

# Strengthening Resilience of Water Supply in Honiara

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

10746

**Countries**

Solomon Islands

**Project Name**

Strengthening Resilience of Water Supply in Honiara

**Agencies**

ADB

**Date received by PM**

12/7/2020

**Review completed by PM**

3/2/2021

**Program Manager**

Fareeha Iqbal

**Focal Area**

Climate Change

**Project Type**

FSP

# CEO Approval Request

## Part I ? Project Information

**1. Focal area elements. Is the project aligned with the relevant GEF focal area elements as indicated in Table A and as defined by the GEF 7 Programming Directions?**

Secretariat comment at CEO Endorsement Request

12/9/2020:

Yes. Minor changes have been proposed since the concept stage submission with the PFD. For example, the proposed sub-component on rainwater harvesting has been removed as it was found that many informal settlements are already practicing rainwater harvesting without outside assistance. Further, in view of the immense problems relating to turbidity in existing water sources - which climate change is expected to exacerbate through more frequent heavy rainfall - this was determined to be a more immediate priority.

Agency Response

**2. Project description summary. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?**

Secretariat comment at CEO Endorsement Request

3/1/2021:

Cleared.

2/23/2021:

In the Project Information section above Table A, GEF SEC calculates that going by the implementation start and completion dates provided, the entry for project duration should be "79 months", not 78 months as shown.

12/16/2020:

Further information and/or adjustment is requested:

- Please provide references for the climate change projections and methodology presented in Table 1 and the paragraph that precedes it.
- See review comment for Q.1 of Part II of this review, regarding Outcome 3 of Table B.

- Please identify Table B components with a distinct number and brief title/description. At the moment each component has the same label.

Agency Response

**ADB Response 01 March 2021**

Change made to Table A.

**ADB Responses 05 January 2021**

- 1) The source for Table 1 and the referenced paragraph has been input into the main narrative. The source document is an ADB-supported study which is also annexed to this CER submission.
- 2) Please see response below for Q.1 of Part II regarding Outcome 3 of Table B.
- 3) This is essentially a two component project, which has 5 outcomes associated. The make for easier reference, the components have been re-numbered as 1.A, 1B; and 2.A., 2.B, and 2C.

**3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**4. Co-financing. Are the confirmed amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, consistent with the requirements of the Co-Financing Policy and Guidelines?**

Secretariat comment at CEO Endorsement Request 3/1/2021:

Cleared.

2/23/2021:

Please adjust Table C: please change the Source of Cofinancing (first column entry) for Solomon Water (in last row) to 'Recipient Country Government', as this agency is shown as 'Government' in the Project Information section.

12/17/2020:

We are unable to locate, among the co-finance documents uploaded, information on the \$15 M loan from ADB. The document that has been linked to this item in Table C mentions a \$20.3 M EU loan, a \$9 M ADB grant, a \$15 M IDA loan, and a \$28 M ADB loan -- but not a \$15 M ADB loan. Could you please let us know where we can find information on this?

#### Agency Response

ADB Response 01 March 2021

Change made to Table C.

ADB Response 05 January 2021

This was an oversight in the our portal entry and has been corrected. The \$15 million loan is from World Bank, not ADB. This is reflected in the attached Report and Recommendation for the President (RRP) - which is attached as evidence.

**5. GEF resource availability. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

Secretariat comment at CEO Endorsement Request

3/20/2021:

Cleared.

3/10/2021:

Adjustments requested. The figures in the Budget do not yet match the figures in Table B and in the M&E Plan. Pls see below:

(a) Outcome 1, Output 2: in Budget = \$1,429,000; in table B = \$1,260,000;

(b) Outcome 5, Outputs 1, 2, 3: in budget = \$2,875,000; in table B = \$3,110,000;

(c) M&E: in budget = \$66,000; in M&E Plan = \$366,000. Please note that part of the discrepancy lies in the fact that some personnel that should be charged to M&E are charged to the project components (i.e. some local consultants are part of ?project monitoring and reporting?, but they are incorrectly charged to PMC).

3/1/2021:

It is not possible to read the budget table in the online Portal entry. Can a clearer version please be provided?

2/23/2021:

Please correct the budget tables:

(i) Audits should be charged to PMC and not to Component 3.

(ii) There are differences in the budgeted amounts shown in Table B and the budget table for Outcome 1, Outcome 5, and M&E. Please ensure they show the same amounts.

#### Agency Response

##### **ADB Response 12 Mar 2021**

(a) and (b) adjustments and alignments have been made. Please note that budget amounts for Outcome 5, Outputs 1,2,3 total \$2,875,000 and when M&E budget allocation of \$ 66,000 is added this totals \$2,941,000 which is the correct amount cross referenced with Table B.

(c) We note the eligibility policy regarding using PMC for periodic reporting, monitoring etc. To address this, we have removed this responsibility from the Project Support Specialist which is charged under the PMC. The periodic reporting will be undertaken by the ADB project officer (staff) responsible for the overall project (which is what we normally do for most GEF projects especially for PIRs) . We have also clarified the language throughout to distinguish between periodic monitoring, and 'measurement' activities. A number of revisions have been made in this section, which are highlighted in **green**. Corresponding revisions have been made to the TORs for key project personnel (Annex is embedded in the project justification narrative - and these changes are also highlighted in **green**.

##### **ADB Response 02 March 2021**

Adjusted the entry on budget table.

##### **ADB Response 01 March 2021**

(i) The audit in this case refers to the measurement, reporting and verification (MRV) system, which is a required element for the certification of the forest carbon PES project to be developed under Output 3.

(ii) Changes have been made to both Table B and the budget table, so the amounts are consistent. For M&E, Output 5.4 was added.

(iii) Table 10 in the monitoring and evaluation section has been revised to add clarity.

#### **STAR allocation?**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**Focal Area allocation?**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**LDCF under the principle of equitable access?**

Secretariat comment at CEO Endorsement Request Yes.

Agency Response

**SCCF (Adaptation or Tech Transfer)?**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**Focal Area Set Aside?**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**Impact Program Incentive?**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**6. Project Preparation Grant. If PPG is requested in Table E.1, has its advanced programming and utilized been accounted for in Annex C of the document?**

Secretariat comment at CEO Endorsement Request PPG was not requested for this project.

Agency Response

**7. Non-Grant Instrument. If this an NGI, are the expected reflows indicated in Annex D?**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**8. Core Indicators. Are the targeted core indicators in Table E calculated using the methodology in the prescribed guidelines? (GEF/C.54/Infxxx)**

Secretariat comment at CEO Endorsement Request

3/1/2021:

Cleared.

2/23/2021:

Please delete the entry for Core Indicator 11 (direct beneficiaries) in the online table, as it is only for GEF Trust Fund projects.

12/16/2020:

Adjustments are needed.

In the top table for 'Core Indicators', the left-most column should be for Core Indicator figures provided at PIF stage. In the column to the right of it, please enter the CEO Endorsement stage Core Indicators. (The column to the right of this, i.e., third from left, should be for MTR stage, and the right-most for project completion stage.)

In the section of the table below this: 'Baseline at CEO Endorsement' refers to the pre-project, existing situation. We see that the project targets have been entered here. Please delete from the 'baseline' column and enter these instead in the column for 'Target at CEO Endorsement'.

Agency Response

[ADB Response 01 March 2021](#)

Core Indicator 11 deleted in Portal entry.

[ADB Response05 January 2021](#)

The LDCF Tracking Tool has been revised to address these two points. Please refer to the version uploaded and dated 21-01-04.

**9. Project taxonomy. Is the project properly tagged with the appropriate keywords as in Table G?**

Secretariat comment at CEO Endorsement Request 2/2/2021:

Explanation provided by agency is accepted.

12/9/2020:

Please also include the terms "water supply" and "sewage treatment" (or similar appropriate term) and "coastal resilience" in the taxonomy.

## Agency Response

ADB Response 05 January 2021

The Taxonomy options in the Portal are not conducive to this suggestion. As per email exchange with project officer dated 04 January 2021, we will disregard this comment.

## Part II ? Project Justification

### **1. Project Description. Is there sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?**

#### Secretariat comment at CEO Endorsement Request

2/2/2021:

Cleared. Thank you for clarifying that the sub-component pertaining to women's hygiene is supported by co-financing for the project.

12/16/2020:

Adjustments or explanation are requested.

The CER provides a good overview of the climate change related issues for Honiara's water supply as well as on risks for informal settlements in flash flood high-risk areas. Flooding occurs as a result of both cyclones and excessively heavy wet season rainfall, and Honiara's terrain amplifies this risk. The large catchment areas that lie upstream of the city contribute to severe riverine flooding downstream, while the steep terrain adjacent to streams around Honiara means that localized flash flooding tends to occur during high intensity events. Rainfall has also been associated with the risk of landslides. In terms of risks to Honiara's water supply, a climate risk assessment conducted for the baseline project (see Annex H) identified the following two risks related to extreme rainfall: (i) Extreme precipitation events may cause turbidity that undermine performance of Kongulai Spring; and (ii) Extreme precipitation leading to increased floods that may directly or indirectly (through erosion) physically undermine existing and newly constructed infrastructure (e.g. trunk mains, distribution pipes). The analysis states that "unless something is done to address the turbidity issues that will worsen with climate change, Honiara's water supply will experience increasingly frequent service interruptions and Solomon Water will face significant loss of revenue and additional costs in managing disconnections and reconnections". The project seeks to address these climate risks through upstream



watershed restoration measures as well as through measures at the point sources for water distribution to reduce turbidity.

However: the climate change adaptation rationale for Project Outcome 3 is not evident, such as the women's hygiene subcomponents. While we agree such measures may be locally important for health, and while we wish to support the particular vulnerabilities that women and girls face, we cannot support activities outside the scope of the LDCF, i.e., cannot address general, non-climate-change-related vulnerabilities. Thus we suggest exploring baseline finance/co-finance for these non-adaptation activities, especially since sanitation is a component of the baseline project but not the LDCF project. We recommend removing Outcome 3 from Table B.

### Agency Response

ADB Response 05 January 2021

Thank you for the comment. Outcome 3, which will not be supported by GEF LDCF, may not have clear and direct climate change adaptation rationale. Outcome 3 is included in Table B because it is part of the baseline investment (ADB co-finance) and thus we feel it needs to be included so that the co-financing can be accurately shown; and the "bigger picture" of the project can be better appreciated. We are happy to discuss further if needed.

### **2. Project Description. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. The baseline project 'Urban Water Supply and Sanitation Sector Project (UWSSSP)' will adopt a sector approach for developing sustainable and inclusive water supply and improved sanitation in the greater Honiara area. At a cost of nearly \$93 million, it will support the government's water and sanitation sector plan to increase access to piped water supply and sanitation service (especially among the poor households), reduce reliance on groundwater and rainwater harvesting, and ensure more efficient use of water. The project will also enhance hygiene awareness, promote water conservation and improve fecal sludge management.

### Agency Response

**3. Project Description. Is there an elaboration on the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there more clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. The LDCF grant will be used to help Solomon Water make Honiara's water supply

more resilient to climate change, particularly more extreme rainfall. Aligned closely with the ADB's 'Urban Water Supply and Sanitation Sector Project', the LDCF funds will be used to: (i) address turbidity spikes through appropriate technology at Honiara's main water source, which climate change is expected to exacerbate through high-intensity rainfall events; and (ii) protect the catchment areas that are vital to Honiara's climate resilience and current and future water supply.

Agency Response

**4. Project Description. Is there an elaboration on how the project is aligned with focal area/impact program strategies?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. The project is aligned with CCA objectives 1 and 2, and will focus on piloting/deploying technologies and innovative solutions to enhance climate resilience; and strengthening cross-sectoral mechanisms and institutional/human capacities to mainstream and implement adaptation.

Agency Response

**5. Project Description. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. The CER clearly outlines the activities that will be supported by the baseline project and those (with climate adaptation reasoning) that will be supported by the LDCF grant.

Agency Response

**6. Project Description. Is there a better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes.

Agency Response

**7. Project Description. Is there a better elaboration to show that the project is innovative and sustainable including the potential for scaling up?**

Secretariat comment at CEO Endorsement Request

12/16/2020:

Yes.

Innovation: The project uses an emerging forest carbon PES model for adaptation benefits. To break the silos across water and forest management, the project will ?bundle? multiple impacts by using forest carbon financing to incentivize catchment protection, which has direct linkages to climate change adaptation, and will reduce the turbidity of freshwater sources, which climate change is expected to exacerbate.

Sustainability: This is an important consideration of various aspects of project design. A primary focus of the project is sustainable and resilient long-term water supply, and it is aligned with Solomon Water's 30-Year Strategic Plan, which has been endorsed by the Government, reflecting its commitment. Technologies and processes for water treatment at the installation will be relatively low in complexity to meet O&M and performance requirements. Another important element of sustainability will be to establish conditions for sustainable forest protection via forest PES. This will require demonstration that forest carbon finance can compete with logging royalties, which the project will seek to do. The project will also seek to establish long term trust with communities.

Scale up: In the near term replication opportunities would focus on the Lungga watershed. Mapping exercises have been undertaken to identify areas for scale up, particularly for community-based watershed restoration, and it is an important part of the long term strategy for this project. In the longer term, the approach can be extended to other areas in the Solomon Islands where Solomon Water is operating or plans to extend its urban water supply network.

Agency Response

**8. Project Map and Coordinates. Is there an accurate and confirmed geo-referenced information where the project intervention will take place?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes.

Agency Response

**9. Child Project. If this is a child project, an adequate reflection of how it contributes to the overall program impact?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. The Program addresses 'Climate Resilient Urban Development in the Pacific' and this child project focuses on climate resilient water supply in Honiara, the capital city of the Solomon Islands. It ties in well with the overall program design, especially since ADB will ensure that the knowledge and lessons generated by the project will be disseminated through various measures across the region.

## Agency Response

**10. Stakeholders. Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

## Secretariat comment at CEO Endorsement Request

2/2/2021:

Cleared.

12/16/2020:

Further information is requested. Detailed information has been provided on stakeholders, their roles, past and future consultations (and proposed frequency of consultations).

However, please discuss whether and how the Covid-19 situation is likely to affect the proposed stakeholder engagement plan and, if so, how this will be addressed.

## Agency Response

ADB Response 05 January 2021

Some narrative has been included in yellow highlight; as well as corresponding addition to Table 8 on risk.

**11. Gender equality and women's empowerment. Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?**

## Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. Context on gender inequality and vulnerability has been provided, as well as a Gender Action Plan.

## Agency Response

**12. Private sector engagement. If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. This project both directly benefits the private sector and will potentially engage them as a partner. Several companies, hotels and tourism operations will directly benefit from stable and sustainable water supplies and improved climate resiliency that will be supported by this project. Under Outcome 5, which will support community-developed and implemented plans and actions for watershed restoration, a PES approach will be developed that will directly contract private sector buyers of forest carbon credits. Outcome 5 will also explore creation of a catchment management fund that could raise funds from local private sector sources to finance livelihood and PES activities in the catchment.

Agency Response

**13. Risk. Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?**

Secretariat comment at CEO Endorsement Request

2/2/2021:

Cleared.

12/16/2020:

Additional action requested.

A table on Risks has been included in the CER, and the CER includes a separate, detailed analysis of climate change risks for the project.

While information has also been provided in the CER on Covid-19 and its impact on the country, can you please include a row in the Risks Table on any risk that Covid-19 could pose to implementation of the project, and how this will be mitigated?

Agency Response

ADB Response 05 January 2021

See the enhancement (in yellow highlight) to the risk Table 8.

**14. Coordination. Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes, institutional arrangements are sound and it will coordinate with related GEF and non-GEF projects, including a GCF hydropower project on the Tina River.

Agency Response

**15. Consistency with national priorities. Has the project described the consistency of the project with identified national strategies and plans or reports and assessments under the relevant conventions?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. The Solomon Islands NAPA identified water supply and sanitation as one of five priority vulnerable areas. Further, Solomon Water's (established by the Solomon Islands Water Authority Act) '30 Year Strategic Plan (2017-2047)' stresses the importance of improved catchment management, including forest management, as a key measure to reduce the vulnerability of the water supply from Kongulai, and for safeguarding water quality for future water supplies, including from the Lungga catchment. Solomon Islands' National Development Strategy (NDS) 2016-2035 includes an objective on 'Resilient and environmentally sustainable development with effective disaster risk management, response and recovery'.

Agency Response

**16. Knowledge management. Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes.

Agency Response

**17. Monitoring and Evaluation. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?**

Secretariat comment at CEO Endorsement Request 2/2/2021:

Cleared.

12/16/2020:

Not yet.

We would like to see the M&E plan identify major milestones (e.g., monitoring, progress reports, PIRs, MTR, TE), with associated timeframes and overall costs per milestone, rather than by staff/consultant.

Agency Response

ADB Response 05 January 2021

The table 10 in the M&E section of the CER has been revised accordingly. To avoid confusion, monitoring planned under the baseline investment (which initially included the staffing resources) has been removed from this table

**18. Benefits. Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes. This project delivers direct socio-economic benefits to the population of Honiara, as it focuses on resilient long-term water supply to the city, including a focus on water quality.

Agency Response

**19. Annexes:**

**Are all the required annexes attached and adequately responded to?**

Secretariat comment at CEO Endorsement Request 2/2/2021:

Yes.

Agency Response

**20. Environmental and Social Safeguard (ESS):**

**Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?**

Secretariat comment at CEO Endorsement Request

12/16/2020:

Yes. An 'Environmental Assessment and Review Framework' has been submitted, which includes an assessment of pertinent environmental and social risks, including from climate change.

Agency Response

**Project Results Framework**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes.

Agency Response

**GEF Secretariat comments**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes; PIF-stage comments have been addressed.

Agency Response

**Council comments**

Secretariat comment at CEO Endorsement Request 12/16/2020:

Yes.

Agency Response

**STAP comments**

Secretariat comment at CEO Endorsement Request 2/2/2021:

Cleared.

12/16/2020:

Please advise where we may find responses to the comments STAP provided on the PFD, as relevant to this project.

Agency Response

ADB Response 05 January 2021

The Table in Annex B has been updated to include a section on addressing the STAP comments. (yellow highlight)

**Convention Secretariat comments**

Secretariat comment at CEO Endorsement Request N/A

Agency Response

**Other Agencies comments**

Secretariat comment at CEO Endorsement Request N/A



Agency Response  
CSOs comments

Secretariat comment at CEO Endorsement Request N/A

Agency Response  
Status of PPG utilization

Secretariat comment at CEO Endorsement Request N/A; PPG was not requested.

Agency Response  
Project maps and coordinates

Secretariat comment at CEO Endorsement Request Yes.

Agency Response  
Part III ? Country and Agency Endorsements

**1. Country endorsements. Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?**

Secretariat comment at CEO Endorsement Request Yes, LoE was submitted at the time of PFD approval.

Agency Response  
**Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement?**

Secretariat comment at CEO Endorsement Request  
n/a

Agency Response

**Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows.**

Secretariat comment at CEO Endorsement Request n/a

Agency Response

**Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows?**

Secretariat Comment at CEO Endorsement Request

Agency Response

**GEFSEC DECISION**

**1. RECOMMENDATION.**

**Is CEO endorsement/approval recommended?**

Secretariat comment at CEO Endorsement Request

3/20/2021:

Cleared.

3/10/2021:

Not yet. Please see comment for review item 5.

3/1/2021:

Not yet. Please see comment for review item 5.

2/23/2021:

Not yet. Please address comments of 2/23/2021 (items 2, 4, 5 and 8 of Part I of the review sheet).

12/17/2020:

Not yet. Please address the review comments corresponding to the following items:

Part I of Review: items 2, 4, 8, 9

Part II of Review: item 1 and sections on Stakeholders, Risks, M&E (item 17), and STAP comments.

**Review Dates**

**1SMSP CEO  
Approval**

**Response to Secretariat  
comments**

**First Review**

**12/17/2020**

	1SMSP CEO Approval	Response to Secretariat comments
<b>Additional Review (as necessary)</b>	2/2/2021	
<b>Additional Review (as necessary)</b>	2/23/2021	
<b>Additional Review (as necessary)</b>	3/1/2021	
<b>Additional Review (as necessary)</b>	3/10/2021	

#### CEO Recommendation

#### Brief reasoning for CEO Recommendations

##### CONTEXT

The Solomon Islands is a fragile LDC SIDS fragile comprising several small atoll islands, with the second lowest GDP per capita in Oceania. It is highly vulnerable to adverse impacts of climate change, as the majority of its population lives within 1.5 km of the coast, and the islands are regularly exposed to extreme rainfall events. Its high poverty rates, excessive dependence on foreign aid, and remoteness exacerbate this vulnerability.

This LDCF project focuses on water supply to the capital city, Honiara, and is a part of the regional LDCF GEF-7 program on "Climate Resilient Urban Development in the Pacific". The city's water distribution system provides drinking water to approximately 60% of its households. Solomon Water (SW) is the state-owned enterprise mandated to provide reliable and safe water supply and sewerage services in Honiara. Current capacity is only enough to serve average daily demands until around 2027. In addition, Honiara's growing flooding problem, a result of both cyclones and excessively heavy wet season rainfall, is threatening the city's water supply. Finally, large upstream catchment areas contribute to severe riverine flooding and landslips downstream, frequently damaging water supply infrastructure.

##### KEY COMPONENTS AND RESULTS

A climate risk assessment conducted for Honiara's water supply revealed that the two of the most severe risks are related to extreme rainfall:

? Extreme precipitation and flooding events cause high turbidity, leading to water supply interruptions, as turbidity has safety/health implications. According to climate

change assessments undertaken, turbidity issues and associated disruptions will be increasingly severe over coming years;

? Extreme precipitation and floods directly or indirectly (through erosion) physically undermine water supply infrastructure (e.g. trunk mains, distribution pipes).

The project will address turbidity spikes at Honiara's main water source through engineering solutions, mitigating the impacts of increased erosion and sediment transport during heavy rainfall events. It will also create a sustainable nature-based mechanism to protect the catchment areas that are vital to Honiara's climate resilience and current and future water supply. This mechanism will address turbidity at source, and if scaled up, would also be an important component of Honiara's flood control and disaster management strategy to protect infrastructure for decades to come.

These above measures will directly benefit 86,000 people, bring 16,500 ha of rural landscape under climate-resilient management; improve a key water supply source; mainstream climate resilience in two policies/plans; and train 90 people about climate change risks and adaptation measures.

The project will coordinate closely with and mainstream climate resilience in some components of an ADB baseline projects. Co-finance for this project is over \$92 million.

#### CROSS-CUTTING ISSUES

Major risks have been adequately considered, with risk mitigation measures proposed. Climate change risks at the project level have been considered.

Private sector and innovation: The project will engage with and can potentially benefit the private sector, such as hotels and tourism operations. The project will also support community-developed and implemented plans and actions for watershed restoration, and a PES approach will be developed that will directly contract private sector buyers of forest carbon credits. This is an innovative aspect of this project.

Gender: A Gender Action Plan has been submitted, and the documents discuss gender inequality and vulnerability.

Sustainability: A primary focus of the project is sustainable and resilient long-term water supply, and it is aligned with Solomon Water's 30-Year Strategic Plan, which has been endorsed by the Government, reflecting commitment. Technologies and processes for water treatment at the installation will be relatively low in complexity to meet O&M and performance requirements.

Regional contribution and KM: The knowledge and lessons generated by the project will be disseminated through various measures across the region.

## COORDINATION

The project is well-aligned with national priorities and adaptation needs. Although the PIF had indicated the a GCF project would also be implemented and coordinated with, the GCF project was not pursued by the country.

## COVID-19 RELATED ISSUES

the Solomon Islands' economy is experiencing a significant contraction as a result of the COVID-19 pandemic. In addition, income-generating opportunities are scarce and mostly based on natural resources. The government, the private sector, and the community are not well equipped to deal with the wide-ranging implications of COVID-19. The formal social protection system is limited in both programs and coverage, and therefore the government's ability to directly support the poorest and most vulnerable through existing programs is constrained.

While the disease has not yet spread, the country is at risk of rapid spread because of its weak public health system, insufficient testing and tracing systems, and underdeveloped water supply and sanitation services. Thus the project's contribution to strengthening the reliability and quality of water supply is extremely relevant in this context. At the same time, COVID-19 poses a significant risk to the project. Travel into the country is extremely constrained. Thus the project could be delayed beyond its planned start date. Although some initial planning could be replaced by videoconferencing, the landowner consultations, which are a vital part of the initial planning stages, can not be conducted remotely.