Financing Agreement

(Urban Water Supply and Sanitation Sector Project)

between

SOLOMON ISLANDS

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between SOLOMON ISLANDS ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of fifteen million Dollars (USD15,000,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by Solomon Water (the Project Implementing Entity) in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister at the time responsible for finance.

5.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

Ministry of Finance and Treasury
P.O. Box 26
Honiara, Solomon Islands; and

(b) the Recipient’s Electronic Address is:

Facsimile: E-mail:
677-27855 mdentana@mof.gov.sb
5.03. For purposes of Section 11.01 of the General Conditions: (a) The Association’s address is:

International Development Association
1818 H Street, N.W.,
Washington, D.C. 20433
United States of America; and

(b) the Association’s Electronic Address is:

Telex: Facsimile: E-mail:
248423 (MCI) 1-202-477-6391 cdpgnpacific@worldbank.org
AGREED as of the Signature Date.

SOLOMON ISLANDS

By

[Signature]

Authorized Representative

Name: HARRY KUMA

Title: MINISTER

Date: 31 Oct 2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: HONIA SUI

Title: ACTING COUNTRY DIRECTOR

Date: 18 September 2019
SCHEDULE 1

Project Description

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

The Project consists of the following parts:

Part 1: Urban water supply

(a) Construction, rehabilitation, upgrade and expansion of water production and treatment systems.
(b) Installation of additional water storage capacity within Solomon Water distribution network.
(c) Rehabilitation, upgrade and expansion of water supply transmission and distribution system.
(d) Carrying out Non-Revenue Water reduction activities including leak detection and network repairs.

Part 2: Urban sanitation

(a) Design, construction, operation and maintenance of a septage treatment facility.
(b) Improvement of the septage management institutional and regulatory framework.
(c) Rehabilitation and upgrade of sewerage systems, including sewer mains, pumping stations and submarine outfalls.

Part 3: Water conservation, sanitation, and hygiene awareness and education

Formulation and implementation of water conservation, sanitation, and hygiene awareness and education activities.

Part 4: Institutional strengthening and Project management

(a) Preparation and implementation of priority corporate and water sector policies.
(b) Strengthening of Solomon Water operational capacity.
(c) Preparation of infrastructure designs and carrying out of construction supervision.
(d) Strengthening management capacity of Solomon Water to administer, supervise and monitor Project implementation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. To ensure proper oversight of the Project, the Recipient shall maintain throughout the Project implementation period, a Steering Committee, with a mandate, composition and resources satisfactory to the Association, which shall be: (a) responsible for, *inter alia*, providing strategic direction and oversight of the Project; (b) chaired by the chairman of the board of directors of Solomon Water; and (c) comprised of, *inter alia*: (i) Permanent Secretary of the Ministry of Finance and Treasury (or his or her designee); (ii) the Permanent Secretary of the Ministry of Mines, Energy and Rural Electrification (or his or her designee); (iii) the Permanent Secretary of the Ministry of Environment, Climate Change, Disaster Management and Meteorology (or his or her designee); (iv) the Permanent Secretary of the Ministry of Development Planning and Aid Coordination (or his or her designee); (v) the Permanent Secretary of the Ministry of Health and Medical Services (or his or her designee); (vi) the Provincial Secretary of Guadalcanal Province (or his or her designee); and (vii) a representative from Honiara City Council.

2. The Recipient shall cause the Project Implementing Entity to maintain, throughout the Project implementation period, staff and/or personnel in adequate numbers for the implementation of Project activities.

3. Without limitation to the generality of Section I.A.2 above, the Recipient shall cause the Project Implementing Entity to maintain throughout the Project implementation period, Project Management Unit with a mandate, composition and resources satisfactory to the Association, which shall: (a) be responsible for, *inter alia*, day to day implementation of the Project including technical aspects, procurement, contract management, financial management, environmental and social safeguards compliance, monitoring, reporting, and evaluation; (b) report to the Chief Executive Officer of the Solomon Water; and (c) be comprised of, *inter alia*: (i) a project manager; (ii) a procurement and contract management specialist; (iii) an environmental and social safeguards specialist; (iv) a communication specialist; and (v) a financial management specialist/accountant, each with terms of reference, qualifications and experience satisfactory to the Association.
B. Subsidiary Agreement.

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under an agreement (the "Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include inter alia:

(a) the Recipient shall on-lend the proceeds of the Credit to the Project Implementing Entity on the following terms: (i) the principal amount of the Subsidiary Credit shall be made available in Solomon Islands Dollars; (ii) repayment of the proceeds of the Subsidiary Credit over a period of twenty (20) years, inclusive of a grace period of five (5) years; and (iii) payment of interest on the principal amount of the Subsidiary Credit withdrawn and outstanding from time to time at the rate to be agreed to between the Recipient and the Project Implementing Entity and which is satisfactory to the Association;

(b) the Project Implementing Entity shall undertake to carry out the Project with due diligence and efficiency and in accordance with appropriate technical, economic, financial, engineering, managerial, environmental and social standards and practices acceptable to the Association, including in accordance with the provisions of this Agreement and the Project Agreement; and

(c) the Recipient shall have the right to suspend or terminate the right of the Project Implementing Entity to use the proceeds of the Financing, or obtain a refund of all or any part of the amount of the Financing then withdrawn, upon the Project Implementing Entity's failure to perform any of its obligations under the Subsidiary Agreement, or the exercise by the Association of its right to suspend or terminate the right of the Recipient to use the proceeds of the Financing, or obtain a refund of all or any part of the amount of the Financing then withdrawn, under this Agreement.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

1. The Recipient shall:

(a) prepare a manual, in form and substance satisfactory to the Association, for the purpose of ensuring proper implementation of the Project. The said manual shall include *inter alia* the description of: (i) implementation arrangements; (ii) the procurement procedures and standard procurement documentation; (iii) reporting requirements, financial management procedures and audit procedures; (iv) the Project performance indicators; (v) arrangement and procedures for environmental and social safeguard management; and (vi) monitoring and evaluation arrangements;

(b) the Recipient shall: (i) furnish to, and exchange views with, the Association on such manual promptly upon its preparation; (ii) not later than one (1) month after Effective Date, adopt such manual as shall have been approved by the Association ("Project Operations Manual"); (iii) thereafter implement the Project in accordance with the Project Operations Manual;

(c) not amend, suspend, abrogate, repeal or waive any provisions of the Project Operations Manual without the prior written agreement of the Association;

(d) with the prior written agreement of the Association, update the Project Operations Manual, as necessary, at all times ensuring compliance thereof with the terms of this Agreement.

2. In the event of any conflict between the provisions of the Project Operations Manual and those of this Agreement, the latter shall prevail.

D. Safeguards.

1. The Recipient shall ensure (and cause the Project Implementing Entity to ensure):

(a) that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments; and

(b) for each activity under the Project for which the Environmental and Social Management Framework ("ESMF") provides for the preparation of an Environmental and Social Management Plan ("ESMP"); or the
Resettlement Policy Framework ("RPF") provides for the preparation of a Resettlement Action Plan ("RAP"): 

(i) proceed to have such ESMP or RAP as appropriate: (A) prepared and disclosed in accordance with the ESMF or RPF as the case may be; (B) consulted upon adequately with people affected by the Project as per the ESMF and ESMPs (or RPF and RAPs as the case may be), and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and 

(ii) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP or RAP in a manner satisfactory to the Association; 

(c) all measures are taken to implement the RAPs in a manner and timeframe satisfactory to the Association. To this end, the Recipient shall ensure that: 

(i) Funds are made available to cover all the costs of implementing the RAPs; 

(ii) Prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with resettlement assistance in accordance with the RAPs, as applicable; and 

(iii) the implementation, monitoring and evaluation of such RAPs is completed and reported in a manner satisfactory to the Association.

2. The Recipient shall ensure (and cause the Project Implementing Entity to ensure) that the obligation to comply with the relevant Safeguard Instruments is incorporated: 

(a) in the contracts between the Project Implementing Entity and the relevant contractors and any entity (including any engineer) supervising the Project’s civil works; and 

(b) in the contracts between the relevant contractors and the contractors’ subcontractors.

3. The Recipient shall ensure (and cause the Project Implementing Entity to ensure) that all the bidding documents and contracts include the obligation of the relevant contractors and subcontractors to:
(a) adopt and implement measures to assess and manage the risks and impacts of labor influx and workers' camps; and

(b) adopt and enforce codes of conduct that should be provided to and signed by all workers; as applicable to such civil works commissioned or carried out pursuant to said contracts.

4. Except as the Association shall otherwise agree, the Recipient shall ensure, and cause the Project Implementing Entity to ensure, that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

5. The Recipient shall ensure (and cause the Project Implementing Entity to ensure) that:

(a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and

(b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable Association Safeguards Policies and EHS Guidelines.

6. The Recipient shall cause the Project Implementing Entity to maintain, until the Closing Date, and publicize the availability of a grievance redress mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

7. Without limitation upon its other reporting obligations under this Section II, the Recipient shall cause the Project Implementing Entity to:

(a) take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports, and promptly in a separate report whenever the circumstances warrant, reports and promptly in a separate report whenever the Association may require, information on the status of compliance with the Safeguards Instruments. Such information shall include: (i) measures taken in furtherance of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten
to interfere with the smooth implementation of the Safeguards Instruments; and (iii) remedial measures taken or required to be taken to address such conditions;

(b) promptly furnish to the Association a copy of each quarterly progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and

(c) promptly upon receipt, furnish to the Association any notification received from any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors regarding any incident that have might occurred during Project implementation.

E. Annual Work Plans and Budgets.

1. The Recipient shall cause the Project Implementing Entity to prepare and furnish to the Association, not later than November 30 of each year during the implementation of the Project (or such later interval or date as the Association may agree), an Annual Work Plan and Budget containing all eligible Project activities and expenditures proposed to be included in the Project for the following fiscal year of the Recipient, including a specification of the source or sources of financing for all eligible expenditures, and environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Section I.D of this Schedule 2.

2. The Recipient shall ensure that the Project is implemented in accordance with the Annual Work Plans and Budgets approved by the Association for the respective fiscal year; provided, however, that in case of any conflict between the Annual Work Plans and Budgets and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall not make or allow any changes to be made to the Annual Work Plans and Budgets without prior written approval by the Association.

Section II. Project Monitoring, Reporting and Evaluation

1. The Recipient shall cause the Project Implementing Entity to furnish to the Association each Project Report not later than one month after the end of each calendar quarter, covering the calendar quarter.
2. The Recipient shall carry out, jointly with the Association, not later than June 30, 2023, or such other period as may be agreed with the Association, a mid-term review of the Project (the “Mid-Term Review”) to assess the status of Project implementation, as measured against the Project indicators acceptable to the Association, and compliance with the legal covenants included or referred to in this Agreement. Such review shall include an assessment of the following: (a) overall progress in implementation; (b) results of monitoring and evaluation activities; (c) progress on procurement and disbursement; (d) progress on implementation of safeguards measures; (e) implementation arrangements and Project staff turnover; and (f) the need to make any adjustments to the Project to improve performance. To this end, the Recipient shall:

(i) prepare (or cause to be prepared) and furnish to the Association, at least one (1) month before the date of the Mid-Term Review, a report, in scope and detail satisfactory to the Association and integrating the results of the monitoring and evaluation activities performed pursuant to Section II.1 of this Schedule 2 and the General Conditions, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof; and

(ii) review, jointly with the Association, the report referred to in the preceding paragraph and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of such report and the Association’s views on the matter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, Training, Incremental Operating Costs and consulting services for Part 1 of the Project</td>
<td>11,000,000</td>
<td>25.54%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, Training, Incremental Operating Costs and consulting services for Part 2 of the Project</td>
<td>2,310,000</td>
<td>14.09%</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>1,690,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>15,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made: for payments made prior to the Signature Date.

2. The Closing Date is June 30, 2027.

Section IV. Other Undertakings

A. The Recipient shall ensure that - throughout the duration of the Project - Solomon Water remains financially sustainable as indicated by the ability of Solomon Water to recover its costs (operations and maintenance costs as well as depreciation costs of plants and equipment it operates) through user fees and/or government subsidies.

B. Alternative Procurement Arrangements

1. At the request of the Recipient, the Association has agreed that the procurement of all goods, works, non-consulting services and consulting services required for parts 1 and 2 the Project and to be financed out of the proceeds of the Financing, be undertaken under the alternative procurement arrangements referred to in Paragraph 2.4 (a) of the Procurement Regulations.
2. It is understood the procurement oversight under alternative procurement arrangements will be exercised by the Co-finanier through a risk-based approach comprising prior and post reviews.

3. All goods, works, non-consulting services and consulting services required for parts 1 and 2 of the Project and to be financed out of the proceeds of the Financing shall be procured by the Recipient in accordance with:

(a) the provisions set forth in: (i) the Asian Development Bank’s Procurement Policy - Goods, Works, Non-consulting and Consulting Services (2017, as amended from time to time); and (ii) the Asian Development Bank’s Procurement Regulations for ADB Borrowers - Goods, Works, Non-consulting and Consulting Services (2017, as amended from time to time);

(b) the provisions of Paragraphs 3.21, 3.23 (e) and 3.32 of the Procurement Regulations; and

(c) the Procurement Plan.

4. In the event that the alternative procurement arrangements referred in paragraph 1 above are terminated at the request of the Recipient, Co-finanier or the Association, goods, works, non-consulting services and consulting services required for parts 1 and 2 of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the Procurement Regulations arrangements (other than alternative procurement arrangements). In such case, the term Procurement Plan shall be the Recipient’s procurement plan for the Project provided for under Section IV of the Procurement Regulations, as such plan may be updated from time to time with the Association’s approval.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2029 to and including May 15, 2039</td>
<td>1%</td>
</tr>
<tr>
<td>commencing November 15, 2039 to and including May 15, 2059</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. "Affected Person" means a person or entity who, on account of the execution of the Project and/or Subprojects, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to Legally Designated Parks and Protected areas, resulting in adverse impacts on the livelihood of such person; and, "Affected Persons", means more than one such Affected Person.

2. "Annual Work Plan and Budget" means each annual work plan and budget (including related cash forecasts) for the implementation of the Project approved by the Association, referred to in Section I.E of Schedule 2 to this Agreement; and "Annual Work Plans and Budgets" means, collectively, all such plans and budgets.

3. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

4. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

5. "Co-financier" means Asian Development Bank (both in its own capacity as well as in its capacity of administrator of funds provided by European Union through the Investment Facility for the Pacific for the benefit of Solomon Islands).

6. "Co-financing" means, for purposes of paragraph 14 of the Appendix to the General Conditions, an amount of USD 58.23 million equivalent, to be provided by the Co-financier to assist in financing the Project.

7. "Co-financing Agreement" means one (or more) agreement(s) to be entered into between the Recipient and the Co-financier providing for the Co-financing.


9. "Environmental and Social Management Framework" or "ESMF" means the Environmental Assessment and Review Framework (EARF), prepared and adopted by
Solomon Water dated March 26, 2019, disclosed in-country, and the Association's website on March 27, 2019, setting out among other things: (a) the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities including impacts on natural habitat, physical cultural resources, and risks of gender-based violence and sexual exploitation and abuse and the measures to be taken to offset, reduce or mitigate such adverse impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse; and (b) the modalities to be followed in for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

10. “Environmental and Social Impact Assessment” or “ESIA” means the Initial Environment Examination (IFE), prepared and adopted by Solomon Water dated March 26, 2019, disclosed in-country, and the Association’s website on March 27, 2019, as said instrument may be updated from time to time with the prior written agreement of the Association.

11. “Environmental and Social Management Plans” or “ESMPs” means the plans to be prepared by Solomon Water pursuant to the Environmental and Social Management Framework which details (a) the measures to be taken during the implementation and operation of the Project to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues), or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as said instrument may be amended from time to time with the Association’s prior written agreement, and “ESMP” means any of such ESMPs.

12. “Fiscal Year” means the Recipient’s fiscal year commencing January 1 and ending December 31 of the same year.


14. “Incremental Operating Costs” means reasonable expenditures directly related to the Project, incurred by the Project Implementing Entity (which expenditures would not have been incurred absent the Project), and which are based on the Annual Work Plans and Budgets approved ex ante by the Association, including consumable materials and supplies, communications services (postage, telephone and internet), media and printing services, advertising expenses, translation and interpretation services, office space rental and utilities, maintenance of office equipment, operation and maintenance, fuel costs, bank charges required for the Project, administrative support staff, and staff travel, lodging and per diems, but excluding salaries (including bonuses, fees and honoraria or equivalent payments) of officials of the Recipient's civil service.

15. “Ministry of Development Planning and Aid Coordination” means the Recipient’s
ministry responsible for development planning, or any successor thereto.

16. "Ministry of Environment, Climate Change, Disaster Management and Meteorology" means the Recipient’s ministry responsible for environment and climate change, or any successor thereto.

17. "Ministry of Finance and Treasury" means the Recipient’s ministry responsible for finance, or any successor thereto.

18. "Ministry of Health and Medical Services" means the Recipient’s ministry responsible for health and medical services, or any successor thereto.


20. "Non-Revenue Water" means water for which revenue has not been collected resulting from, among others, unbilled authorized consumption, unauthorized consumption, meter inaccuracies, and/or leakages.


22. "Project Implementing Entity" means Solomon Water with which the Association will enter into a Project Agreement and/or the Recipient will enter into a Subsidiary Agreement.

23. "Project Management Unit" means the unit referred to in Section I.A.3 of Schedule 2 to this Agreement.

24. "Project Operations Manual" means the Recipient’s operations manual to be prepared and adopted pursuant to Section 1.C.1(b) of Schedule 2 to the Financing Agreement, setting forth the procedures for implementation arrangements for the Project, including, inter alia procurement, financial management, monitoring and evaluation procedures, as the same may be amended and/or supplemented from time to time with the prior written agreement of the Association.

25. "Resettlement Action Plan" or "RAP" means any resettlement plan or abbreviated resettlement action plan to be prepared and adopted by Solomon Water in accordance with the RPF, satisfactory to the Association, and disclosed on the Association’s website, which includes the principles, procedures, organizational arrangements and budget to implement the resettlement related activities under the Project, or under Parts of the Project, as said resettlement action plan or abbreviated resettlement action plan may be revised from time to time with the prior written agreement of the Association; and "RAPs" means, collectively, all such RAPs.
26. Resettlement Policy Framework” or “RPF” means the resettlement policy framework for the Project, prepared and adopted by Solomon Water dated March 26, 2019, disclosed in-country, and the Association’s website on March 27, 2019, setting forth the measures and actions to be taken during the implementation of the Project for the provision of compensation, rehabilitation and resettlement assistance to Project Affected Persons.

27. “Safeguard Instruments” means collectively, the ESMF, RPF, ESIA, any ESMPs and any RAPs, and “Safeguard Instrument” means any of such Safeguards Instruments.

28. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

29. “Solomon Water” means the Solomon Islands Water Authority, a body corporate established and operating pursuant to Solomon Islands Water Authority Act (No. 16 of 1992) and charged with the responsibility for proper management and development of urban water resources and services and sewerage services in Solomon Islands.

30. “Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.

31. “Training” means activities to be carried out by the Recipient, based on terms of reference acceptable to the Association, for facilitating, conducting, and/or undertaking domestic and overseas training and workshops under the Project, the reasonable costs of which include: costs of training or workshop materials; equipment and venue