



Varu Island Environmental and Social Diagnostic Study Site Assessment, Western Province, Solomon Islands

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Cover Photo: Varu Island, Solomon Islands. @ GHD

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IFC works with the Millennium Challenge Corporation (MCC) on the Accessing Land for Tourism Investment Facilitation (ALTIF) project, part of MCC's 2022–2026 Solomon Islands Threshold Program, that builds on the foundational work in Western Province conducted by IFC between 2017 and 2021. This partnership aims to facilitate private sector investment in tourism in the country, create jobs, and boost the local economy.



Introduction

Varu Island was one of 70 sites assessed in 2021 by International Finance Corporation (IFC) as part of an Environmental and Social Diagnostic Study (ESDS) in the Western Province of Solomon Islands to support tourism investment. Located north of Gizo town and near the Njari Island Marine Protected Area, Varu Island was found to have pristine beauty and rich marine life and was classified as “high risk” due to ecological sensitivity, social issues, and exposure to hazards. Five years after the original fieldwork was carried out, IFC initiated a new site assessment for Varu Island to ensure it reflects current site conditions and circumstances. As a result, its risk ratings have been updated.

Updated Methodology

Scoring methods were updated to align with revised methodology used in the 2025 IFC Guadalcanal and Central Provinces ESDS. Social assessment criteria changed, removing “distance to infrastructure” and adding “potential for UXO” as a risk factor. Scores are interpreted linearly: 7–10 is High risk, 4–6 is Moderate risk, and below 4 is Low risk.

In re-assessing the site risks for Varu Island, the following definitions applied as outlined in Table 1.

Table 1 Risk Definitions

Risk	Definition
Terrestrial biodiversity	Abundance and diversity of life on land, including flora, fauna, and vegetation communities, including freshwater ecosystems and species.
Marine biodiversity	Presence, health and diversity of seagrasses, coral reefs, fish, and marine life.
Presence of people	Permanent or temporary population located on-site who, depending on the footprint of development, may require resettlement. This also considers populations located near the site who may not require resettlement, but may have greater exposure to transmission of disease, gender-based violence, exploitation and additional pressures on resources, such as water and electricity. Presence of people is also indicated through dwellings or structures located on-site.
Presence of livelihoods	Livelihoods on-site includes markets, gardens, shell collecting, reefs used for subsistence and artisanal fishing, boat launch areas, copra, coconut plantations, fruit trees, or the presence of other activities as sources of income and livelihoods. This risk also considers the presence of other industries nearby, such as forestry operations.
Presence of cultural heritage	Location and significance of areas of cultural heritage to the site and the hub. Includes identification of any <i>Tabu</i> sites or areas that are important to the community and/or protected by relevant authorities, including shipwreck dive sites.

Risk	Definition
Potential for UXO	Level of risk of potential exposure to UXO.
Community cohesion	Any community conflict observed or described in communities near or on the site, including evidence of previous unrest, strength of governance, incidence of crime, and access to the justice system if crime is committed. This was not provided a risk rating for the purpose of this assessment, but any potential risks are flagged within the site assessment profile.
Indigenous people	<p>A risk rating was not assigned for Indigenous people as the vast majority of people living on or near individual sites are Indigenous to that area. If Indigenous people's presence was accounted for in the risk ratings, it is likely that most sites would be considered as high risk for development.</p> <p>Any potential sensitivities around Indigenous people or people local to the area – including land claim disputes, community cohesion concerns or cultural heritage management – have been included in qualitative descriptions in the site profile.</p>
Presence of infrastructure	The distance between the site and the closest medical facility and transport hub (airport and ferry terminals) has been individually assessed with data provided in the site profile. These distances were not factored into the quantitative risk assessment because most sites are generally located a long distance from facilities and transport hubs and are generally serviced by limited infrastructure (water, power, sanitation or mobile phone connectivity).
Coastal vulnerability	Vulnerability to coastal inundation and erosion through low-lying terrain or exposure to storm surges.
Sea level rise	Site elevation and the capacity for shelter and to retreat in case of storm surges and sea level rises.

The site's overall risk rating is a general indicator of risk and should be interpreted alongside detailed site assessment profiles for specific risks and 'red flags.' The final risk rating for Varu Island was determined through multi-criteria analysis, using the weightings and measurement presented in Table 2.

Overall risk rating

The final risk assessment for Varu Island resulted in an overall classification of Moderate risk, with several important Environmental and Social (E&S) risks requiring careful management.

Table 2 Weighting and Measurement of Environmental, Social, and Natural Hazard Risks

ENVIRONMENTAL RISKS	WEIGHTING	MEASUREMENT TECHNIQUE	RATING		
	40%		LOW (SCORE OF 1 – 3)	MEDIUM (SCORE OF 4 – 6)	HIGH (SCORE OF 7 – 10)
Terrestrial biodiversity	50	<ul style="list-style-type: none"> Site observations International Union for Conservation of Nature (IUCN)/ Integrated Biodiversity Assessment Tool (IBAT) databases where relevant Where available, information based on discussions with species experts, local biodiversity specialists, or communities. 	<ul style="list-style-type: none"> Highly disturbed/modified environment Represents low ecological value Examples include active coconut plantations, residential/or housing areas, agricultural land. 	<ul style="list-style-type: none"> Moderately disturbed environment Examples include former or abandoned coconut plantations with heavy secondary growth forest or former logged areas with strong secondary growth present Threatened species may be present Within 10km of Key Biodiversity Area (KBA). 	<ul style="list-style-type: none"> Relatively undisturbed environment, such as primary forest with relatively limited impact from human activities Threatened species likely to be present.
Marine biodiversity	50	<ul style="list-style-type: none"> Site observations of reef directly adjacent to site Presence of informal marine management areas, such as Community-Based Management Areas (CBMA) Information based on discussions with communities and fisheries officers IUCN/IBAT databases where relevant. 	<ul style="list-style-type: none"> Marine areas close to urban centers Ecosystem health compromised through pollution and/or over-fishing Shallow reef areas with no adjacent deep water Visibly stressed marine environment Low ecological diversity and health. 	<ul style="list-style-type: none"> Marine ecosystems relatively intact Some evidence of human impact Areas less than 5km from nearest village Moderate extent of reef, mangroves or seagrass with visible indicators of stress or impact Areas where adjacent land use (for example, logging) will likely impact marine ecosystem health. 	<ul style="list-style-type: none"> Extensive seagrass beds in good health Well established and healthy mangrove areas Healthy reef ecosystems with wide fish diversity (little impact from fishing) Extensive reef systems with documented rich biodiversity Threatened species likely to be present Feeding areas for significant numbers of sea turtles Sea turtle nesting areas Sea bird roosting or nesting areas.
SOCIAL RISKS	WEIGHTING	MEASUREMENT TECHNIQUE	RATING		
	40%		LOW (SCORE OF 1 – 3)	MEDIUM (SCORE OF 4 – 6)	HIGH (SCORE OF 7 – 10)
Presence of people	30	<ul style="list-style-type: none"> Presence of people provides information on the presence of housing and structures, and potential for resettlement Site observations Discussions with communities Aerial photos. 	<ul style="list-style-type: none"> No known communities, families or individuals occupying or using the site for living purposes (excluding caretakers) Nearest community is more than 10 kilometers from the site. 	<ul style="list-style-type: none"> Up to 10 houses, buildings or shelters in one discrete area of the site Moderate size permanent population (less than 50 people) Nearest community is more than 5 kilometers from the site. 	<ul style="list-style-type: none"> More than 10 houses or buildings or shelters scattered throughout the site Large permanent population (more than 50 people) Nearest community is within 5 kilometers of the site.
Presence of livelihoods	30	<ul style="list-style-type: none"> Presence of gardens or crops on-site Presence of fishing or livelihood activities based on marine or terrestrial resources Site observations and review of aerial photos for used or unused gardens/crops Estimate area based on aerial and Land Use Pac Geo layer. 	<ul style="list-style-type: none"> No presence of resources or activities used as a source of income of livelihoods on-site or nearby reefs No formal boat landing or storage located on-site. 	<ul style="list-style-type: none"> Abandoned cropping, plantation or gardening land, or less than 30 percent of site occupied by crops or gardens Small reef located nearby used for subsistence or artisanal fishing Area used for collection of one resource (firewood or shells, for example) Boat landing may be present, but not regularly utilized. 	<ul style="list-style-type: none"> Crops/gardens occupying 30 percent of site or more Large or multiple reefs located adjacent to site used for commercial, subsistence and artisanal fishing Area used extensively for collection of multiple resources Large or frequently used boat landing.
Presence of cultural heritage	20	<ul style="list-style-type: none"> Data from site visits documenting areas of site that are used for family graves, WWII relic or battle sites, cultural sites <i>Tabu</i> or <i>Kastom</i> sites or animist sites that are considered important by local community Includes traditional resource collection areas. 	<ul style="list-style-type: none"> No historical or cultural sites confirmed. 	<ul style="list-style-type: none"> One site identified of unknown, low or moderate significance to community. 	<ul style="list-style-type: none"> More than one site identified of unknown, low or moderate significance to community or one site of high significance to community.
Potential for UXO	20	<ul style="list-style-type: none"> UXO likelihood of presence based on WWII battle histories, and studies undertaken to assess UXO risk Data from police unit documenting and responding to UXO discoveries. 	<ul style="list-style-type: none"> No records of UXO located in the area No recorded conflict within the immediate vicinity of the site. 	<ul style="list-style-type: none"> No records of UXO identified, but the site is within 10km of known battlefields, occupied sites, training areas, or sunken warships; where there is a moderate possibility that UXO may be encountered. 	<ul style="list-style-type: none"> Confirmed UXO discoveries in vicinity of the site Historical documentation of battles in WWII includes multiple bombings and heavy fighting An area is also considered high risk if it was an occupied site which was subject to intense conflict and multiple air raids or is recorded as an area with ammunition dumps.
NATURAL HAZARDS	WEIGHTING	MEASUREMENT TECHNIQUE	RATING		
	20%		LOW (SCORE OF 1 – 3)	MEDIUM (SCORE OF 4 – 6)	HIGH (SCORE OF 7 – 10)
Coastal vulnerability	50	<ul style="list-style-type: none"> Site observations Evidence at site observations of erosion Percentage of site within 50m of shallow to medium depth reef IUCN/IBAT Reef Mapping Aerial photos. 	<ul style="list-style-type: none"> Sheltered locations, within lagoon or island group. Unlikely to be affected by storm surges No evidence of erosion 60 percent or more of site perimeter surrounded by shallow or medium depth reef. 	<ul style="list-style-type: none"> Somewhat sheltered from storm surge. Exposed location within lagoon environment No evidence of erosion 30-60 percent of site perimeter surrounded by shallow or medium depth reef. 	<ul style="list-style-type: none"> Reef fringe islands, exposed to weather events, low elevation above sea level Evidence of erosion Less than 30 percent of site perimeter surrounded by shallow or medium depth reef.
Sea level rise	50	<ul style="list-style-type: none"> Semi-quantitative: Percentage of site over 1m above sea level based upon site observations and aerial photos. 	<ul style="list-style-type: none"> 70 percent or more of site area more than 1m above sea level. 	<ul style="list-style-type: none"> 30-70 percent of site area over 1m more than sea level. 	<ul style="list-style-type: none"> 30-70 percent of site area less than 1m above sea level.

SITE IDENTIFIER #:

32

PARCEL IDENTIFIER:

097-016-0003

Varu Island Gizo Hub

MODERATE
OVERALL RISK RATING

SITE (AERIAL FROM 2023)



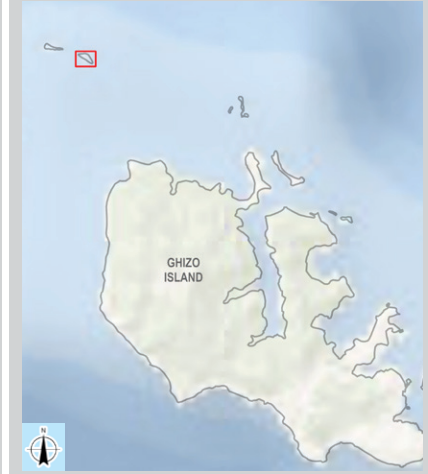
SITE DESCRIPTION

Varu Island is located off the north-west tip of Ghizo Island. The site features beach forest at its eastern and western ends. An abandoned dwelling is positioned centrally with three family graves nearby. The graves would need to be moved through an appropriate relocation strategy developed with the family. A small water well, likely containing brackish water, is situated near the dwelling. The family who holds the title are settlers from Gilbertese Islands, with members living in Gizo town, Honiara and abroad. While Gizo-based family members interviewed in 2025 stated they had permission to speak for the broader group, this would need to be confirmed by ongoing dialogue. Notably, while the presence of unexploded ordnance (UXO) has not been reported on the island, it is worth noting that WWII combat took place around Ghizo Island, with Tua Maru wreck located less than 5 kilometers south from Varu Island. With no inhabitants on-site, natural regeneration is occurring.

Surrounding the island, a shallow fringing reef extends approximately 180 meters from the windward (northern) side and connects intermittently back to Ghizo Island on the leeward (southern) side. Due to the island's low elevation – reaching a maximum of about 2 meters above sea level – Varu Island is susceptible to storm surges and flooding during king tides. Evidence of coastal erosion is visible on the windward side, while the leeward side is sheltered and features pockets of white sandy beaches. Approximately 40 percent of the coastline consists of sand, while the remainder comprising rocks that help reduce erosion, though they do not fully protect coastal plants from strong waves and tides on the exposed windward side.

Neighboring Njari Island is recognized for its marine biodiversity of global significance. This area is included within the proposed Njari Island Marine Protected Area (MPA), although it has not been formally gazetted. Villagers from the nearby Saeraghi community are currently in discussions with the Njari site owner regarding formalizing the Njari Reef MPA, which could benefit future tourism operations in the vicinity. The site is also close to the Saeraghi Reef MPA, which is managed by a local village responsible for monitoring fish stocks and managing seagrass harvesting for consumption and sale at Gizo markets. Varu North MPA lies to the north but does not include Varu Island itself. The entire area encompassing Ghizo Island and its surrounding reefs is recognized as a Key Biodiversity Area. Varu Island is known as a breeding site for the green turtle (*Chelonia mydas*), listed as "endangered" on the IUCN Red List. Nesting by unprotected pigeons was observed on the island, which also features healthy secondary forest.

SITE LOCATION



LEEWARD SHORELINE



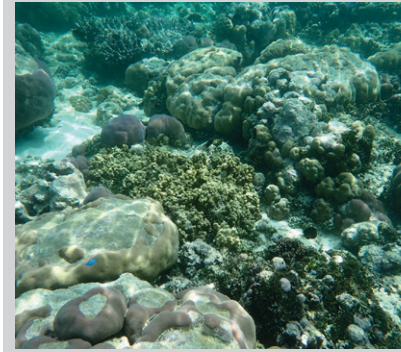
WINDWARD SHORELINE - EROSION



GRAVES AND ABANDONED DWELLINGS



MARINE LIFE AND TERRESTRIAL VEGETATION



ENVIRONMENTAL RISKS

Terrestrial biodiversity	7
Marine biodiversity	8

SOCIAL RISKS

Presence of people	1
Presence of livelihoods	2
Potential for UXO	4
Presence of cultural heritage	6

NATURAL HAZARD RISKS

Coastal vulnerability	9
Sea level rise	9

COORDINATES

-8.016724, 156.765213

SITE AREA (ha)

3.04

CURRENT OCCUPATION OF SITE

No current occupation. No cattle nor gardens remain. Local fishing and passing islanders access the site.

DISTANCE TO NEAREST HOSPITAL / CLINIC

Gizo Hospital (15 kilometers).

SERVICES AVAILABLE

Mobile telecoms and data available. An abandoned water well is anticipated to have saline intrusion.

SITE ACCESS

Boat access is 10-20 minutes from Gizo town. Beach landings only.

OTHER SITE RISKS

No other site hazards noted.

ADJACENT LAND USE

Ocean.

PROTECTED / MANAGED AREAS

Saeraghi Reef Marine Protected Area (MPA) and Njari Island MPA (not gazette yet) are located close to the site locally-managed Varu North Reef MPA more than 1 kilometer north of the island.

COMMUNITY COHESION

Three graves on-site that need to be relocated belong to the family. As per the stakeholder interview, there is family cohesion in relation to future options for site use. No external claims or conflicts over land ownership identified. Dialogue on Njari Marine Protected Area and resource use is ongoing with the Saeraghi community.

CURRENT LAND USE

Healthy and intact secondary and some primary forest covering 80 percent of the island with contained human disturbance around the abandoned house site.

DISTANCE TO NEAREST AIRPORT / PORT

Gizo (14 kilometers).

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