

**Social Assessment**

**22 April 2018**

**CEPF Grant 103738**

**Natural Resources Development Foundation**

***Project Title:***

**Forest Conservation through Payments for Ecosystem Services in the Mt Maetambe to  
Kolobangara River Corridor, Solomon Islands**

**Project Location**

**Choiseul Province, Solomon Islands**

## **Grant Summary**

1. Grantee organization.

Natural resources Development Foundation

2. Grant title.

Forest Conservation through Payments for Ecosystem Services in the Mt Maetambe to Kolombangara River Corridor, Solomon Islands

3. Grant number -103738

4. Grant amount (US dollars). \$120,306

5. Proposed dates of grant.

1<sup>st</sup> July 2018 to June 30<sup>th</sup> 2020

6. Countries or territories where project will be undertaken.

Solomon Islands

7. Date of preparation of this document.

22 April 2018

## **8. Indigenous People affected:**

The project areas where the activities will take place are owned by local tribes. The project specifically deals with four tribes: Siporae Tribe, Garasa Tribe, Sikipozo Tribe and the Padezaka Tribe. All four tribal lands are located in the Mt Maetambe Kolombangara River Corridor which is identified as a Key Biodiversity Area (KBA). Most tribal members live in villages and settlements (communities) along the Southern coastline and the inland forest areas where project activities take place are basically uninhabited. The main communities/settlements linked to the four target areas are Sasamunga community and Panarui community located along the coast in the South of the Island. Most of the tribal members live in these communities while some tribe members live in other places in Choiseul or the Country. Tribal members residing outside the catchment area still engage in tribal meetings and decision making. Choiseul is patrilineal which means that men have the power to decide upon land issues. Only tribal members and associates can use the land and resources available within the areas. Sometimes tribal landowners give permission to outsiders to use the land as a token of goodwill.

The tribal lands are used to gather and harvest products for livelihood purposes and to make small gardens for food. The areas proposed for the Nakau/PES activities have already been voluntarily set aside by the tribes as conservation areas and two of the four (Garasa and Siporae) are in the process to be declared Protected Areas (Category Resource management Areas) under the Protected Area ACT 2010 and Regulations 2012.

Within Resource Management Areas there is a general prohibition on doing industrial or commercial logging or mining, or to take any forest products for commercial purposes. It is still possible to harvest and gather necessary products but only in accordance with and approval from the conservation committee. Commercial harvesting and can be practiced in designated areas outside the conservation areas. The laws allow landowners to decide how their protected area will be managed and used. The duration of legal protection is indefinite but according to the Protected Area regulations (21a) the landowner or PA Management committee may apply to the Minister of Environment to voluntarily revoke the declaration of the area as a protected area.

NRDF has been active in the area for more than 8 years, implementing activities such as FSC certification, bee farming and forest conservation projects in nearby tribal areas. The Nakau programme is seen as another activity that the tribes and NRDF want to start together to support and strengthen the conservation efforts and livelihood development. NRDF will make sure that all tribal members are involved in the project activities and decision making. The Nakau programme itself has a strong benefit sharing mechanism based on international standards (VIVO) and agreed upon by the communities members involved, making sure that income from the credit sales is well managed and used and benefits all tribal members.

**9. Summary of the proposed project:** This section will describe what you plan to do and how you plan to do it, with a particular focus on activities implemented in areas inhabited and/or used by Indigenous People.

The areas subject to this proposal are located in the Mt Maetambe/Kolombangara River Corridor, recognized as a Key Biodiversity Area. The areas are under high pressure from logging companies, trying to get their way in by offering landowners fast cash. Not implementing the conservation project in these areas will certainly mean that the forest will be logged. In an effort to provide forest owning communities (tribes) with a "pro-forest" alternative income to unsustainable logging, NRDF has developed a suite of activities that are leading to improved forest management and increased household income. One of these activities, and subject to this proposal, is to link forest conservation efforts to Payment for Ecosystem Services (PES). Since 2012 NRDF is engaged in both National and local REDD+ initiatives. However it was in 2014 when NRDF captured interest in the Nakau programme, a PES programme initiated and running successfully by Live and Learn in Vanuatu and Fiji. This community based PES programme seemed to fit the vision and mission of NRDF to help local communities to conserve their threatened forest ecosystems. NRDF has built strong relationships with many forest communities in the area and already started to implement some Nakau readiness activities within some partner areas in Choiseul. The main aim of NRDF is to develop the Nakau-PES programme into a pro-forest income generating activity, supporting forest communities in Choiseul to protect and conserve their forest ecosystems. The benefits for communities engaged in the Nakau programme are twofold:

- 1) the income from the sales of PES units cover the direct costs needed to protect and manage the allocated forest conservation sites
- 2) Income from PES units are invested in group benefit activities such as community investments, community projects and enterprises to sustain a longer economic development within the communities.

The Nakau methodology uses a well-defined, transparent and accountable project owner's business model managed by the local people owning the forest conservation areas

The main project activities are:

1. Community consultation sessions (in each community) to inform people on Protected Areas and Nakau programme and the processes to follow.
2. Determine (GPS) and map the exact boundaries of the tribal land and Nakau eligible forest areas in each of the tribal lands, using existing land boundary maps developed by ESSI if available.
3. Assist the four tribal communities in the process to register their forest areas as legal Protected Areas under the Solomon Islands Protected Area ACT 2010 and Protected Area Regulations 2012.
4. Establish permanent sample plots in each area to measure PES units: The followed methodology uses a set of randomly located permanent sample plots to provide unbiased estimates of the carbon stored in the area of old growth forest. Target is at least 10 to 15 plots in each area.
5. If not yet done (ESSI), setting up legal entities in each Tribal community that will coordinate the Nakau activities in their respected areas and that are responsible for the financial management and benefit sharing following the business and benefit sharing plans the communities have in place.
6. Organize workshops to introduce communities to the Nakau business and benefit sharing plans and set up the committees needed to manage the nakau activities. These committees will work under the established legal entities. Sirebe/Vuri/Guerre (Choiseul) and the DRAWA (Fiji) and LORU (Vanuatu) Nakau projects will be used as references.
7. Social economic baseline studies for each tribal community to use in monitoring activities that measure social economic changes.
8. Legal awareness sessions with communities resulting in the signing of the official PES agreements (for up to 30 years)
9. Assist the communities in marketing and advertisement of their PES projects
10. Establishing Women saving clubs in target communities.

**10. Potential impacts:** This section will assess expected project impacts (both positive and negative) on Indigenous People.

The project sites are in the process to be declared Protected Areas under the Protected Area ACT 2010. This decision (to make the areas legally protected) was made by the tribes themselves to stop any further logging threats to their forests. The proposed project will have no impact or will not change the status of the areas as being conserved by the tribes and communities and does not change ownership or landowner rights. The project is intended to support and strengthen the conservation activities already planned or carried out. Therefore no negative environmental or social impact is expected from the project but rather positive effects as it will further support a healthy forest habitat for the indigenous people to live in and use.

In general the Nakau/PES aims to deliver enduring benefits to participating communities through the provision of payments (compensation) for the loss of income from harvesting that has been avoided (logging). As part of the project community governance will be strengthened through the formation of the Associations and undertaking associated capacity building activities. The project aims to enable the Associations to manage funds received in a manner that brings sustainable benefits for the community in the form of community development initiatives, such as infrastructure improvements; supporting further income generating activities for cooperative members; and administering a process of distributing member dividends. The project will also protect watersheds resulting in the maintenance of healthy river systems as a high quality source of drinking water and as habitat for aquatic species.

Forest protection will reduce the vulnerability of local communities to climate related risk through reducing the impact of extreme rainfall events on soil erosion and flooding, and the impacts of drought on water security.

Regarding health and safety, the project activities are very low impact and will not put people in any risky or dangerous situations or circumstances.

The Nakau/PES activity does involve a considerable cash flow entering the tribal community when selling PES Units. The Nakau methodology framework has prepared a very solid financial and benefit sharing system. If followed not much could go wrong. But rules can be neglected and strict monitoring, especially within the first 2 years is very important. NRDF as project coordinator will take up this responsibility together with third party audits that happen from time (See chapter 12).

**11. Participatory preparation:** This section will describe the participation of affected communities during the project design process (i.e. prior to submission of the full proposal), and explain how Free, Prior and Informed Consent was obtained.

Two major processes in the project that can be identified:

1. The process towards declaring forest area as protected areas under the Protected Area ACT 2010
2. The process towards Nakau validation and sell verified PES units

Both processes obtain FPIC by following carefully all the steps and requirements described in the PA Toolkit for the PA process and the Nakau Methodology Framework for the Nakau process.

The Nakau Programme Methodology Framework requires all projects to undertake a form of legal protection of the ecosystem supporting the ecosystem services used to generate PES units within the Project Area. This is where the Protected Area process comes in. Although different in approach both processes have much in common and do have many overlaps. Within the project design NRDF recognizes Ecological Solutions Solomon Islands (ESSI) to take the lead in the PA process while NRDF's focus is on the Nakau process. Both processes can work simultaneous in time and location.

Some activities in the PA process that also “thick boxes” for the Nakau process are:

- Community awareness building and consultation
- Boundary mapping of tribal lands
- Participatory land use planning and mapping
- Protected area management plan
- Forming a legal entity looking after the management of the Protected Area
- Create legal protection over the proposed Nakau/PES area

The PA process follows 11 steps which are explained in detail in the Protected Area Toolkit, produced by the Ministry of Environment and the Landowners' Advocacy and Legal Support Unit (LALSU) of the Public Solicitor's Office (PSO).

In both processes (Nakau and PA) some activities trigger the need for a mandate or decision by the project owners (landowners). In the PA process that would be the decision to start the PA process and agree to declare the forest a Protected Area. Also the endorsement of the management plan and the

establishment of a tribal association FPIC need to be obtained. When reviewing the PA applications the Ministry of Environment will check upon all documents to verify FPIC in the 11 step process towards declaration. The toolkit clearly explains where and when FPIC need to be obtained and how to deal and verify those steps.

Within the Nakau process four main decisions are identified that trigger FPIC and/or need a mandate from the project owners:

1. Registration of legally project owner entity (also in PA)
2. Agreement with terms and conditions in the PES agreements
3. Agreement on the Management plan (also in PA) and Business & benefit sharing plans
4. Agreement for the Project Description to be submitted for validation

NRDF will make sure that above decisions are carefully “handled” and will follow the right procedures as is prescribed in the Nakau Methodology Framework.

In general the Nakau Methodology Framework defines a voluntary and participatory planning process Based on Plan Vivo Standard 2013, by means of the Project Participation Protocol (PPP). The PPP is required to provide a transparent process for addressing social and cultural Safeguards associated with project development and implementation. The PPP is also required as a means of reducing internal risk and enabling Project Owners (the Tribes) decisions concerning project development, implementation and management to be consistent with the principles of free, prior and informed consent (FPIC).

All projects in the Nakau Programme shall apply the PPP to:

- Enable participants (project owners) to grant or withhold their free, prior informed consent for key aspects of project design, development and implementation, in particular for decisions that create continuing commitments, responsibilities or have potential for future impacts on local livelihoods and land use.
- Enable participants to develop ownership of and meaningful input into project design, implementation, and management.
- Ensure that representatives of Project Owner groups have a mandate from group members, including people who may be disadvantaged based upon gender, age, income or social status.
- Ensure that the process of undertaking a PES project is transparent, empowering, and community building for the Project Owner.
- Ensure that costs associated with project development and ongoing management are transparently understood and agreed by the Project Owner.
- Ensure that the benefits of any PES project are equitably and transparently distributed between the Project Owner, the PES unit buyer, the Programme Operator, and the Project Coordinator.
- Ensure that the benefits of any PES project are equitably and transparently distributed within the community of the Project Owner.

The PPP prescribes a participatory process of project development and management and is considered a minimum requirement for project engagement. Significant further education, consultation and engagement with the Project Owners may be necessary to ensure equitable and sustainable outcomes. The Programme Operator (Nakau) will assess each project independently to ensure that the PPP has been followed, and that it has achieved its purpose. The PPP requires a process of community engagement, typically involving meetings/workshops between the Project Owner (the Tribes) and the

Project Coordinator NRDF (facilitated by the latter) throughout the project cycle. Other key/relevant stakeholders are engaged where appropriate

**12. Mitigation strategies:** This section will outline measures to avoid adverse impacts and provide culturally appropriate benefits.

Although the Nakau programme and Nakau methodology frame work has many safeguards provided in its set-up to avoid any negative social or environmental impacts NRDF as project Coordinator should be aware of any non compliance in the project's implementation.

It is NRDF's task as project coordinator to closely monitor the project activities and processes and intervene as soon as any acts of noncompliance, grievance, disputes, mis-management etc is observed. In case problems occur which cannot be solved by consultation between project coordinator and project owners, outside mechanism will be triggered which could lead to temporarily closure or suspension of the project from the Nakau programme until problems have been resolved.

**13. Monitoring and evaluation:** This section will explain how compliance with the safeguard policy on Indigenous Peoples will be monitored, and reported to CEPF and/or the Regional Implementation Team. Monitoring and evaluation methodologies should be adapted to the local context, indicators, and capacity.

Monitoring of the project activities will take place:

1. During the preparation and setup phase towards PA declaration and Nakau Validation
2. Monitoring and evaluation during the Nakau running phase (after CEPF project)

Basically all the proposed CEPF activities take place within the first timeframe. The project basically "ends" when PA's are declared and all four tribal lands are validated for Nakau PES crediting. After this stage Monitoring and evaluation is carried out following the requirements and procedures described in the Nakau methodology framework and, in case of the PA, the Protected Area Management Plan.

The main points in the project design and development that needs close monitoring are described under 11. The Nakau Project Description document (PD) with all the necessary evidences (reports, minutes, signed letters, sign in lists etc.) will verify that processes are done correctly

The main monitoring activities that are part of the Nakau Methodology Framework that are done when the Nakau PES project is running are:

- Annual project Management Workshops during which the Project Owner (the Tribe) and the Project Coordinator (NRDF) discusses the project progress in line with the Project Description and PES agreement, review the project activities, review the management and financial reports and review the PES agreement/PD.
- Three or Five yearly Monitoring by 3<sup>rd</sup> party Verifier.

Beside above activities NRDF will do the following monitoring activities:

- Six monthly financial audits (by NRDF) of all the project accounts of each project owner (tribe) during the first 2 years.
- Annual participatory evaluation meeting with all tribal members, guided by the business and benefit sharing plans developed and used by the project owners
- Regular meetings with the tribal members to assist discuss issues that are faced during the project phase.

For each Nakau project a social economic baseline and a biodiversity baseline is created through household surveys and biodiversity assessments carried out during the preparation phase of each PES project. This baseline data will be used to compare with data collected after 3 or 5 year intervals (Nakau monitoring plan).

Some of the social economic basic information collected (CEPF Activity) includes:

Access to and main uses of land and natural resources  
Access to and use of energy sources for light and heat  
Typical assets and income levels  
Main livelihood activities  
Local governance structures and decision-making mechanisms  
Cultural, religious and ethnic groups present  
Gender and age equity

NRDF will keep CEPF informed in all the processes and will send draft Project Descriptions (or parts of it) to verify that the activities are implemented in line with the Nakau Methodology Framework and that Free, Prior and Informed Consent was obtained from the project owners.

**14. Grievance mechanism:** All projects that trigger a safeguard must provide local communities and other relevant stakeholders with a means to raise a grievance with the grantee, the relevant Regional Implementation Team, the CEPF Secretariat or the World Bank.

This grievance mechanism must include, at a minimum, the following elements.

- Email and telephone contact information for the grantee organization.
- Email and telephone contact information for the CEPF Regional Implementation Team.
- Email and telephone contact information for the local World Bank office.
- The email of the CEPF Executive Director: [cepfexecutive@conservation.org](mailto:cepfexecutive@conservation.org)
- A statement describing how you will inform stakeholders of the objectives of the project and the existence of the grievance mechanism (e.g., posters, signboards, public notices, public announcements, use of local languages).
- You should include the following text, exactly, in any grievance mechanism: “We will share all grievances – and a proposed response – with the Regional Implementation Team and the CEPF Grant Director within 15 days. If the claimant is not satisfied following the response, they may submit the grievance directly to the CEPF Executive Director at [cepfexecutive@conservation.org](mailto:cepfexecutive@conservation.org) or by surface mail. If the claimant is not satisfied with the response from the CEPF Executive Director, they may submit the grievance to the World Bank at the local World Bank office.”



Following the guidance above, describe the grievance mechanism that you will use.

Because the programme is implemented under the Nakau programme most monitoring and grievance mechanisms follow the requirements set out in the Nakau Methodology Framework. The Nakau Programme has developed a special Dispute Resolution Framework which includes a recommended template that each of the parties involved (Project owner, Project Coordinator and Programme Operator) should develop and use to help resolve disputes between those parties. This Template will be developed together with the project owners during the preparation phase of the PES projects (Part of the project description document).

Regarding grievance that could arise during the implementation of CEPF project activities:

NRDF will develop and print a small brochure (in simple English) with a summary of the project and also include all the elements described above. It will clearly explain the steps somebody can take to raise a grievance with the grantee, the relevant Regional Implementation Team, the CEPF Secretariat or the World Bank. The procedures will also be explained during meetings and gatherings with the tribal groups. All tribes involved will also sign a partnership agreement with NRDF clearly describing the roles and responsibilities of NRDF and the Partner (Tribe).

**15. Budget:** This section will summarize dedicated costs related to compliance with the safeguard policy on Indigenous Peoples. These costs should be incorporated into the budget of the CEPF grant and/or covered by co-financing.

Continuous monitoring of the activity takes place when NRDF staff is visiting the areas and the villages and organize meetings and/or do interviews. Because the field office with two staff members is nearby the project sites and target communities, not much travel costs are involved. Costs for monitoring (only travel) are covered by the existing travel budget lines.