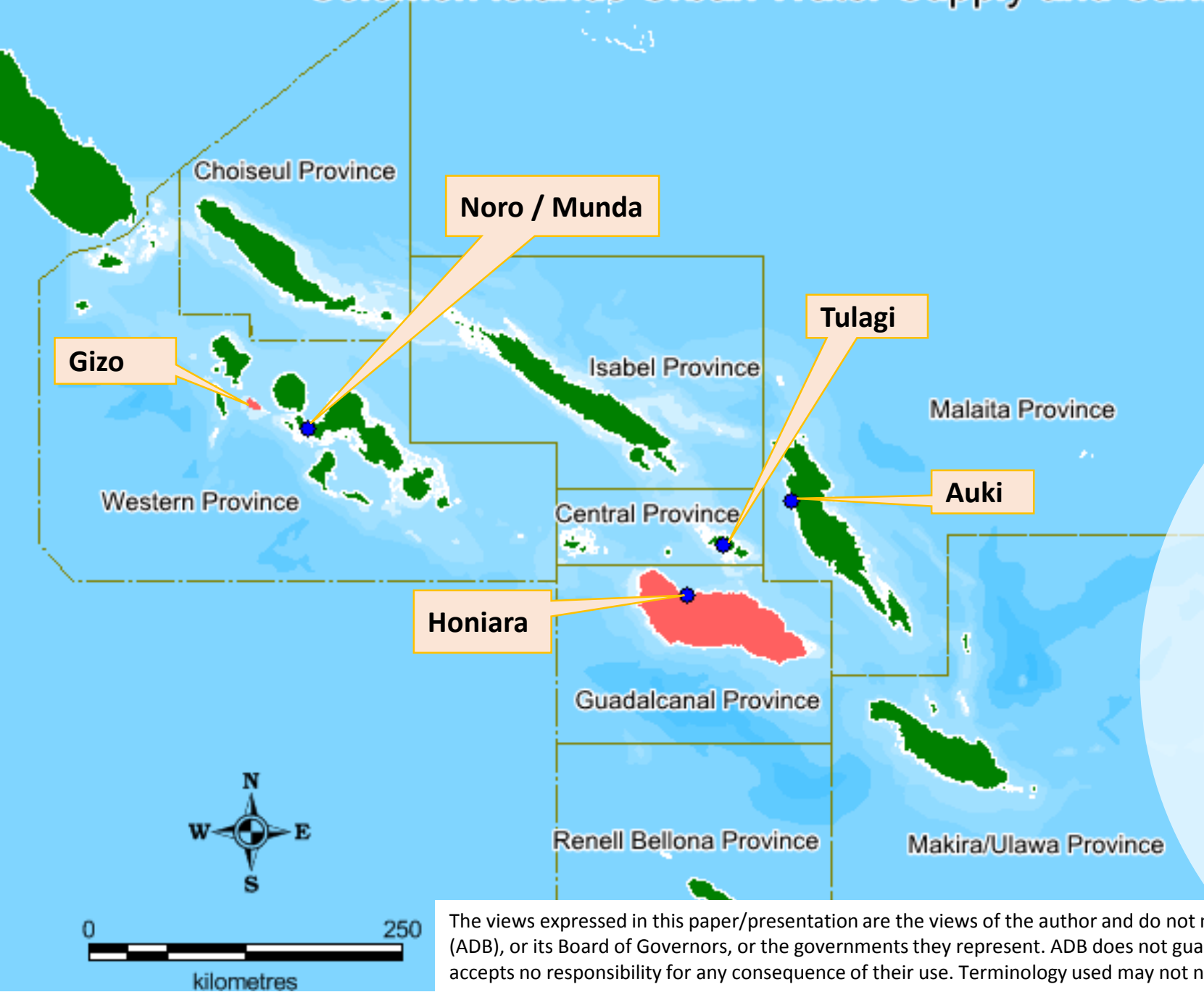


Solomon Islands Urban Water Supply and Sanitation Sector Project



Project Readiness Financing:

A Case study

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Project Background

UWSSSP will deliver improved water supply and sanitation services to urban centers in Solomon Islands.

- Project concept approved - Oct 2017
- Project preparation consultants fielded - Feb 2018
- Preparation completed – Mar 2019
- Board Approval – Sep 2019
- Project financing - \$92M (including counterpart of \$19M)
- Financing partners – ADB, EU, WB
(GCF and GEF applications being prepared – additional finance)
- Project duration – 8 years.
- Geographical coverage – 6 urban centers.



Project Readiness Financing - Basic Data

- PDA grant stand-alone request - Feb 2018
- PDA retired 30 Jun 2018 and replaced with PRF Oct 2018.
- UWSSSP PRF interdep review - Sep 18
- PRF grant negs - Nov 18
- PRF grant (\$3M) approval - Dec 2018.
- PRF effectiveness – Feb 2019.
- PRF completion date – 21 Dec 2020



Project Readiness Financing - Outputs

Output 1: Core subprojects and selected candidate subprojects are successfully procured

- surveys
- detailed engineering design
- Preparation of bidding documents
- Procurement support

Delivered by consulting firm.



Project Readiness Financing - Outputs

Output 2: The capacity of Solomon Water to manage and deliver the project is strengthened

- international project manager
- international water utility network specialist
- international contracts manager
- national resettlement specialist
- community liaison and communications specialist.

Individual consultants to strengthen PMU and to assist preparation of safeguard plans and community engagement.



Project Readiness Financing - Progress

Output 1:

- PRF consultants recruited under advance action and fielded in Feb 2019
- scope expanded to include feasibility studies for UWSSSP candidate subprojects
- solid overall progress
- bidding documents for most packages completed in Oct 19.



Project Readiness Financing - Progress

Output 2:

- Recruitment of individual consultants delayed



Project Readiness Financing - Issues

- processing delayed due to hiatus between retirement of PDA and approval of PRF instruments.
- new guidelines and procedures (e.g. templates) were untested – changes to templates during preparation of PRF Paper and PAM.
- “learning by doing”.
- PRF grant could have been larger given changes to scope of Output 1.
- PRF duration may be too short.
- exclusion of downstream project implementation assistance services could be problematic.
- PMDCs unwilling to borrow for PRF.

A photograph of a body of water, likely a lake or sea, with a ship visible on the horizon under a clear blue sky. The water is calm, and the ship is a small, dark silhouette against the horizon line.

Project Readiness Financing - Benefits

- improved project readiness and faster project implementation.
- improved ownership and buy-in prior to project approval (beneficiaries money).
- reduced reliance on TA funds for project preparation

Overall, PARD PRF experience good. 2 urban PRF grants in PARD's 2019 pipeline.