

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.:ISDSA17190

Date ISDS Prepared/Updated: 04-Sep-2017

I. BASIC INFORMATION

1. Basic Project Data

Country:	Solomon Islands	Project ID:	P153986
Project Name:	Solomon Islands Community Benefit Sharing Pilot Project (P153986)		
Task Team Leader(s):	Erik Caldwell Johnson, Kosuke Anan		
Estimated Appraisal Date:	23-Mar-2015	Estimated Board Date:	31-Jul-2017
Managing Unit:	GSU02	Financing Instrument:	Investment Project Financing
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00(Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	2.80	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Japan Social Development Fund			2.80
Total			2.80
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The project development objective is to establish the institutional arrangements and capacity for Benefit Sharing Communities to manage a share of the revenues from the operation of a large-scale infrastructure investment project and to improve their basic services and skills for income generation during the construction period.

3. Project Description

The Solomon Islands Community Benefit Sharing Pilot (CBSP) Project, supported by a grant from the Japan Social Development Fund (JSDF), aims to introduce and test an innovative approach to sharing the benefits of development projects with project communities. CBSP will be implemented in connection with the Tina River Hydropower Development Project (TRHDP), which is also under preparation. TRHDP is a high priority investment for SIG as it will contribute to a significant reduction in the cost of power and improved reliability of its supply. The objective of CBSP is to establish institutional arrangements and capacity for project communities to effectively manage benefit sharing revenues from TRHDP and improve their basic services and economic opportunities. Project activities would establish the benefit sharing fund, fund initial investments in water

supplies and the extension of the Honiara electricity grid to benefit share communities, and assist community members to obtain employment in construction activities.

CBSF is envisaged to consist of four components: Component 1 - Establishment of the Community Benefit Sharing Fund (CBSF) and community capacity building; Component 2 - Improving community infrastructure; Component 3 - Human resource development; and Component 4 - Project Management, Administration, Monitoring and Evaluation, and Knowledge Dissemination.

Component 1 - Establishment of the Community Benefit Sharing Fund (CBSF) and community capacity building

This component will support the drafting of institutional arrangements and operating procedures for the CBSF, establishment of the fund, and facilitation of active community consultation and input into fund arrangements. Technical and legal advisors will be engaged to liaise with community representatives and advise on fund provisions as well as a range of consultation meetings to be held with various stakeholders. Draft documents will be prepared as inputs into the process of registration of the necessary documentation, including draft rules for a fund as well as other policy and procedural documents. As mentioned earlier, one of the clear demands emerging from the ongoing dialogue with communities is to ensure that the proffered benefit share is transparently available for the lifetime of TRHDP (and possibly beyond), and not subject to the political will of subsequent governments. In response, the Government will either take legislative action or enshrine the principles and provisions in government policy. While the Government has agreed to share a portion of the benefit of the hydropower operation with project area communities, the specific details as to the scope, governance, administration and other aspects of the CBSF are still yet to be designed. CBSF will mobilize technical expertise in the design of the CBSF, and facilitate the development of the principles, scope, policies and procedures for managing the CBSF. As one of the early outcomes of this grant, the CBSF will be legally registered and begin to operate.

Benefit share payments will be made as part of the periodic payments from the Solomon Islands Electricity Authority (SIEA) for the purchase of power from the hydropower operator. In response to strong community demand, in 2012 the Solomon Islands Government committed to sharing a portion of the benefit of the TRHDP with affected communities. The exact amount of the periodic benefit sharing transfers will likely be calculated as an additional cost, or levy, on each kilowatt of power purchased by SIEA. The charge to SIEA is likely to be US\$.005/KwH. With an estimated average annual generation of 78.35 Gigawatt hours, the annual amount is expected to be between US\$350,000 - US\$400,000. Rather than distributing the benefits to communities in cash, the CBSF will be set up to use the shared benefits to invest in projects and activities that are within the scope of eligible financing for the benefit sharing fund, and which are identified by communities in a participatory manner.

Component 2 - Improving community infrastructure

This component will fund community investments in water supply and electricity infrastructure, as preliminary benefits to the communities before the hydropower development actually starts generating benefits. While the scope of the benefit sharing fund will likely be open to a range of infrastructure investments including transport, telecommunications, health and education facilities, etc., the two highest priorities identified by project area communities through community consultations are water supply and electricity. Most households in the project area communities do not have access to formal water supply, nor reticulated water or sewerage systems. Communities rely heavily on rivers and streams, and suffer during dry seasons and heavy rainfall when river water becomes heavily silted. None of the targeted beneficiary households are connected to the SIEA electricity grid, and few households even make use of solar power for lighting, relying instead on kerosene lamps and wood fires for cooking.

Component 2.1 - Water supply systems - Water supply systems will be installed or repaired to serve the

population in the target area. These investments will provide benefit sharing communities with long-term, improved, sustainable water supply as a concrete benefit of their hosting of the project. Given the budget limitations, systems will be provided to priority areas, with a view of maximizing the number of beneficiaries. The exact sites where the systems will be provided will be decided on the basis of the following criteria, listed in the order of priority: (a) schools; (b) aid-post/ clinics; (c) population centers. Depending on their location, the water supply systems serving schools or aid-post/clinics will be extended, or an additional system will be provided to serve population centers, in order of population size. If the sizes of population between population centers are similar, cost efficiency will also be taken into consideration, in order to cover as many villages/clusters as possible.

Once the priority areas are selected, the exact sites and technology options will be determined in close consultation with the local population. Consultations will be inclusive of all stakeholders, ensuring that women have a strong voice, particularly as they are often more active than men in fetching water, and in managing the use of household resources, including access to household water. This will be done following the country's Rural Water, Sanitation, and Hygiene (RWASH) Policy and RWASH Community Engagement Guidelines.

Component 2.2 – Rural electrification - The project will extend the Honiara grid from a connection point on the Black Post road all the way up to the Tina Village through the installation of an additional 11kv transmission line and 415v, low voltage distribution lines and transformers. Due to cost limitations, the Project will not be able to cover the full benefit share area. The project will finance the costs of the service lines and in-house wiring for Rate School and Konga Health Center. Existing road corridors owned by the Commissioner of Lands will be used for the transmission line corridor wherever possible to minimize impacts—the high voltage (HV) transmission line is planned to run along the Black Post Road, and is not expected to involve voluntary land donation. The installation of low-voltage distribution lines within Tina community and in the vicinity of Rate Community High School and Konga Health Post would involve the use of non-public lands. The use of land for these distribution lines will be agreed through voluntary land use agreements, mostly under customary land ownership, where SIEA will follow the Land Use Procedures (Annexure B) of the ESMF, including a protocol for voluntary land use of customary land. Under the Land Use Procedures, the land use rights will be obtained by consent of the land owners in lieu of registering and transferring land ownership.

Component 3—Human resource development

This component will support members of benefit sharing communities in accessing employment opportunities to be created by TRHDP, during and after construction. A roster of eligible individuals will be prepared and training designed and delivered to enhance the readiness of these individuals to secure contracts/employment. The TRHDP developer will also be asked to provide a list of technical skills and services that will be needed so that technical and vocational training can be developed and provided to target beneficiaries. A program will be established to match interested youth with community-oriented activities supported by the Project such as water or electricity supply projects. This program will build skills, community commitment and a sense of pride and satisfaction that can help participants to become current and future leaders in the community and beyond.

Component 4 - Project Management, Administration, Monitoring and Evaluation, and Knowledge Dissemination

This component will mainly fund the incremental costs of CBSP management incurred by the TRHDP Project Office (PO). A small team will be hired by the Ministry of Mines, Energy and Rural Electrification to manage project activities and to establish the basis of ongoing government support for the operations and governance of the CBSF. A Benefit Sharing Coordinator and Assistant Coordinator will be hired to work within the TRHDP Project Office (PO) team. Procurement, accounting, administrative and other core function support will be drawn from the TRHDP PO and supplemented as needed. Consulting services will be engaged to monitor and evaluate the results of CBSP and the implications it holds for the implementation of the benefit sharing arrangements that will take effect once the hydropower facility begins to operate.

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

The benefit sharing area will cover Bahomea and Malango cultural areas in Malango Ward in Guadalcanal Province, consisting of 80-90 villages and hamlets of mainly indigenous people originating from the central Guadalcanal mountain lands. About 15 are in the downstream area, where they will be affected by changes in the quality, quantity, or availability of water as a result of the construction and operation of the TRHDP. Six that are located at some distance from Tina River, in the infrastructure area, will be affected by road use or modification, access road construction, or installation of transmission lines. Some of the villages are in bottomland along the river, and others are on sloping land on the valley sides. Some of the villages in the infrastructure and wider impact areas are outside the river valley altogether. None of the villages is in natural habitat; the habitat has been modified by cropping, gardening, animal husbandry, and buildings.

5. Environmental and Social Safeguards Specialists on the Team

Ross James Butler, Social Safeguards Specialist

Thomas E. Walton, Social Safeguards Specialist

6. Safeguard Policies That Might Apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Due to the small-scale nature of planned investments, their location in areas that are modified habitat, and the fact that they will be planned and executed with full participation of the communities, no significant adverse impacts are expected. Nevertheless, an ESMF was prepared and disclosed; it includes a screening procedure and guidelines to ensure that environmental and social impact management instruments are prepared that are appropriate for the individual investments. While there will not be any large-scale, significant, or irreversible impacts, the Project is classified as Category A due to its association with the Tina River Hydropower Development Project which is classified as Category A.
Natural Habitats OP/BP 4.04	Yes	Only modified habitat and settlement land will be affected by the project. This policy is triggered as a precautionary measure to ensure that no natural habitat is adversely affected where investments such as power distribution lines pass through areas between villages.
Forests OP/BP 4.36	No	The project does not involve forestry or forest management.
Pest Management OP 4.09	No	The project will not involve procurement of pesticides or cause increased pesticide use.
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered in CBSP. The siting of small scale investment projects will avoid known physical cultural resources such as tambu sites, structures of spiritual values to communities,

		objects and structures having high landscape values etc. Chance Find Procedures are included in this ESMF (Annex E) to address the cases where objects are found during ground excavation.
Indigenous Peoples OP/BP 4.10	Yes	The vast majority of groups resident in the project area can be considered indigenous Solomon Islanders. Since the vast majority of potentially affected population is indigenous, no separate instrument will be required, but relevant elements of the policy are integrated into project design. Community consultations will continue to be facilitated and documented by TRHDP PO staff, including a Community Liaison Officer, and other personnel employed through the CBSP. Ongoing monitoring and community consultations by such personnel will assess whether broad community support is maintained during implementation. The ongoing and intensive community consultation process conducted by the TRHDP PO, and summarized in the ESIA and Community Development Plan for TRHDP, ensures that Free, Prior and Informed Consultation is the basis for the design of the activities included in CBSP and that the project will provide benefits that are culturally appropriate to the people. The ESMF includes an analysis of social impacts of the project in Section 4, which is based on the data and analysis of the social assessment conducted for TRHDP.
Involuntary Resettlement OP/BP 4.12	Yes	This policy is triggered as the rural electrification sub-component requires access to land for construction and maintenance and may impact crops or trees. No compulsory acquisition will be undertaken for the transmission lines. Existing road corridors owned by the Commissioner of Lands will be used for the transmission line corridor wherever possible to minimize impacts—the high voltage (HV) transmission line is planned to run along the Black Post Road, and is not expected to involve voluntary land donation. The installation of low-voltage distribution lines within Tina community and in the vicinity of Rate Community High School and Konga Health Post would involve the use of non-public lands. The use of land for these distribution lines will be agreed through voluntary land use agreements, mostly under customary land ownership, where SIEA will follow the Land Use Procedures (Annex B) of the ESMF, including a protocol for voluntary land use of customary land. Under the protocol, the land will be retained as

		<p>customary land and Solomon Power will obtain use rights by consent to construct and maintain lines in lieu of registering and transferring land ownership. Land owners will have the right to refuse use of their land, in which case, other alternative locations for infrastructure would need to be found. The landowners would also be notified clearly that their agreement to allowing the use of their land should be completely voluntary and will not involve compensation, now or into the future (loss of assets and livelihoods caused by the use of the land will be compensated for in accordance with the entitlement matrix found in Annex C of the ESMF). Land acquisition arrangements will be documented in the ESMP, which will be prepared once the final transmission line routing has been established. Screening criteria for the water supply sub-component, including voluntarily provided access to land for the purposes of constructing the facility are prerequisites to inclusion of the subproject in CBSP. Where customary land is required for water supply sub-component, the above mentioned Land Use Procedure (Annex B) of the ESMF, including a protocol for voluntary land use of customary land will be followed. The availability of land is not influenced by the wealth of communities. Most, if not all of the land in target communities are customary owned, and communities are usually able to provide access to the required land to install water supply infrastructure. This practice has been used successfully for more than eight years in the Bank-financed Rural Development Program (RDP).</p>
Safety of Dams OP/BP 4.37	No	This OP already applies to the TRHDP, the dam safety provisions of which are intended to protect communities in the river valley. It is not triggered for this project, which will not involved construction of dams.
Projects on International Waterways OP/BP 7.50	No	Tina River is not an international waterway.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas on Guadalcanal.

II. 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:

There will not be any large-scale, significant, or irreversible impacts. The kinds of investments that will be supported under Component 2 or planned under Component 1 for funding via a mechanism to be developed under the component will have impacts that are localized, mostly short-term, and manageable through standard

mitigation measures for small-scale infrastructure construction. Impacts may include soil erosion after vegetation clearing, dust and noise during construction, temporary turbidity and sedimentation in streams, risks to community and worker health and safety. The ESMF provides for application of an environmental code of practice in simple situations where standard mitigation measures can be applied without site-specific impact assessment, and for preparation and implementation of site-specific ESMPs in more complex situations. The project will not finance any investment that would be considered Category A. However, the project is categorized as Category A due to its association with the Tina River Hydropower Development Project which is Category A.

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

The long-term impacts will be positive in the form of improvements in quality of life from improved water service, electricity, better access, etc. Indirect impacts could result from new development attracted by the improved facilities and services.

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

Project alternatives will be considered in the participatory planning processes in each community. Consideration of alternatives will be incorporated in the mechanism to be developed under Component 1.

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.

In order to avoid and/or mitigate the potential adverse social and environmental impacts due to the implementation of CBSP, the Solomon Islands Government prepared an Environmental and Social Management Framework (ESMF) taking into account the experiences of related projects such as from RDP (water supply) and the Solomon Islands Sustainable Energy Project (transmission). Basic environmental and social screening (a simple form/checklist) will be carried out by the Safeguard Focal Point (who is the Community Liaison in the Project Office) during the identification of water supply sub-projects. Once the final routing for the transmission lines is known, SIEA will prepare an Environmental and Social Management Plan (ESMP) to specify risks and mitigation measures to be applied during 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.

The key stakeholders are the members of the communities the project will serve, as well as the traditional leaders (chiefs) and local government officials. They have been consulted intensively during the preparation of the TRHDP ESIA. The public notice concerning the draft ESMF for CBSP was published in-country and was made available to the public via MMERE. The draft ESMF was presented for consultation at a public meeting in Honiara on August 22, 2016. The main provisions of the ESMF have been discussed with the Guadalcanal provincial government, line ministries, communities, and development partners. The draft ESMF has also been reviewed and commented by the Bank. Comments given by the Bank and relevant feedback received from public consultation have been incorporated into the final ESMF. The ESMF was disclosed in-country, and on the Bank's external website for public access on February 21, 2017.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	01-Feb-2017
Date of submission to InfoShop	20-Feb-2017
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Solomon Islands	21-Feb-2017

<i>Comments:</i> The ESMF was disclosed on TRHDP's website (http://www.tina-hydro.com/the-project/documents-reports/community-benefit-sharing-pilot-project/).	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	01-Feb-2017
Date of submission to InfoShop	20-Feb-2017
"In country" Disclosure	
Solomon Islands	21-Feb-2017
<i>Comments:</i> The Land Use Procedures were disclosed as part (Annexure B) of the ESMF on TRHDP's website (http://www.tina-hydro.com/the-project/documents-reports/community-benefit-sharing-pilot-project/).	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	01-Feb-2017
Date of submission to InfoShop	20-Feb-2017
"In country" Disclosure	
Solomon Islands	21-Feb-2017
<i>Comments:</i> Since the vast majority of potentially affected population is indigenous, no separate instrument is required, but relevant elements of the policy are integrated into project design, including the ESMF, which was disclosed on TRHDP's website (http://www.tina-hydro.com/the-project/documents-reports/community-benefit-sharing-pilot-project/).	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why::	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.04 - Natural Habitats						
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
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?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
OP/BP 4.11 - Physical Cultural Resources						
Does the EA include adequate measures related to cultural property?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
OP/BP 4.10 - Indigenous Peoples						
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

or Practice Manager review the plan?					
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
OP/BP 4.12 - Involuntary Resettlement					
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
Is physical displacement/relocation expected?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	TBD <input type="checkbox"/>		
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	TBD <input type="checkbox"/>		
The World Bank Policy on Disclosure of Information					
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
All Safeguard Policies					
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
Have costs related to safeguard policy measures been included in the project cost?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>		

III. Approval

Task Team Leader(s):	Name: Erik Caldwell Johnson, Kosuke Anan	
<i>Approved By:</i>		
Safeguards Advisor:	Name:	Date:
Practice Manager/Manager:	Name: Peter Leonard (PMGR)	Date: 12-Sep-2017