

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA12480

Date ISDS Prepared/Updated: 22-Jun-2016

I. BASIC INFORMATION

1. Basic Project Data

Country:	Solomon Islands	Project ID:	P151618
Project Name:	ELECTRICITY ACCESS EXPANSION PROJECT (P151618)		
Task Team Leader(s):	Takafumi Kadono, Gerard Fae		
Estimated Appraisal Date:		Estimated Board Date:	30-Sep-2016
Managing Unit:	GEE02	Lending Instrument:	Investment Project Financing
Sector(s):	Transmission and Distribution of Electricity (50%), Other Renewable Energy (50%)		
Theme(s):	Rural services and infrastructure (40%), Other urban development (40%), Social Inclusion (20%)		
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:	2.23	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source		Amount	
Borrower		0.00	
Global Partnership on Output-based Aid		2.23	
Total		2.23	
Environmental Category:	B - Partial Assessment		

2. Project Development Objective(s)

The project development objective is to increase access of low-income households to electricity services in peri-urban and rural areas of Solomon Islands.

3. Project Description

The project development objective is to increase access to electricity services in low-income areas of Solomon Islands.

The project has three components:

Component 1 ➤(Output Based Aid (➤(OBA➤() subsidies for new electricity service connections

and basic in-house wiring for low-income households: this component provides one-off OBA subsidies to the eligible low-income households to cover for a portion of the upfront cost of electricity service connections in the Honiara grid (existing service area and planned expansion areas), and in the outstations including those being developed in Afio, Seghe and Taro. The OBA output includes materials and installation of the service line and auxiliary pole, when needed; a pre-paid meter; and in-house wiring including protection, earthing, and two LED light bulbs.

Solomon Islands Electricity Authority, trading as ►(Solomon Power►(since December 2015, is state-owned virtually-integrated power utility, is the main supplier of electricity in Solomon Islands, and responsible for electric power generation, transmission and distribution to all urban and provincial centers, including Honiara, nine provincial centers (so-called outstations), and Noro Township in the Western Province. Solomon Power will competitively procure the materials for the service line and install the service line using its own staff/electricians. The costs of materials and labor have been assessed independently by the OBA Consultant and found to be reasonable. Since Solomon Power has the ability to import materials in bulk at much cheaper prices than private suppliers and electricians, Solomon Power will also import in-house wiring materials in bulk. As Solomon Power also plays a role of a pseudo-regulator to certify in-house wiring, it is unable to install the in-house wiring by itself. However, the small number of licensed electricians tend to distort the prices (and sometimes recommend unnecessary materials) if hired individually by the households. Therefore, Solomon Power will contract the licensed electricians for large batches of works (e.g. 500 connections for Honiara) through a competitive tendering process.

Solomon Power will pre-finance all costs on behalf of the customers and be reimbursed the pre-defined OBA subsidy amount subject to verification by the Independent Verification Agent (IVA) recruited by the World Bank (refer to Component 3). Solomon Power will self-finance SBD1,700 (US\$213) for the first 20 meters pursuant to its current practices, and eligible beneficiaries will contribute SBD800 (US\$100) in Honiara and SBD400 (US\$50) in the outstations. The OBA program will subsidize the remaining amount of each connection, and limited to a service line length of up to 80 meters, one auxiliary pole, and in-house wiring. In outstation areas, the costs are estimated to be US\$150 higher for the same outputs, due to higher transport and installation costs. Households located far from the distribution line, which costs exceed the cut-off limit of the OBA subsidy, will need to top up the extra cost with their own funding sources.

Component 2 ►(Implementation support to Solomon Power for project management: Solomon Power will require support throughout the OBA program duration to manage its implementation, including (i) procuring materials for service lines and in-house wiring; (ii) hiring licensed electricians to perform in-house wiring; (iii) managing distribution of materials; (iv) payments to suppliers and electricians; (v) reporting to IVA and the World Bank; and (vi) other related activities. This component will provide funding for:

- (a) A consultant to act as OBA program manager, to help coordinate implementation, procurement, financial management, and verification activities related to the OBA program (recipient-executed) ;
- (b) Implementation support from World Bank staff during the length of the project (Bank-executed).

Component 3 ►(Independent verification of OBA outputs ►(Bank executed

This component will engage an IVA to verify and recommend payments of OBA subsidies to Solomon Power for connections delivered within pre-agreed standards and requirements.

At the same time, under Solomon Power finance, Solomon Power plans to expand the Honiara grid and is also developing three outstations with solar-diesel hybrid systems in Afio, Seghe and Taro (commissioning scheduled in June 2016).

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

Component 1 of the project will provide OBA subsidies for new electricity service connections and subsidies for household wiring for low income households accessing electricity services. Specifically the Bank will support the connection between the low-voltage cables constructed by Solomon Power to the house and household wiring. The primary beneficiaries are the households in peri-urban areas of the Honiara grid-extension coverage, and newly covered areas by provincial grids and micro-grids in rural areas such as in Afio, Seghe and Taro.

Access of poor households to electricity is expected to yield economic, environmental and social benefits (better health, education, productivity, and overall improvement of the human development indicators in rural and peri-urban areas. The potential environment and social impacts are assessed based on the design, scope of work as well as the physical and biological environment of project site. An Environmental and Social Management Framework (ESMF), including an RPF, has been prepared which provides a logical framework for the management of impacts, including guidance on the management of impacts associated with activities funded by SP, which (depending on the situation in each locality) may be considered to be (linked) for the purposes of safeguard management.. Mitigation measures for each potential environment and social impacts are designed to avoid, minimize or remediate the impacts.

5. Environmental and Social Safeguards Specialists

Francisca Melia Setiawati (GSURR)

Nicholas John Valentine (GENDR)

Ross James Butler (GSU02)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This safeguard policy is triggered. The OBA project will subsidize new household connections and wiring. This will involve very little construction i.e. auxiliary poles (if needed) connected low-voltage poles to house. The only new construction involves (separately funded) construction of micro-grids in Seghe area, Taro area, Afio area and other provinces. Although these micro-grids are being installed in any event, and being funded by Solomon Power, for the purposes of project safeguards, they will be treated as (linked projects) where they are being constructed contemporaneously with project supported activities and where a linkage. If, for example, as is the case in the Honiara grid densification component of works, the generation and LV grid has already been provided

		irrespective of the Bank supported activities, these would not be viewed as being >(linked>(for the purpose of safeguards. The environmental impacts are expected to be minor, if any. The risks are expected to be technically and institutionally manageable. To ensure compliance with both World Bank Safeguard policies and the environmental legislation of the Solomon Islands, an ESMF has been prepared that contains screening criteria, mitigation measures, environmental monitoring, and capacity development requirements covering the pre-construction, construction and operational phases. The ESMF also includes an RPF to provide guidance in relation to land and asset related impacts. In addition to the ESMF to manage the program, because the mini-grid system in Seghe has already commenced and this will be the first grid covered by the project, a separate ESMP has been prepared. Project implementation manual(s) would include provisions as regards screening procedures, environmental assessment and mitigation measures.
Natural Habitats OP/BP 4.04	No	As the project sites will be implemented in already developed rural and urban areas including streets, roads and local communities, the Project would not cause any impacts on any critical natural habitats.
Forests OP/BP 4.36	No	The project activities, including the linked projects are not expected to create or induce deforestation and their environmental impact is not expected to compromise the integrity and health of forested areas. Some minor clearings of trees, shrubs and undergrowth within urban areas may be necessary to extend the grids.
Pest Management OP 4.09	No	The Project will not involve use of pesticides or herbicides.
Physical Cultural Resources OP/BP 4.11	No	Given the largely disturbed nature of the areas in which the project will be delivered and the generally benign nature of works involved in connecting the LV distribution lines to the houses, physical cultural resources are not expected to be found in the project area.
Indigenous Peoples OP/ BP 4.10	Yes	<p>This policy is triggered.</p> <p>While there are many groups within Solomon Islands that may meet the IP definition under OP4.10, the key qualifier for the applicability of the policy is whether these groups are present in the project area of influence.</p> <p>Project investments will be predominantly within existing urban areas (eg. Honiara and outstation sites) with infrastructure sited on Government-owned land.</p>

		<p>Beneficiary populations within these urban areas are expected to be heterogeneous with individuals from various cultural groups, both local and from further afield in Solomon Islands. Hence, while individual members of IP communities may reside within the project area of influence the nexus with distinct habitats or ancestral territories within the project area may not exist. Notwithstanding, it is possible that ancillary infrastructure (eg. power lines) may traverse customary land outside the boundaries of existing urban areas. There may also be potential for future grid extensions into IP areas.</p> <p>An IPPF has been included in the ESMF (Annex H) to cover any eventualities contemplated in the final sentence above. Further the Bank/GPOBA-funded component is responsive to the Solomon Power investments, which are determined under its independent investment plans. These plans, as far as the Bank is aware, do not seek to explicitly target indigenous populations</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>In consideration of the complex land acquisition arrangement in the Solomon Islands, the project has been designed to avoid to the greatest extent the need to use land other than Government owned land or land owned by substantial land owners with whom equitable negotiations towards either >(willing buyer >(willing seller>(, long term leases or >(voluntary land donations>(can be executed such as the Uniting and other major churches. Where land not fitting these criteria may be required, the project would screen out these sub-projects from project support.</p> <p>Involuntary land acquisition in the Solomon Islands is extremely time consuming and can lead to social unrest and substantial project delays which is part of the reason SP has no intention of applying eminent domain for the purposes of land acquisition. Notwithstanding this, it is possible that Involuntary land acquisition (and preparation of an Abbreviated Resettlement Action Plan) may be required if additional land is required during project implementation and the landowner is not a beneficiary of the project and the pre-requisites for negotiated settlement/VLD are not satisfied (It is noted that this is considered very unlikely as projects will be scoped and designed by SP in close collaboration with the community), or where land acquisition is for some reason restricted and involuntary land acquisition processes need to be applied.</p>

		Accordingly a Resettlement Policy Framework (RPF) has been prepared to guide all land will need to be implemented. The RPF requires the preparation of an abbreviated resettlement action plan (ARAP) in the unlikely event that involuntary land acquisition will be required.
Safety of Dams OP/BP 4.37	No	No dams will be affected by the Project.
Projects on International Waterways OP/BP 7.50	No	No project activities will take place on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	There are no known disputed areas in the project areas of influence.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The OBA project will subsidize new household connections and wiring. This will involve very little construction i.e. auxiliary poles (if needed) connected low-voltage poles to house. The environmental impacts are expected to be minor, if any.</p> <p>Soil digging activities for erecting power poles and laying foundation for outstations may result in the generation of dust, potential drainage issue and disposal of the excess excavated materials. However the scale of this activities is small and the environmental impacts are expected to be minor.</p> <p>The construction works will have a minor and temporary impact in the form of dust during dry windy conditions. Minor air pollution is expected from vehicles transporting power poles, cables, and other construction materials. There will be very little construction related activities requiring stock piling of materials. Solid wastes, debris, spent oils or fuel from construction machinery or plant, construction material, or waste vegetation may result from project activities. During construction, there will be a temporary adverse impact due to the noise of the construction equipment. The risk of spread of communicable disease is considered to be negligible as work areas will be very small, with only a few workers at any one time.</p> <p>The OBA project will not acquire land. Minor damage to assets during connections may occur due activities such as digging a hole for a power pole (if needed), trimming vegetation, and arranging easement for over-head line from the property boundary to the house. Since the installation work will only occur if there is a request and application from the applicant/consumer (household owner), the work will be conducted based on obtaining consent from the household owner on any impacts on land.</p> <p>The grid densification/extensions in Honiara will involve only minor civil works such as soil digging of holes for power poles and for easement of over-head line. All poles will be located either along existing road corridors or within land owned by the beneficiary community. The new</p>

micro-grid (out station) facilities in remotes provinces will need land for solar panel, battery, diesel generators etc. In all cases, Solomon Power will obtain land through lease either from Provincial Government or from the church. In Seghe, the land required for the hybrid generation system belongs to the United Church. Solomon Power is currently negotiating a lease for this land. The installation of LV network will traverse along corridors agreed by Solomon Power, the community and the landowner.

Any removal of trees/vegetation to facilitate household connections will require consultation with the tree owner and will based on consent of the owner. Any compensation for trees will be in accordance with rates prescribed under law (referring to rates issued by Ministry of Agriculture). The project will avoid any impacts on structures by design. Thus impact of the project to structures will not be envisaged.

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

The impacts on the social-economic environment will be mostly positive by providing electricity access to community in remote areas and also to enable future development in electricity sector.

The micro-grid and grid assets under the project will be maintained and upgraded in the original location and along the route of the existing grid. This will not result in disruption of any new areas. The project will enable more renewable energy generation developments, which will have cumulative long term benefits for reducing greenhouse gas emissions from the energy network by substituting diesel generation. The distribution network will continue to be upgraded and expanded to allow further development of renewable energy generation and to meet the needs of people and of a growing economy and population.

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

The lowest impact approach has been adopted for this project.

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 hybrid generation system will be installed on land leased by Solomon Power from the Uniting Church. The grid distribution will traverse either public land or corridors agreed by Solomon Power, the community and landowners. The proposed project facilities do not encroach any privately owned or occupied land or the environmentally sensitive areas. Solomon Power will submit notification to Ministry of Infrastructure Development (MID) for consent to use the road corridors.

The project does not require clearing of large areas of vegetation. During installation work, clearing of small land area for the footing of the poles and trimming some trees near the conductor within the road reserve may be required. Marking of trees or vegetation to be removed within the road reserve (if any) prior to trimmed. Clearing land for micro-grid installation will be on land leased by SP.

Considering the nature and scope of the construction works, only minor and manageable environmental disturbances will be created during installation, with minimum impact on nearby communities. Noise predicted will be minor and temporary. Environmental disturbances during installation will be minor and transient.

It is possible that a chance discovery Unexploded Ordinances (UXOs) may occur. The proposed project area and alignments will be swept for UXO and if found will be cleared as per the established procedures before the sites are handed over for civil works. During construction, should UXO be discovered, Solomon Power and/or the contractor is to immediately stop work, cordon off the area, arrange evacuation of nearby residents and inform the Police of the find. The procedure is provided in the ESMF.

The nature of the construction works indicates that no toxic or hazardous materials will be used, apart from fuel oils for vehicles, which will be properly stored. The limited construction wastes will be sorted out by SP for recycling and disposal at an appropriate landfill. The impacts associated with civil works activities will be controlled by adapting suitable mitigation measures such as: selection of installation techniques and machinery seeking to minimize ground disturbance and noise vibration, proper maintenance and operation of construction equipment, demolished materials and construction materials will be disposed of at designated site, construction activities only undertaken during the day and prohibition of any construction activities between 9pm and 6am in, or close to, residential sites, and local communities informed of the construction schedule, Solomon Power with otherwise implement their health and safety plan including safety manual and training requirements.

The project has prepared ESMF as guideline to mitigate any potential negative impacts of the project. An ESMP for establishment of hybrid generation system in Seghe has been prepared by Solomon Power.

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

Solomon Power will be responsible to conduct substantive consultation and engagement with relevant stakeholders. Consultation with community will be organized to ensure that people understand and support the project and actively participate. A key requirement for this is that community concerns are adequately taken into account. The consultation guidelines is provided in the ESMF that the consultation will involve local authorities (government officials, community leader, church leader) and through them all community participate in planning and decision making. Semi-formal processes to share project information and to get feedback from community, including disadvantaged groups such as elderly, the poor, women headed households, and indigenous people will be included in the consultations. The consultation process and meeting with stakeholders will be recorded and documented.

Since OP 4.10 on Indigenous People is triggered for this project, consultation conducted by Solomon Power will follow the key principles for free, prior and informed consultation (FPIC). An inclusive process that allows IP to participate meaningfully in decisions directly affecting them is provided in the ESMF.

Customer Service Department in Solomon Power has regular awareness program (media outreach) through radio that is conducted weekly every Saturday and monthly end of every month. In this program community are able to raise question and submit complaint that are directly responded by SP. This proposed project will also be publicly launched through this approach to get wide coverage area of people to understand the project.

As an initial step, Solomon Power conducted initial introduction consultation in new micro-grid areas e.g. in Afio, Seghe and Taro during September - October 2015. The initial consultation was

conducted to provide the community living in the proposed project areas on the role of Solomon Power and about the project plan. The result of the consultation has been incorporated into project design.

The consultation process will be conducted and expanded during the project implementation to ensure that stakeholders are fully engaged in the Project and have the opportunity to participate in its development and implementation and understand that there is a process in place for them to submit any grievances or complaints. Prior to commencing work on grid or micro-grid extension the Solomon Power will work together with chiefs of villages to arrange a community meeting, distribute pamphlets informing existence of the project, apologize for possible inconvenience (noise, dust, traffic disturbance, crowded area caused by workers, material, equipment and vehicles) and inform the affected community on measures that will be taken to minimize such effects to the people and make them aware of grievance procedure.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	21-Apr-2016
Date of submission to InfoShop	25-Apr-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Solomon Islands	21-Apr-2016
<i>Comments:</i> The ESMF and ESMP will be disclosed at SP>(s website and will be available in SP>(s Head Office.	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	17-Jun-2016
Date of submission to InfoShop	22-Jun-2016
"In country" Disclosure	
Solomon Islands	22-Jun-2016
<i>Comments:</i> The RPF forms part of the ESMF. The ESMF and ESMP will be disclosed at SP>(s website and will be available in SP>(s Head Office. The ESMF and ESMP will be disclosed at SP>(s website and will be available in SP>(s Head Office.	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	21-Apr-2016
Date of submission to InfoShop	25-Apr-2016
"In country" Disclosure	
Solomon Islands	21-Apr-2016
<i>Comments:</i> The IPPF is part of the ESMF. The ESMF and ESMP will be disclosed at SP>(s website and will be available in SP>(s Head Office. The ESMF and ESMP will be disclosed at SP>(s website and will be available in SP>(s Head Office.	
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:	

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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 type="checkbox"/>]	No [<input checked="" 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"/>]
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"/>]
Provided estimated number of people to be affected			
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"/>]
Provided estimated number of people to be affected			
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. APPROVALS

Task Team Leader(s):	Name: Takafumi Kadono, Gerard Fae
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<i>Approved By</i>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 24-Jun-2016
Practice Manager/ Manager:	Name: Julia M. Fraser (PMGR)	Date: 27-Jun-2016