water. In general, all project interventions will take place in existing Solomon Water facilities and brownfield areas (road reserves etc.). Although the majority of the interventions in provincial capitals will also take place in brownfield areas, the general environment at these locations has not been ascertained yet and may include areas of natural habitat. Interventions at Tulagi are likely to be nearby World War II historical sites, which needs to be assessed when the exact locations of proposed works are finalized.

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

Ross James Butler, Social Specialist

Joyce Onguglo, Social Specialist

Nathalie Suzanna Noella Staelens, Environmental Specialist



**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project is rated Category B. The proposed project involves the rehabilitation and expansion of failing water supply and sanitation infrastructure, as well as the development of more resilient and diversified water supply sources. The social and environmental benefits that will result 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 project.</p> <p>Environmental risks associated with the project include continued contamination impacts resulting from the discharge of untreated sewage and septage treatment facility effluent, temporary noise, waste and air quality impacts associated with construction, potential limited vegetation clearing for the purpose of creating access to and expanding water supply sources, constructing the water and septage treatment plants, etc. There may also be potential impacts on historical sites in Tulagi where interventions to improve water supply are planned. In Munda, the project will fund a new water supply system, which may also affect limited areas of natural habitat.</p> <p>The environmental and social risks will be managed through regular community consultations (project awareness) and the implementation of requirements set out in the Project’s safeguards instruments.</p> <p>An Initial Environmental Examination (IEE), an Environmental Assessment and Review Framework (EARF) and a Resettlement Policy Framework (RPF) have been prepared for the project by the ADB commissioned Technical Assistance. These have been reviewed and found to be in compliance with the World Bank’s Safeguards Policies.</p> <p>The IEE assesses direct and indirect impacts, as well as cumulative and induced impacts of the Greater</p>



Honiara water supply and sanitation core projects. For the subprojects in the other provincial capitals, incl. Noro, Gizo, Munda, Tulagi and Auki, as well as the septage treatment facility in Honiara, an ESMF has been developed to provide guidance on the required level and content of environmental assessments once the projects are better defined, locations are identified etc. The EARF will be followed by the required safeguards instruments and national development consents for the subprojects in the provincial capitals and the septage treatment plant in Honiara..

The contents of the IEE and EARF are broadly aligned with those of an ESIA (for Partial Assessment) and ESMF.

Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	<p>The project involves the rehabilitation of existing water supply, sewerage and sanitation infrastructure and the development of new water supply sources. The interventions will take place within existing SW facilities or modified greenfield areas and are therefore not expected to significantly impact natural habitats. The IEE and EARF include an assessment of the potential impacts on natural habitat and outline measures to avoid, mitigate and or manage these impacts.</p> <p>The locations for investments in the provincial capitals and the septage treatment facility in Honiara have not been fully identified at this stage. As these may include areas of natural habitat, the applicability assessment of the policy will be undertaken when the locations are identified. For these investments, an EARF has been developed to provide guidance on the assessment process.</p>
Forests OP/BP 4.36	No	The project will not impact on any forested areas hence this policy is not triggered
Pest Management OP 4.09	No	The project will not involve pest management hence this policy is not triggered
Physical Cultural Resources OP/BP 4.11	Yes	The project involves construction works in modified urban and peri-urban areas, where it is unlikely that unknown physical cultural resources will be encountered. A chance find procedure has been



included in the IEE to ensure appropriate measures are taken in the event cultural resources are encountered.

The planned works in Tulagi are located in an area where relics and infrastructure from WW II are present. When the exact locations of the works are identified, a cultural resources impact assessment will need to be carried out.

The vast majority of groups resident in the project areas can be considered indigenous Solomon Islanders. No separate instrument is required, but relevant elements of the policy are integrated into project design and the safeguards instruments integrate elements of an Indigenous People Plan (IPP) into the RPF. Community consultations will be facilitated and documented by SW. The project will focus on rehabilitating and expanding failed water supply, sewerage and sanitation infrastructure, which will benefit the community as a whole. It is anticipated that there will be no negative impact on the communities in both urban and rural areas.

Indigenous Peoples OP/BP 4.10

Yes

The community consultation process conducted by SW until now has been summarized in the IEE, EARF and RPF.

For the works in the provincial capitals mainly, the EARF and RPF will ensure free and prior informed consultation is undertaken and broad community support is achieved for the project. This will allow for local communities to engage and provide inputs into project implementation. Appropriate measures will also reflect the vulnerable groups and measures outlined in the project's Gender Action Plan.

The safeguards team will provide ongoing support and has reviewed the EARF, RPF and IEE to ensure that elements of the IP are included as a part of the common approach with ADB.

Involuntary Resettlement OP/BP 4.12

Yes

The project involves the rehabilitation and expansion of failed water supply, sewerage and sanitation infrastructure. Water and sewerage networks will likely be subject to lease arrangements. Involuntary resettlements. If



required, they are expected to take place at a very limited scale. Rural areas, where activities will be very limited, may have a higher risk of involuntary resettlement.

A Resettlement Policy Framework (RPF) has been prepared to assess potential impacts and outline measures to avoid, mitigate or manage these impacts. Community consultation and broad community support will take place to ensure there are no pending issues. A formal grievance redress mechanism will be established to channel and manage potential grievances arising during project implementation. The safeguards team has assisted in reviewing the RPF, EARF, IEE to avoid, mitigate and/or manage any impacts of land related issues especially in rural areas like Auki, Tulagi or Gizo.

The sub-projects identified have not determined any involuntary resettlement impact yet, therefore the RPF is sufficient at this stage. Resettlement Action Plans will be prepared once activities have been designed and more details of site locations have been provided.

Safety of Dams OP/BP 4.37	No	The project will not finance any dams as defined under OP 4.37.
Projects on International Waterways OP/BP 7.50	No	The project does not impact or relate to any known international waterways as defined under the policy.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in any known disputed areas as defined under the policy.

## 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 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.

Environmental risks identified include continued contamination impacts resulting from the discharge of untreated sewage and septage treatment facility effluent, temporary noise, waste and air quality impacts associated with construction, potential limited vegetation clearing for the purpose of creating access to and expanding water supply



sources, constructing the water and septage treatment plants, etc. There may also be potential impacts on historical sites in Tulagi where interventions to improve water supply are planned. In Munda, the project will fund a new water supply system, which may also affect limited areas of natural habitat.

The environmental and social risks will be managed through regular community consultations (project awareness) and the implementation of requirements set out in the Project's safeguards instruments.

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.

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 proposed implementation arrangements will involve Solomon Water (SW) as the single Implementation Agency. SW has not implemented projects funded by international financial institutions (IFI) before and is hence not familiar with World Bank and ADB Safeguard policies. In addition, the organization does not employ corporate environmental and social safeguard specialists and is not operating in accordance with the requirements of an environmental management system or any safeguard procedures in general. However, the PMU is led by a competent team and will be strengthened with a number of safeguards staff, as follows: one international environmental and social specialist, one national environmental specialist, one national resettlement specialist, one local land management officer and a national stakeholder manager. The PMU will be assisted by the corporate communications and community liaison specialists.

As the lead co-financier for the project, ADB has retained a consultant to undertake feasibility studies and concept designs for the various core projects and a small number of subprojects. The consultant's scope included the preparation of an Initial Environmental Examination (IEE) for the core projects in Greater Honiara, as well as an Environmental Assessment and Review Framework (EARF) for the subprojects which remain largely undefined. Social Safeguards documentation prepared under the technical assistance include a stakeholder analysis, community consultation strategy, a resettlement policy framework, and a gender action plan. These documents have been reviewed by the Bank's safeguards team and provide adequate and compliant guidance on managing environmental and social risks during project implementation. The team will ensure the safeguards advisors will be trained and supported during the early stages of project implementation.

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 Public Works Department, 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**

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

Date of receipt by the Bank  08-Mar-2019	Date of submission for disclosure  27-Mar-2019	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
--	--	--

**"In country" Disclosure**

Solomon Islands  
27-Mar-2019

Comments

Disclosed on SW's website: <https://www.solomonwater.com.sb/project/uwssp/project-reports>

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

Date of receipt by the Bank  15-Feb-2019	Date of submission for disclosure  27-Mar-2019
--	--

**"In country" Disclosure**

Solomon Islands  
27-Mar-2019

Comments

Disclosed on SW's website: <https://www.solomonwater.com.sb/project/uwssp/project-reports>

**Indigenous Peoples Development Plan/Framework**

Date of receipt by the Bank  15-Mar-2019	Date of submission for disclosure  27-Mar-2019
--	--



**"In country" Disclosure**

Solomon Islands  
27-Mar-2019

Comments

Since the vast majority of potentially affected population is indigenous, no separate instrument is required. The safeguards instruments integrate elements of an Indigenous People Plan (IPP) into project design and the RPF, disclosed on SW's website: <https://www.solomonwater.com.sb/project/uwsssp/project-reports>

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

**OP/BP 4.04 - Natural Habitats**

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

NA

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

NA

**OP/BP 4.10 - Indigenous Peoples**

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

No



**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

**All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

**CONTACT POINT**

**World Bank**

Stephane Raphael Dahan  
Senior Water Supply and Sanitation Specialist

Edkarl M. Galing  
Water Supply and Sanitation Specialist



**Borrower/Client/Recipient**

Ministry of Finance and Treasury  
Harry Kuma  
Permanent Secretary  
hkuma@mof.gov.sb

**Implementing Agencies**

Solomon Islands Water Authority  
Ian Gooden  
General Manager  
IGooden@solomonwater.com.sb

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Stephane Raphael Dahan Edkarl M. Galing
----------------------	--

**Approved By**

Safeguards Advisor:	Svend E. Jensby	27-Mar-2019
Practice Manager/Manager:	Sudipto Sarkar	27-Mar-2019
Country Director:	Mona Sur	29-Mar-2019