



Solomon Islands Tourism: Investable Site Identification and Selection

A guide to the identification and selection of land for future tourism investment

IN PARTNERSHIP WITH



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Cover photo: Western Province Registered Land Survey, Solomon Islands

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Foreword

IFC

While tourism has immense potential to drive sustainable economic growth in Solomon Islands, two key barriers to private sector investment in the sector act as deterrents—scarcity of identified developable land and lack of information on investable land. This dissuades investors from deploying funds that could be used to build new resorts, hotels, ecolodges, or other tourism-related infrastructure in this small island state in the Pacific.

In response, this guide—*Solomon Islands Tourism: Investable Site Identification and Selection. A guide to the identification and selection of land for future tourism investment*—addresses the growing need for an inventory of registered investable sites while providing up-to-date information on each site. A step-by-step handbook, it aims to help the Ministry of Culture and Tourism (MCT) and InvestSolomons build capacity and identify land suitable for tourism. Further, the guide provides a solid foundation for a strategic approach to promoting investment and facilitating activities, including connecting prospective investors to the initial inventory of sites in Western Province.

The International Finance Corporation (IFC) has been collaborating with MCT since 2017 to better understand the needs of tourism operators and overcome barriers to investment in the sector. As part of these efforts, IFC provided MCT with technical advisory assistance to conduct a survey of registered land in Western Province. This guide is based on the first-hand experience and knowledge gained in the course of the survey, complemented by IFC's global expertise in creating markets across sectors. The work undertaken as part of this survey has already established at least 50 investable sites.

Given the devastating impacts of the COVID-19 pandemic, boosting private sector investment is critical to unlock the potential of tourism in Solomon Islands to accelerate recovery and help diversify the economy, reducing its reliance on extractive industries. This is especially relevant for Solomon



Islands' tourism sector, which accounted for 10.5 percent of the nation's annual gross domestic product (GDP) in 2019 and generated revenue of US\$132.8 million.¹

Against this backdrop, this guide can help position the archipelago as a prime Pacific Islands destination for tourists. Over time, this template can be adapted for other priority locations across Solomons Islands, and potentially as a model for other developing destinations internationally.

On a concluding note, we sincerely thank our strategic development partners—the governments of Solomon Islands, Australia, and New Zealand—for their support, commitment, and collaboration in developing Solomon Islands as a tourism destination, for making this guide possible and helping us bring private sector solutions to build a sustainable and competitive tourism sector in Solomon Islands.

A handwritten signature in black ink, appearing to read 'Tom Jacobs'.

Tom Jacobs

IFC Country Manager - Australia, New Zealand, Papua New Guinea, and the Pacific Islands

¹ World Travel and Tourism Council (WTTTC). 2020. Solomon Islands 2020 Annual Research: Key highlights. Accessed online via: [WTTTC Economic Impact Report, Solomon Islands 2020](#)

Foreword

Ministry of Culture and Tourism

Tourism is a key priority for our government. We all agree that tourism offers great potential and opportunities for Solomon Islands. However, for this to happen, investment in the tourism sector needs to be supported and accelerated to meet our targets of increasing the volume and quality of room supply by 700 to 1,000 rooms within the next eight years and receiving more than 60,000 visitors annually.

As part of our strategy to attract tourism investment, we have been driving a coordinated approach with the private sector and development partners, particularly with International Finance Corporation, to initially focus our resources on one area of the country. In 2018, we identified Western Province as the first priority destination.

To commence the journey of increasing investment we conducted in partnership with International Finance Corporation the Western Province Tourism Investment Needs Assessment to identify the essential investments required to develop key tourism areas around Munda, Gizo and Seghe. This assessment highlighted that we had some work to do before investment in Western Province could be realized.

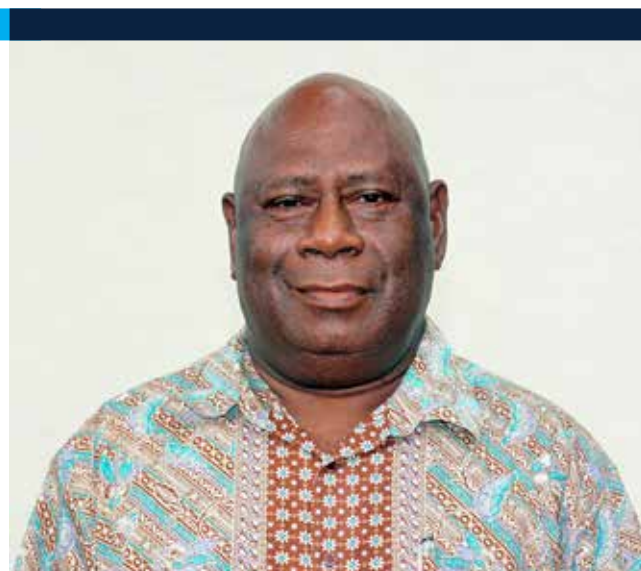
A key ingredient for investment in tourism is land. However, a lack of investment-ready land and also land tenure issues that can cause conflict were identified as two issues preventing investors from investing in Solomon Islands' tourism sector.

To help resolve these land issues, at the end of 2018 we started implementing the Western Province Tourism Registered Land Survey. Over the course of two years, our teams set out to identify land in Western Province that would be suitable for tourism development and appealing to investors.

I am pleased to say that the results of this survey have been fruitful. We now have a portfolio of registered land in Western Province that our investment officers can commence promoting to potential investors. Each land parcel comes with its own profile of information to help guide investors to the most suitable site for their investment project. The survey teams have also developed an approach to identifying land that investors would find attractive.

Over the next one to two years, we will continue to add land parcels suitable for tourism investment in other priority destinations beyond Western Province.

To do this in the most efficient and effective way, I am pleased to introduce the *Solomon Islands Tourism: Investable Site Identification and Selection. A guide to the identification and selection of land for future tourism investment.* This Guide has been developed in partnership with International Finance



Corporation for investment officers and tourism teams from the Ministry of Culture and Tourism and InvestSolomons to guide them through a step-by-step approach to identifying land that is suitable for tourism development.

I believe that this Guide is critical to growing our portfolio of investment-ready land right across our archipelago to help Solomon Islands to be seen as an attractive investment destination. This Guide contributes to improving our investment processes and systems in pursuit of creating a sound investment environment.

This Guide is the result of the hard work of many people and I would like to express my thanks to everyone who has been part of this process. In particular, the Tourism Division of the Ministry of Culture and Tourism and InvestSolomons of the Ministry of Commerce, Industry, Labour and Immigration.

I want to encourage every partner to continue to work together to implement the process of identifying suitable land for investment in the tourism sector. A coordinated approach and great teamwork is how we will recover from the COVID-19 pandemic and build a competitive and sustainable tourism sector for all.

On behalf of Solomon Islands Government, I would also like to thank International Finance Corporation, part of the World Bank Group, for providing technical inputs and guidance in finalizing this Guide, and for its long-term partnership with the Ministry of Culture and Tourism to increase tourism's contribution to the economy. The work done, to date, forms the basis of our future engagement as we seek to attract investors into Solomon Islands' tourism sector.

Tagio Tumas

A handwritten signature in black ink, appearing to read 'B. Parapolo'.

Hon. Bartholomew Parapolo

Minister for Ministry of Culture and Tourism

Acknowledgements

This Guide was prepared by International Finance Corporation (IFC) in collaboration with Solomon Islands' Ministry of Culture and Tourism (MCT). It draws on the research and experience gained by IFC and MCT teams during the implementation of the Western Province Tourism Registered Land Survey 2018-2020.

Many stakeholders were consulted during the Survey. The following representatives of Solomon Islands Government (SIG) are acknowledged for their time contributed, advice and practical support.

Solomon Islands Government

- **Ministry of Culture and Tourism:** Andrew Nihopara, Permanent Secretary; Bunyan Sivoru, Director of Tourism; Jonathan Taisia, Principle Tourism Officer Projects – Western Province; Mark Ligo, Investment Officer
- **Ministry of Lands, Housing and Survey:** Alan McNeill, Commissioner of Lands; Dalton Hone, Chief Cartographer
- **Ministry of Commerce, Industry, Labour and Immigration: Invest Solomons (formerly the Foreign Investment Division):** Lynnette Dawheya, Director & Registrar of Foreign Investment; Sially Ngumi Turanga, Deputy Director; Lonsdale Lungana, Chief Investment Officer – Promotion Unit.
- **Ministry of Justice and Legal Affairs:** Nixon Qurusu, Registrar General
- **Western Province Provincial Government:** David Gina, Premier; Jeffrey Wickham, Permanent Secretary; Ron Kituru Ghemu, Minister of Tourism; Fabina Lilo, Chief Tourism Officer, Corniel Dalipanda; Tourism Officer, Zaza Gina, Tourism Officer
- **Tourism Solomons:** Josefa Tuamoto, CEO; Fiona Teama, Head of Sales and Marketing

Leadership and Collaboration

IFC's tourism program in Solomon Islands from 2017-2021 has been led and managed by IFC Tourism Specialist Becky Last, under the guidance of Tuyen Nguyen. The in-country lead for the development and implementation of the Western Province Tourism Registered Land Survey 2018-2020 was Tourism Advisor Björn Svensson. This Guide was researched and written by Björn Svensson, edited by Libby Owen Edmunds and Simon Drought.

Valuable contributions were received from Milissa Day, Smiley Giobauta, Tomio Komatsu, Sarah O'Sullivan, William Higginbotham, Claire Kilvert, Victor Murphy and Henry Sanday. Kate Lazarus and Eva Rossi led and managed the IFC Environmental and Social Diagnostic Study, results and findings of which are incorporated in this work.

Support Provided

During the field survey and consultations with landowners and communities, the project team traveled extensively in Western Province. This would not have been possible without the advice, logistical support, translations and guidance of many individuals from the tourism sector and local communities:

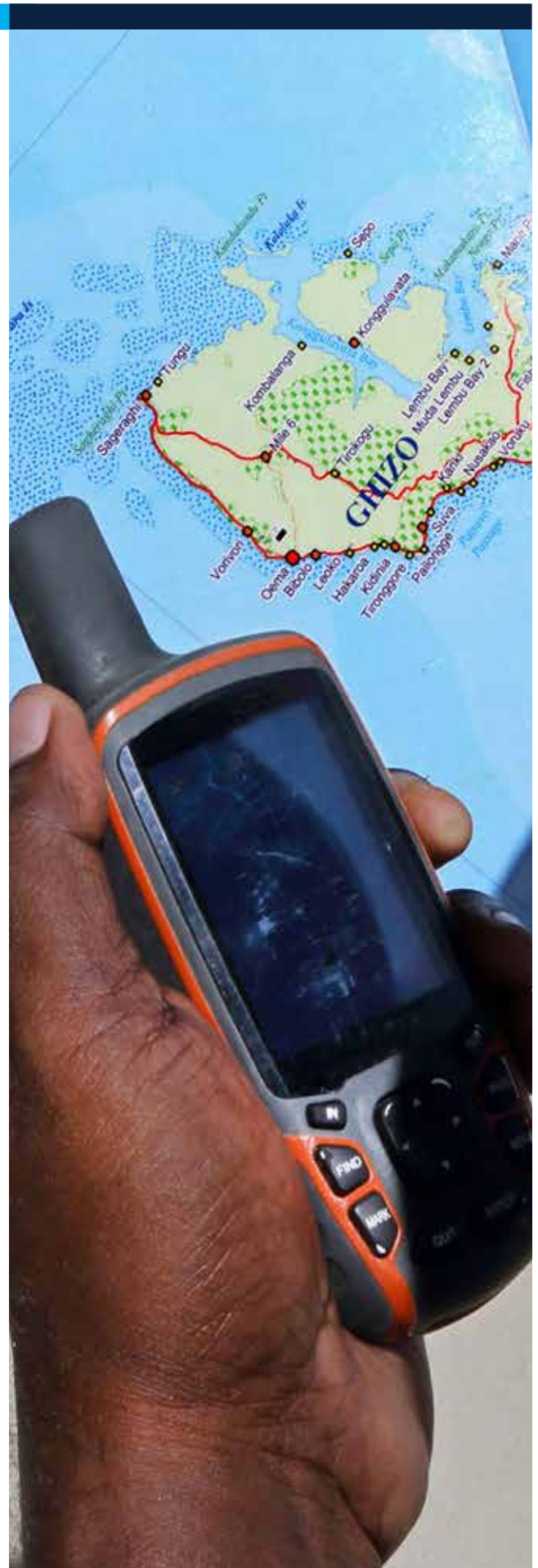
Billy Kera, Go West Tours; Julius Kera, Agnes Gateway Hotel; Jenno Entriken Hughes, Zipolo Habu Resort; Alec Hughes, Wilderness Conservation Society; Taska Sasamara, local guide; Juliet and Walter Kimi, Vanua Kino Lodge; Jeremiah and Kabin Loleke, Marovo Sea Lodge; Matthew Woodfield and Steward Mullaway Stephen, Driftwood Lodge; John Lee and Evin Koli, Minado Ecolodge; Andrew and Andie Trahair, Yawana Dive and Bungalows; Gerard Mackey, VSA; Adrian Wickham, Soltuna; Loyley Ngira, Blue Town Hotel; Dan Raymond, KFPL.

Landowners and Titleholders

During the Survey, the team met and consulted with more than 100 landowners and titleholders. Without the collaboration and engagement of the landowners, this Survey would not have been possible.

Abbreviations

CoL	Commissioner of Lands
DDI	Domestic Direct Investment
DFAT	Department of Foreign Affairs & Trade, Australian Government
E&S	Environmental & Social
EIA	Environmental Impact Assessment
ESDS	Environmental and Social Diagnostic Study
ESIA	Environmental and Social Impact Assessment
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IDD	Integrity Due Diligence
IFC	International Finance Corporation
Km	Kilometers
MCT	Ministry of Culture and Tourism
MFAT	Ministry of Foreign Affairs & Trade, New Zealand Government
MLHS	Ministry of Lands, Housing and Survey
OECD	Organisation for Economic Co-operation and Development
PPP	Public-Private Partnership
SIG	Solomon Islands Government
SME	Small and Medium Enterprise
TDSI	Tourism Development Suitability Index
TINA	Tourism Investment Needs Assessment
WBG	World Bank Group
WGS84	World Geodetic System 1984
WPTINA	Western Province Tourism Investment Needs Assessment
WWII	World War 2





EXECUTIVE SUMMARY

Private sector investment, essential to build a competitive and sustainable tourism sector, is a key priority of Solomon Islands Government (SIG). As such, SIG considers the private sector to be the engine for inclusive economic growth and development to assist the country in moving away from an over-reliance on extractive industries.

A key ingredient for private sector investment in tourism is land. However, land has been identified by foreign investors as a key barrier to investing in Solomon Islands' tourism sector. More specifically, two key land-related aspects have been pinpointed as investment barriers: i) limited investable land: there is a perception from investors that very little land, if any, is available for tourism development and ii) land tenure issues, including land disputes, which contribute to a high-risk investment profile for Solomon Islands.²

In response to these two key barriers, International Finance Corporation (IFC), in collaboration with Solomon Islands' Ministry of Culture and Tourism (MCT), has developed this Guide to provide practical support to SIG investment teams on identifying, prioritizing and profiling investable sites for the purpose of tourism in Solomon Islands. Using Western Province as a pilot, IFC in partnership with MCT implemented the Western Province Tourism Registered Land Survey 2018-2020. The outputs of this survey were: an inventory of investable sites in Western Province, detailed profiles of individual investable sites and development of an eight-step approach to identifying investable sites for the purpose of tourism development. This Guide draws on all three outputs, with a focus on the eight-step process.

This eight-step process to identifying, prioritizing and profiling investable sites for the purpose of tourism investment involves:

STEP 1. Defining the tourism corridor. The 'tourism corridor' is an area of a province and/or individual destination that has been identified as having good potential for tourism development within a three to five-year timeframe. It is usually defined by the distances from key transport hubs (e.g., airports, ports, jetties, bus terminals etc.), and from tourism hubs (e.g., those areas already with levels of tourism activity). For example, in Western Province it was agreed that future tourism investment would be most feasible within a 20-kilometer (km) radius of each of the three airport hubs in Gizo, Munda and Seghe. A 20km distance is also near the limit for safe and comfortable travel for tourists in an open boat.

STEP 2. Identifying a longlist of potential tourism sites. Using cadastral maps³ obtained from the Ministry of Lands, Housing and Survey (MLHS) and satellite imagery from Google Maps, all registered land within the tourism corridor should be identified. In order to create a focused list of investable sites with good potential, it is important to do an initial cull of unsuitable land. Consider removing land parcels: in residential or industrial land in urban areas, reserved for infrastructure and government services, located in the interior of islands with no direct access to the ocean, located too close to large communities, located in unsuitable areas and difficult to access and develop.

STEP 3. Conducting initial assessments of land parcels. The initial assessment involves: a field trip to each land parcel to determine its 'suitability' for tourism development, consultations with current users of the land parcel to ascertain their relationship with the land, a visit to those communities that are the closest neighbors and those crucial for the support and ongoing approval of the tourism investment as well as identifying existing and potential tourism activities in the area. Following this initial assessment, land deemed unsuitable for tourism development should be eliminated from the initial longlist, and a shortlist developed.

STEP 4. Understanding and confirming land tenure. In collaboration with the Registrar of Titles, land titles need to be secured for the shortlisted land parcels. This will confirm legitimate ownership and identify titleholders. Land parcels that have caveats (note of contested land) and or other legal issues should be further investigated to ascertain if the issues are solvable. If there does not seem to be a resolution achievable within a reasonable timeframe or the dispute is complex, the site should be excluded. The revised shortlist of land parcels should be updated based on the information collected during this step.

² IFC. 2018. *Western Province Tourism Investment Needs Assessment*. Solomon Islands.

³ A cadastral map shows the boundaries and ownership of land parcels and includes topographical details. Source: [United Nations Food and Agriculture Organization Online Definition](#)

STEP 5. Conducting in-person titleholder consultations.

The purpose of these meetings is to triangulate information collected in the previous steps and to: inform the titleholder about the purpose of the land assessment, confirm details on the land title certificate, understand the titleholder's relationship with the land, gather information about the land tenure and land parcel, triangulate and identify any legal caveats lodged disputing ownership, understand the dynamics in the area surrounding the land parcel, ascertain the titleholder's attitude towards tourism development as well as the attitude and awareness of tourism within the host community and enquire about the titleholder's future plans for the land parcel.

A crucial element in this step is obtaining and documenting the titleholder's consent, in a formal consent form (see [Box 1](#) and [Annex 2](#)), for use of all information collected. The information collated in the earlier steps is considered confidential and should only be shared with prospective investors or other interested parties with prior consent from the land titleholder.

STEP 6. Conducting an Environmental and Social Diagnostic Study (ESDS) on shortlisted land parcels.

The ESDS provides an overview of Environmental and Social (E&S) risks, as well as impacts and opportunities associated with tourism development. It enables further screening of the identified land parcels to determine low, moderate, and high levels of E&S risks, and how these would be compounded if tourism development was to occur on the land. Once completed, the revised shortlist of land parcels is updated.

STEP 7. Develop investable site profiles and an inventory of investable sites for tourism development.

Once all information has been collected on individual sites, each site is scored using the Tourism Development Suitability Index (TDSI) comprised of four criteria and nine indicators. The TDSI assists interested parties to determine which sites are suitable for their needs at an early stage of interest. The criteria and indicators have been developed using a 'common-sense' approach to assessing sites deemed suitable for investment.

Whilst this approach is not scientific, it has been developed using expertise and insights from foreign investors from the Pacific region and tourism industry specialists. The TDSI should be used to provide an indicative, rather than a definitive guide of the 'suitability' of an investable site, with investors encouraged to weigh the strengths and weaknesses of each site (assessed against common criteria) according

to their specific needs. Once a site has been assessed, site profiles are written up, finalized, and added to a national tourism investable site inventory currently being developed by IFC in partnership with MCT. The information collated in Steps 2 to 7 is considered confidential and should only be shared with prospective investors or other interested parties with the prior consent of the land titleholder and with a non-disclosure agreement in place (refer to [Section 3.7.2](#)).

STEP 8. Update investable site profiles and tourism investable site inventory.

The profiles and inventory of tourism investable sites should not be considered a static list, but a dynamic depository of detailed information on investable sites that is continually updated and expanded.

Prior to an investor developing an investable site, it is critical that the support of the host community is gained and once the investment has been realized, there is ongoing approval and acceptance from the community during the life of the tourism operation. The concept of gaining approval and acceptance of the community is commonly referred to as obtaining 'social license'.⁴ This license is important to ensure the investment is realized and that tourism operations can continue long term.

This Guide and its eight-step approach provide an important operational document for SIG investment teams as they seek to attract and secure private sector investment in the tourism sector. It will enable replication of this process, for MCT to identify investable sites for tourism purposes, in other priority provinces and/or tourism destinations across Solomon Islands. Most importantly, the Guide will assist in unlocking investment opportunities and support Solomon Islands to achieve its full potential as a competitive and sustainable tourism destination in the region. With the development of sector-specific indicators, the methodology – thus this Guide – could also be adapted to identify investable sites for other uses by SIG entities.

⁴ Further information on Social License can be found here: <https://sociallicense.com/definition.html>



PART A. Introduction and context



Chapter 1. Introduction

1.1 About this Guide

This *Solomon Islands Tourism: Investable Site Identification and Selection*. A guide to the identification and selection of land for future tourism investment is one in a series of investment guides and tools developed by IFC to assist Solomon Islands Government (SIG) investment teams to increase the levels of tourism investment.

It is the result of the Western Province Tourism Registered Land Survey 2018-2020 that set out to canvass and assess registered land with high tourism potential. This Guide acts as an important operational document for SIG as it seeks to attract and secure private investment in tourism, particularly through FDI. More specifically, the Guide provides SIG investment teams with practical guidance on identifying, prioritizing and profiling land in Solomon Islands that can be considered suitable for tourism development and investment.

This Guide will serve as an essential reference point and resource for SIG tourism investment teams, as it:

- Is evidence-based, having been distilled from relevant literature and a range of information-gathering techniques.
- Is flexible and adaptable to the different geographic locations across Solomon Islands. It should be considered a working document that is updated over time as additional information on tourism investment facilitation in the context of Solomon Islands emerges, reforms are made, new provinces and/or destinations are prioritized

for tourism development, and private sector investment needs are identified.

- Acts as a capacity-building tool that can be used by various types of organizations within government and individuals with different roles in the tourism investment facilitation process.
- Was developed in response to two key barriers to private sector investment (refer to [Section 2.4](#)) in Solomon Islands' tourism industry, as identified by foreign investors. Addressing these barriers will assist Solomon Islands in realizing the benefits of private sector investment to the economy, society and environment.
- Is focused on identifying investable sites for the purpose of tourism investment. However, it has great potential for use beyond the tourism sector as much of the information provided could be applied to identifying investable land for other sectors of Solomon Islands' economy.

The overarching framework, within which this Guide sits, is the Tourism Investment Facilitation Process⁵ ([Figure 1](#)). This Guide sits within Phase I and Phase II of the five-phased process of tourism investment facilitation. The Guide was developed to assist tourism investment teams on how to **identify investable sites** for tourism investment opportunities (part of Phase I) and outline the **information needed to prepare investable site profiles** for prospective investors as part of investor outreach and promotion (part of Phase II).

5 Process defined by IFC, 2020 for the purpose of this Solomon Islands Tourism Investment Guide.

Figure 1: Tourism Investment Facilitation Process developed for Solomon Islands by IFC



■ This Guide sits within Phase I and Phase II of the Tourism Investment Facilitation Process

The methodology used to gather and develop information presented in this Guide included: a desk review of relevant documents on tourism investment facilitation in Solomon Islands, extensive stakeholder consultations in Solomon Islands such as with, e.g., government, titleholders, existing investors and business owners, lawyers and tourism investors elsewhere in the Pacific region as well as implementation of the Western Province Tourism Registered Land Survey 2018-2020.

1.2 Introduction to key terms

Domestic Direct Investment (DDI): An act of a local or resident entrepreneur or producer investing capital (funds) into a project or business enterprise or assets with the intent of making a profit within a country. It occurs when capital and assets move within one country.

Foreign Direct Investment (FDI):

Foreign Direct Investment (FDI): The movement of private assets and capital across borders for an investment reflecting a lasting interest and control by a foreign direct investor, resident in one economy, in an enterprise resident in another economy (foreign affiliate)⁶

Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments.⁷

Foreign Investor: According to the Foreign Investment Act 2005 (Solomon Islands) a 'foreign investor' is defined as: "a person investing or intending to invest in Solomon Islands (whether by himself, as a member of a joint venture, as a partner in a partnership or as a trustee) who or which is: a) a natural person who is not a citizen of Solomon Islands; or b) a body corporate which is established, registered or

incorporated outside Solomon Islands or, if established, registered or incorporated in Solomon Islands, in which a foreign investor is a member entitled to exercise at least one vote or a shareholder holding at least one voting share (as the case may be)."

Investable: Suitability for investment. In the context of Solomon Islands and for the purpose of this Guide, 'investable' refers to land that would be considered attractive for a foreign or domestic investor for the purpose of tourism. 'Suitable' is defined in this Guide by the Tourism Development Suitability Index (TDSI) (refer to [Section 3.7](#)).

Private Sector Investment: Usually involves investment from private entities in tourism products and services, such as:

- accommodation (hotels, eco-lodges and guest houses)
- tourism facilities (entertainment, recreation and cultural activities)
- other ancillary services (food and beverage, retail, commercial and other integrated services used by visitors and residents alike).

It can also include investment in infrastructure that may have a dual or multi-purpose nature, serving tourism and non-tourism markets, and/or residents and communities. Private sector investment can come from investors in Solomon Islands (DDI) or from investors in other countries – including those in the Pacific region (FDI).

Public-Private Partnerships (PPPs): A public-private partnership is often defined as a long-term contract between a private party and a government agency for providing a public asset or service, in which the private party bears significant risk and management responsibility. PPPs can be a tool to get more quality infrastructure services to more people. When designed well and implemented in a balanced regulatory environment, PPPs can bring greater efficiency

6 United Nations Conference on Trade and Development. 2020. Handbook of Statistics. United Nations, Geneva, Switzerland.

7 World Bank. 2021. The World Bank DataBank. Metadata Glossary. Accessed via the internet at: The World Bank Databank. <https://databank.worldbank.org/metadataglossary/jobs/series/BX.KLT.DINV.WD.GD.ZS>

and sustainability to the provision of public services such as energy, transport, telecommunications, water, healthcare, and education. PPPs can also allow for better allocation of risk between public and private entities.⁸

Public Sector Investment: Usually involves investment in new infrastructure and the expansion, upgrade and refurbishment of existing infrastructure using government funding. Public investment in infrastructure can service and benefit both residents and tourists as well as tourism and non-tourism investments, such as roads, airports, water supply, waste management and energy.

Registered Land: Includes all land that is publicly or privately owned. The Commissioner of Lands, on behalf of Solomon Islands Government, keeps records for all registered land. As such, registered land is also referred to as *Public, Crown, or Alienated* land. Registered land is divided into land parcels and assigned a parcel number. Each land parcel has a land title certificate kept by the Registrar of Titles. Registered land can be bought and sold by Solomon Islanders, but for foreign investors it can only be leased for up to 75 years.

Social License: Defined as existing when a project has ongoing approval within the local community and from other stakeholders, ongoing approval or broad social acceptance and, most frequently, as ongoing acceptance. At the level of an individual project, the social license is rooted in the beliefs, perceptions and opinions held by the local population and other stakeholders about the project. This license, therefore, is granted by the community. It is also intangible, unless effort is made to measure these beliefs, opinions and perceptions. Finally, it is dynamic and non-permanent because beliefs, opinions and perceptions are subject to change as new information is acquired. Hence, the social license must be earned and then maintained.⁹

Tourism Corridor: An area of a region and/or individual destination that has been identified with good potential for tourism development within a three to five-year timeframe. The tourism corridor's boundaries are defined by:

Access and connectivity: Distance from transport hubs such as airports, jetties, ferry ports, slipways, roads and the safety and comfort level for visitors and staff of existing or potential tourism operations accessing the area.

Existing tourism development: Should include areas that have an existing level of tourism activity. This includes areas: where tourists are already visiting, with sufficient tourism attraction assets (natural or cultural heritage) and with sufficient supporting infrastructure.

Exclusions: Distance and travel time is usually the main reason for excluding an area. However, there can often be a combination of other issues such as security issues, exposure of coastline to extreme wind and waves, or communities may be reluctant to have tourism development.

Tourism Investment: Defined as any investment that expands and upgrades the supply of domestic and international tourism products, services and experiences related to Solomon Islands' tourism industry. Tourism investment can be private or public sector investment and sometimes by PPPs. While both types of investment are important, this Guide focuses on private sector investment in tourism, with a particular focus on FDI.

Tourism Investment Facilitation: Refers to actions taken by governments designed to identify and attract private sector tourism investment and maximize the effectiveness and efficiency of the investment's administration through the full life cycle of the investment process.¹⁰ In Solomon Islands, investment facilitation includes any activity undertaken by governments (provincial or national) to encourage tourism investment.

8 The World Bank. 2019. Understanding Poverty – Topics. Accessed online via [World Bank Topics: Public Private Partnerships](#)

9 Further information on Social License can be found here: <https://sociallicense.com/definition.html>

10 OECD. 2018. Effective Policy Approaches for Quality Investment in Tourism. OECD Tourism Papers, No. 2018/02. OECD Publishing, Paris. Accessed online: [OECD iLibrary](#)



Chapter 2. The Case for Tourism Investment

2.1 Why tourism is important

Tourism offers Solomon Islands the opportunity to transform its long-term growth trajectory and presents potential for more inclusive and sustainable economic development.

The tourism sector is highlighted as a priority by SIG as the country is moving away from its over-reliance on extractive industries. This is clearly outlined in Solomon Islands National Development Strategy 2016-2035, which aims to: *“Sustainably increase tourism’s contribution to economic development through improved marketing, development and conservation of potential tourist sites, improved hospitality courses and training institutions, better accommodation packages and improve tourist activities. Increase tourist yields and accommodate high yielding tourists.”*¹¹

Tourism presents a realistic opportunity for inclusive growth and employment opportunities for the population. The tourism industry is currently a significant contributor to Solomon Islands’ economy, realizing 10.5 percent of Gross Domestic Product (GDP) and US\$91.4 million in international visitor revenue in 2019.¹² The tourism sector is renowned for generating employment given it is a labor-intensive sector currently employing approximately 10.8 percent of Solomon Islands’ labor force.¹³ Solomon Islands is an emerging destination with an attractive inventory of raw tourism

assets: a rich and unique cultural heritage, world-class diving and many World War II sites, along with a tropical climate, coral reefs, beaches, lagoons and surf breaks. As evident in other Pacific countries such as Fiji and Vanuatu, these assets if properly developed can attract high-yield visitors to help cover the relatively high cost of doing business in the Pacific and present a realistic opportunity for economic development for the nation.

SIG, together with the private sector and development partners, is driving a coordinated approach to tourism development by focusing resources on the development of priority geographic regions. Western Province was identified as the first preferred region for tourism development due to its relatively high profile as an existing tourism destination and the new international airport at Munda. Other provinces and destinations are currently undergoing early assessments to prioritize their roll out for development.

¹¹ Solomon Islands Government. 2016. Solomon Islands National Development Strategy 2016-2035. Ministry of Development Planning and Aid Coordination, Honiara, Solomon Islands, April 2016.

¹² World Travel and Tourism Council (WTTTC). 2020. Solomon Islands 2020 Annual Research: Key highlights. Accessed online via: [WTTTC Economic Impact Report, Solomon Islands 2020](#)

¹³ Ibid



2.2 Importance of private sector tourism investment

SIG considers the private sector to be the engine for inclusive economic growth and development. Private sector investment is essential to build a competitive and sustainable tourism sector. The right investment policies and processes can increase the quality and effectiveness of tourism investment into Solomon Islands. Overall, investment from the private sector into tourism can generate value, enhance competitiveness, and accommodate growing demand in a sustainable and inclusive manner.

More specifically, FDI in the tourism sector can provide the following benefits to Solomon Islands:

- Create better paying and more stable jobs (direct and indirect)
- Generate foreign currency contributing to GDP growth
- Increase government revenues through taxes or as shareholders in entities
- Diversify the economy away from a reliance on logging and other extractive industries
- Bring technical know-how, managerial and organizational skills to the tourism sector
- Improve local businesses' access to foreign markets via improved linkages and knowledge
- Introduce innovation, enhance productivity and competitiveness of the sector via the introduction of new, or improvements to existing, tourism products and services
- Set global industry standards to influence existing local tourism business to raise the quality and standard of their products and services
- Assist in building national prestige and image
- Encourage spin-off investments in social infrastructure, such as roads, waste management, water and sanitation, education and hospitals
- Provide opportunities to close the gender gap via youth and women's informal and formal participation in the sector. This will also encourage the formal economic participation of Small and Medium Enterprises (SMEs) and local communities across the country
- Address climate change issues and preserve natural and cultural heritage.

2.3 Private sector investment in tourism in Solomon Islands

FDI is a crucial element of tourism sector growth. Levels of foreign investment in Solomon Islands are considerably lower than in its key Pacific Island competitors Fiji and Vanuatu.¹⁴ Of the limited tourism investment that has taken place over the past five to 10 years, most has been on Guadalcanal and in Western Province.¹⁵

While there are already several well-established tourism operators and small resorts in Solomon Islands,¹⁶ the destination can be described as in the pioneer stage of development. The limited availability of accommodation that meets international quality benchmarks, beyond Honiara, is a limiting factor for the destination's development and competitiveness.

In recent years, the foreign investment process has undergone significant improvements. As a result, the ease of investing and starting a business in Solomon Islands is now ranked above the regional average for East Asia and Pacific.¹⁷ Further streamlining of the investment process is underway through collaboration between relevant government departments.

2.4 Addressing barriers to tourism investment


In any country, a good investment climate can mobilize foreign currency, labor, land and entrepreneurship to allow tourism businesses and the economy to expand, bringing the highest possible social, environmental and economic benefits.¹⁸

In Solomon Islands, impediments within the tourism investment climate have been well documented and are outlined in IFC's Western Province Tourism Investment Needs Assessment (WPTINA).¹⁹ Key barriers include the high-cost operating environment, limited access to affordable commercial finance, insufficient government investment in


developing and maintaining tourism-enabling infrastructure and services, limited investable land, land tenure issues – including disputes and a lack of experience amongst landowners and titleholders on how to work with investors.

The Western Province Tourism Registered Land Survey and this Guide were developed in response to two of these key barriers to private sector investment identified by foreign tourism investors:

BARRIER 1 Limited investable land: There is a perception that little land, if any, is available for tourism development. The Western Province Tourism Registered Land Survey discovered, in fact, there is sufficient land for new investment and a significant expansion of the tourism industry. However, there is limited information on the availability of investable land for the purpose of tourism.

 **Recommended action:** Increase access to land by developing an inventory of investable sites for tourism development. For each land parcel, provide a comprehensive site profile to assist prospective investors to make informed investment decisions.

BARRIER 2 Land tenure issues, including land disputes: These contribute to a high-risk investment profile for Solomon Islands.

 **Recommended action:** Identify and provide information to prospective investors on 'registered' investable sites for the purpose of tourism to significantly reduce the risk of land disputes and potentially the investment risk profile of Solomon Islands.

14 World Bank. 2019. Data Bank. Foreign Direct Investment, net flows, (% GDP). Comparison between Solomon Islands, Fiji and Vanuatu. Access online via: [World Bank Data](#)

15 In 2016, a foreign investor developed the Coral Sea Hotel and Casino, a new 35-room facility in Honiara. In, while in Western Province at least two new, small-scale tourism properties, Blue Hotel Seghe (four rooms) and Driftwood Resort, Gatokae (five rooms) were opened by local and foreign investors. Source: IFC. 2018. Western Province Tourism Investment Needs Assessment. Solomon Islands.

16 IFC. 2018. Western Province Tourism Investment Needs Assessment. Solomon Islands.

17 World Bank Group. 2020. Doing Business 2020. Economy Profile - Solomon Islands. Accessed online via: [World Bank Doing Business 2020](#).

18 OECD. 2018. Effective Policy Approaches for Quality Investment in Tourism. OECD Tourism Papers, No. 2018/02. OECD Publishing, Paris.

19 Available online via: [IFC. 2018. Western Province Tourism Investment Needs Assessment Executive Summary](#).



PART B. **Identifying Investable Sites for Tourism Development**

STEP 1

Define the tourism corridor

STEP 2

Identify a longlist of potential tourism sites

STEP 3

Conduct initial assessments of land parcels

STEP 4

Understand and confirm land tenure

STEP 5

Conduct in-person titleholder consultations

STEP 6

Conduct an Environmental and Social Diagnostic Study (ESDS) on shortlisted land parcels

STEP 7

Develop investable site profiles and an inventory of investable sites for tourism development

STEP 8

Update investable site profiles and tourism investable site inventory

Chapter 3. Steps involved in identifying investable sites for tourism development

Until IFC's engagement in the tourism sector in Solomon Islands, there was no comprehensive or documented approach to identifying investable sites for the purpose of tourism development.

Using Western Province as a pilot, IFC in partnership with MCT developed an approach that can now be replicated by SIG in other provinces and/or tourism destinations across Solomon Islands.

This approach to identifying investable sites for tourism development involves eight key steps. A step-by-step guide to practical application is provided in Sections 3.1 to 3.8.

Following these steps will result in an inventory of investable sites suitable for tourism development, and profiles of individual sites that provide essential information to assist prospective investors to make informed decisions on investing in Solomon Islands.

An inventory of investable sites, with detailed site profiles, provides an essential foundation to attract and secure foreign investment in Solomon Islands' tourism sector.

3.1 Step 1: Define the tourism corridor

When initiating the process to identify investable sites for the purpose of tourism, start by defining the 'tourism corridor'. This corridor is an area of a province and/or individual destination identified with good potential for tourism development within a three to five-year timeframe. Tourism development outside this corridor is also possible in a future scenario, where tourism and infrastructure have developed significantly in Solomon Islands. However, in some destinations, land may not be suitable for tourism development due to accessibility issues or environmental and social factors that impact its suitability.

When defining the tourism corridor, the following aspects must be considered:

- **Access and connectivity:** Important factors for the feasibility of tourism development are access and connectivity. A tourism corridor is usually an area close to transport hubs, such as airports, ferry ports and roads. Set a radius from key airports or access points to assist in defining the boundaries of the tourism corridor. For example, in Western Province, it was agreed that future tourism investment would be most feasible within a 20km radius of each of the airport hubs in Gizo, Munda and Seghe. Most existing international-standard resorts can be found within this area, as well as 75 percent of tourism operations. Twenty kilometers is also near the limit for safe and comfortable travel for tourists in an open boat.



TIP: Adopt the mindset of a visitor. Think about how far they would be prepared to travel before the enjoyment of their holiday starts to diminish. Remember most visitors will have already taken international and domestic flights just to get to the main destination, before the final journey to reach their accommodation.

- **Existing tourism development:** A tourism corridor should include areas with existing levels of tourism activity, including ones where tourists already visit and feature sufficient tourism attraction assets (natural or cultural heritage) and supporting infrastructure. For example, in Western Province some areas outside the 20km radius of each of the three airport hubs were included in the corridor as they currently have tourism operations that attract regular visitation, such as South Marovo Lagoon and Vella Lavella Island. As these areas feature smaller airports, ferry ports and slipways, they were considered to have high potential for future tourism development.

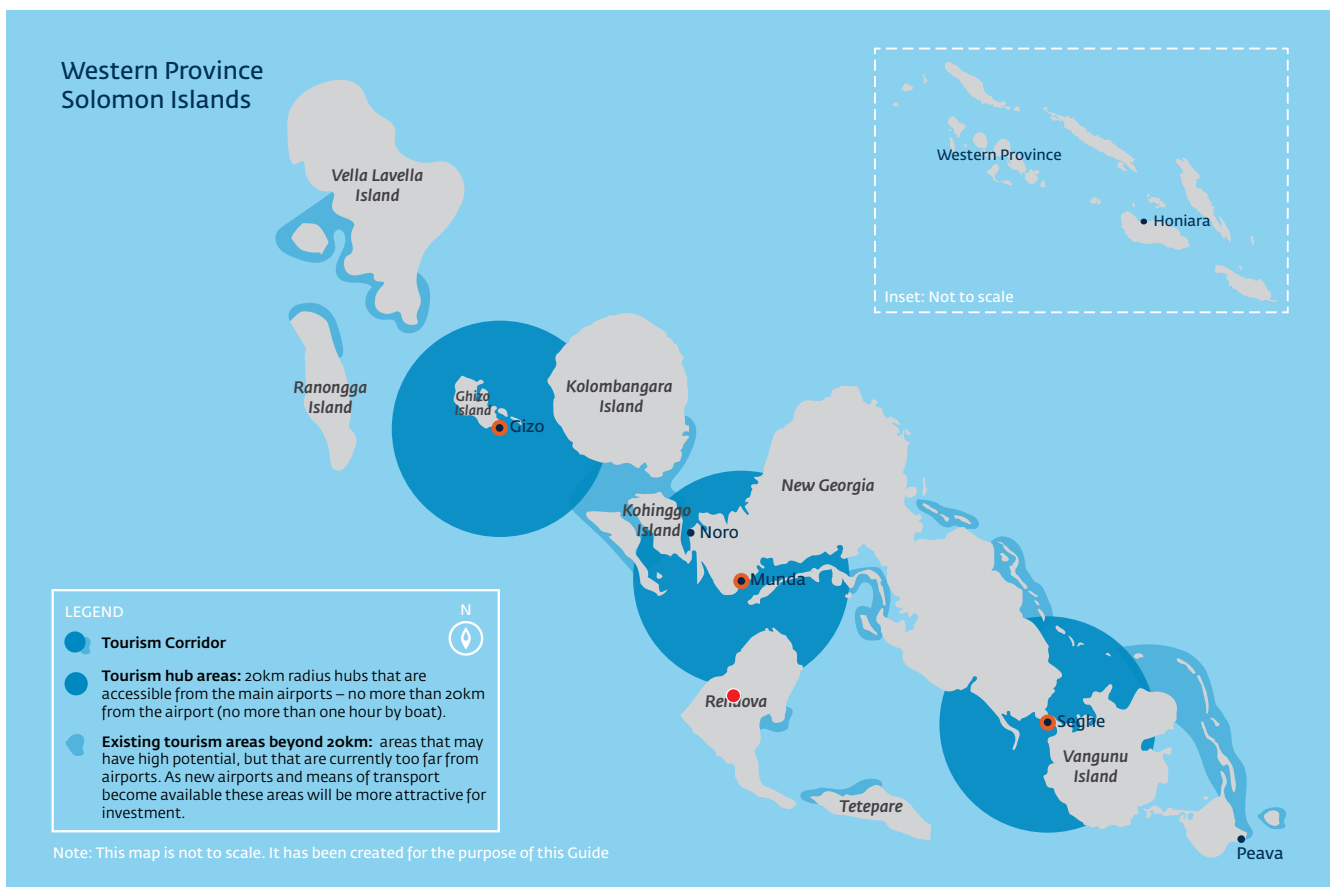
- **Exclusion from the tourism corridor:** Distance is usually the main reason for excluding an area from the tourism corridor. However, there can often be a combination of other issues such as security, exposure of coastline to extreme wind and waves, or communities reluctant to have tourism development.

TIP: Use a map to visualize where there is existing tourism development. Pin it on a wall and mark the areas where tourists already visit, the airports, ferry ports, jetties and slipways as well as tourism attractions. This will immediately help to identify the tourism corridor.

TIP: Brainstorm the key issues that exist in the area. Look for reports that may provide evidence/ documentation of these issues or consult relevant government counterparts to cross reference.

Once the tourism corridor has been identified, draw it onto a map for use as a visual reference guide for all stakeholders involved in the identification of investable sites. Figure 2 provides an example of this step using Western Province tourism corridor. The corridor can be adjusted over time as new information and opportunities emerge. However, it is best kept as fixed as possible to allow investment teams to have a shared understanding of opportunities within the corridor.

Figure 2: Map of Western Province and its tourism corridor used to identify investable sites for tourism



Source: IFC, 2018 created for Western Province Tourism Registered Land Survey 2018-2020.

3.2 Step 2: Identify a longlist of potential tourism sites

Once the tourism corridor has been defined, cadastral maps²⁰ of all registered land within the tourism corridor should be obtained from the Ministry of Lands, Housing and Survey (MLHS).

Using the registered land sites on these maps as well as satellite imagery from Google Maps, a list of potential tourism development sites within the tourism corridor should be created. Each potential site within the corridor should be labeled on a map using its land parcel number(s) found on maps provided by the MLHS. Figure 3 provides an example of this step using the Western Province tourism corridor.

Not all land is suitable for tourism development. In order to create a focused list of sites with good potential, it is important to do an initial cull of unsuitable land. The following list acts as a prompt to assist in an initial cull of unsuitable land. This is not a definitive list and nor will every point relate to every tourism corridor being assessed. Use this as a guide that can be added to over time.

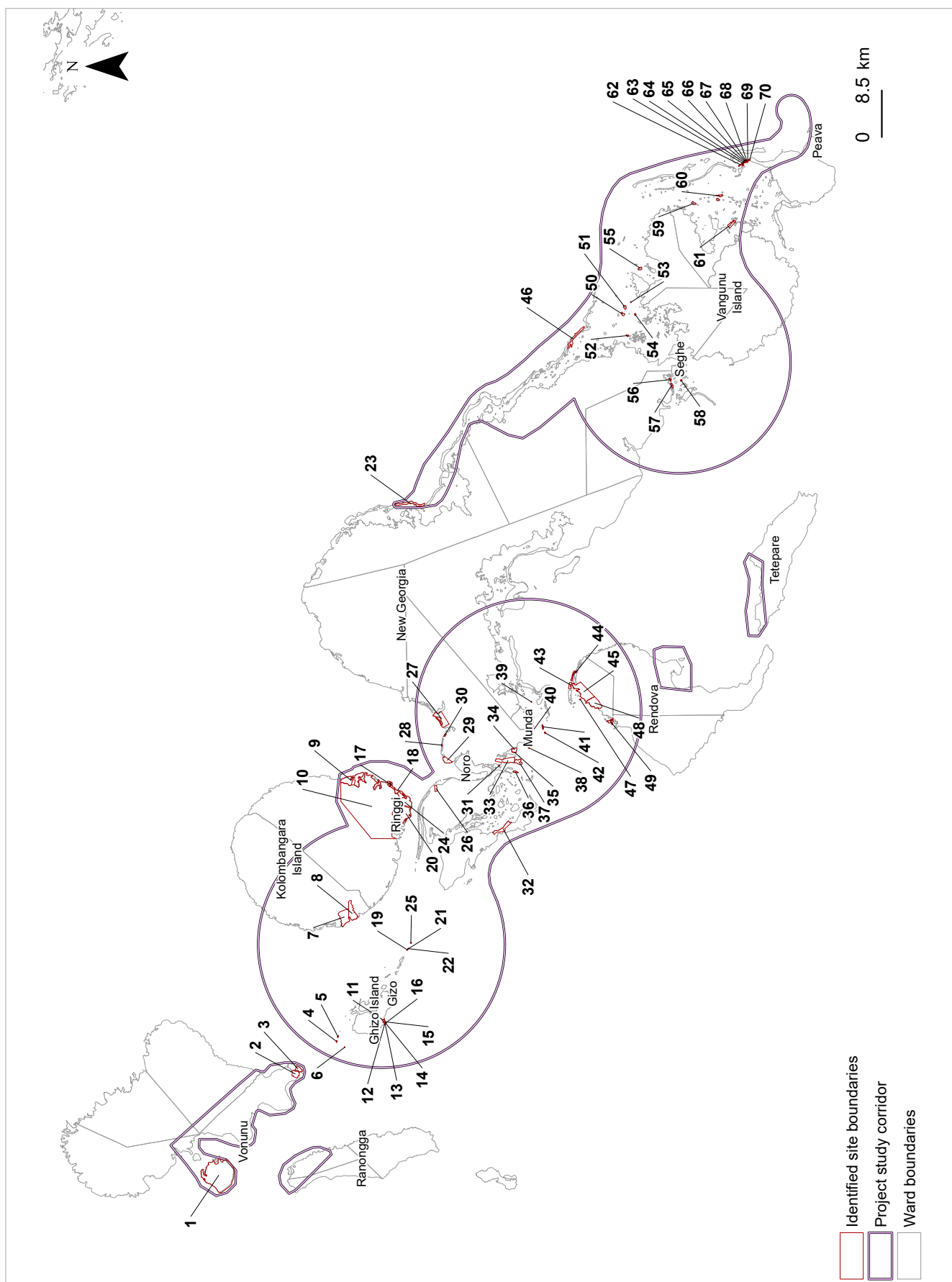
Consider removing land parcels:

- on residential or industrial land in urban areas
- reserved for infrastructure and government services
- located in the interior of islands with no direct access to the ocean
- located too close to large communities, such as land parcels that directly adjoin a large village/community
- located in an unsuitable area, such as a swamp, next to logging operations or prone to landslides
- difficult to access and develop, such as with steep inclines.

20 A cadastral map shows the boundaries and ownership of land parcels and includes topographical details. Source: [United Nations Food and Agriculture Organization Online Definition](#)



Figure 3: Example map illustrating step 2 showing Western Province tourism corridor with potential investable land parcels identified for further assessment



Source: IFC. 2021. Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands' Western Province.

3.3 Step 3: Conduct initial assessments of land parcels

Individual land parcels identified in Step 2 now need to be assessed for their tourism development potential. This involves a field trip to visit each land parcel. Such trips should include members of the MCT team with prior experience in conducting tourism surveys, such as the Western Province Tourism Registered Land Survey 2018-2020 and/or those who attended trainings on the steps involved in identifying investable sites for tourism development.

Step 3 involves:

- visiting the land parcel
- consulting current users of the land parcel to ascertain their relationship with the land. This could include formal or informal users such as residents, settlers, subsistence farmers and those who use it to access other land. Current users, in this case, may not be the titleholder
- visiting communities that are the closest neighbors and those crucial for development of community support and ongoing acceptance, such as to obtain the “social license”
- identifying existing and potential tourism activities in the area
- reviewing each land parcel for its ‘suitability’ for tourism development based on four key criteria (detailed below)
- documenting all findings, including collecting photographs of the prominent features of the site (preferably using a drone).

From an investor’s perspective, the criteria for a land parcel to be suitable for tourism development can be subjective. Some prospective investors will prioritize proximity of activities – such as diving or surfing, while others will favor the natural beauty of the site. To overcome this subjectivity, IFC and MCT developed a set of indicators to determine the overall suitability of a land parcel for tourism development as either “high”, “medium” or “low”. Refer to [Section 3.7.1](#).

During this initial site assessment, the team should begin to document all findings with a particular focus on the following four criteria:

- 1. Tourism Appeal:** An assessment of a site’s inventory of tourism assets and their quality. The presence and proximity of existing and potential tourism attractions and activities, along with the overall appeal of the immediate area around the site, is also included in a site’s tourism appeal.
- 2. Access and Connectivity:** These aspects feed into an overall assessment of how convenient, reliable, and safe it is to travel to the site, based on the distance to the nearest airport, its standard and how weather-dependent boat travel is to the site.

3. Land Tenure: Involves an assessment of who holds the land parcel title and if it is contested in any way that might lead to future land disputes. The first step in this process is to secure certified land titles from the Registrar of Titles office to confirm the legal title and determine if the tenure is disputed. The second step is to consult with the titleholder and any individuals currently using the land for any purpose, to assess the strength of tenure. Finally, during the site visit, any evidence of past or current disputes over the title or use of land on the land parcel should be documented.

4. Environmental and Social Risks: During the initial site visit, any environmental or social issues on or around the land parcel should be documented. These may include significant erosion, deforestation, presence of important flora and fauna and households. In Step 6, a shortlisted land parcel will undergo a comprehensive high-level Environmental and Social Diagnostic Study (ESDS). At this initial stage, tourism officers only need to be aware of and note potential issues. Detailed investigations or analyses are later carried out when potential investment/tourism development projects are identified.

Following the initial site visits, land deemed unsuitable for tourism development should be eliminated from the list. A shortlist of land parcels can now be developed.

3.4 Step 4: Understand and confirm land tenure

In collaboration with the Registrar of Titles, land titles need to be secured for the shortlisted land parcels identified in Step 3. To do this, the Registrar of Titles will require a list of land parcel numbers. The land titles can take time to obtain and should be requested as early in the process as possible.

At this stage, the Registrar of Titles will confirm legitimate ownership and identify titleholders. If the title is shown as held by companies or other entities, Solomon Islands Business Registry should be used to identify owners.

Land parcels that have caveats (note of contested land) and or other legal issues should be further investigated to ascertain if the issues are solvable. If a resolution does not seem possible within a reasonable timeframe for contested land or the dispute is very complex, the site should be excluded.

The revised shortlist of land parcels can now be updated based on the information collected during this step.

3.5 Step 5: Conduct in-person titleholder consultations

Once the land tenure of identified land parcels is established in Step 4, it is now time to locate and contact titleholders to arrange in-person consultations. It is important to note that land titles only state the name(s) of the titleholder(s) and the process of locating them can be time consuming. Consultations should be done in collaboration with the MCT Tourism Investment Officer and MCT Officer in charge of the relevant province in which the land is located.

The purposes of these meetings are to:

- a. inform the titleholder about the purpose of the land assessment.
- b. document the titleholder's consent for use of all information collected to this point and subsequently in the eight-step process. Refer to [Box 1](#) regarding MCT's Duty of Care to the titleholder in keeping sensitive information confidential.
- c. confirm details on the land title certificate, noting any changes.
- d. understand the titleholder's relationship with the land, including determining last visits, current land use, and current land users (formal or informal), such as formal residents, informal settlers, those using it to access other land or for subsistence farming.
- e. gather information about the land tenure and land parcel: how and when was the land alienated originally, who were the original customary owners, how and when did the current titleholder obtain the title and thus obtain ownership.
- f. identify any legal caveats lodged disputing ownership, and the current status of any court rulings involving the land. Determine the dynamics within the titleholding entity, such as ongoing conflict within a family, company, church or trustees listed as titleholders, local interpersonal disputes (which can spill over into land disputes).
- g. understand the dynamics in the area surrounding the land parcel (dominant tribe, main village, religion, settlers, regional power dynamics – political leaders, prominent businesspeople and families) and neighboring settlements. Refer to [Box 2](#) for a more detailed explanation.
- h. determine the titleholder's attitude towards tourism development, and the attitude and awareness of tourism within the host community.
- i. enquire about the titleholder's future plans for the land parcel.

Box 1: Important information – confidentiality and consent of titleholders

IFC has developed a template consent form for titleholders to sign, which may need to be adjusted over time to reflect changing operational circumstances (refer to [Annex 2](#)). Where a titleholder has low literacy or does not wish to sign a document indicating her/his consent, video consent can be used. In this case, the team should record in one continuous take: i) the individual being read the information on the consent form and ii) the titleholder clearly stating her/his understanding and that she/he gives consent. It is not sufficient for the titleholder to be videoed receiving the information and (for example) nodding agreement – it must be verbal consent.

The information gathered during the consultations/interview with the individual titleholders is confidential. The titleholder must be informed that all site profiles will be managed by MCT and shared with other relevant SIG bodies, such as Invest Solomons and the MLHS. MCT may also use the site profiles to promote land parcels to potential investors/developers and to facilitate contact, if authorized by the titleholders, between interested titleholders and such investors/developers.

It is necessary to also inform the titleholder that MCT will not negotiate on her/his behalf or make promises to others regarding the land parcel without her/his knowledge and agreement. The titleholder may withdraw her/his consent at any time and MCT will remove her/his site profile from the inventory of investable land parcels available to potential investors/developers. Any decision to make a deal with an interested investor will always be made by the titleholder.

By signing a consent form, the titleholder gives consent to MCT for developing a site profile for the land parcel, with the understanding that such a site profile may be shared with other SIG ministries and also with potential tourism investors/developers. The Titleholder may withdraw this consent at any time by notifying MCT.

At this stage, some titleholders may not wish their land to be considered for tourism investment and, therefore, the respective land parcel should be removed from the list of potential sites. This does not preclude titleholders from changing their minds and continuing the process at a later date.

Box 2: Important information to gather to understand area dynamics around a land parcel

The following information should be collated to understand the dynamics of the area surrounding the land parcel. Once collected, it can be included in the land parcel's profile. It is also useful information for an investor to assist it in establishing a working relationship with the host community.

- **Tribe:** Establish which is the dominant tribe in the area, and if there is more than one. In some areas, the land parcel may have historically been controlled by a different tribe.
- **Village:** Most areas have a main village where tribal chiefs usually live. Establish which is the main village for the area. This may not always be the closest village, but instead the dominant village of the area.
- **Religion:** In remote areas, churches can be influential when it comes to community governance. Establish the dominant Christian denomination of the area, and how it affects community life.
- **Settlers:** Some areas are settled by migrants from other provinces or countries. In some areas, migrants are the dominant population and may also own or lease land.
- **Regional power dynamics:** Political leaders, businesspeople or individuals from prominent families may have a lot of influence on local affairs, even if they no longer live in the community. A Government Minister or Member of Parliament may also be closely related to local tribal chiefs or religious leaders. It is common that a region or tribe has a patron in Honiara, who is a person of influence. These kinds of local power dynamics are important to understand.
- **Neighboring settlements:** Identify smaller villages or settlements in the immediate area and analyze where they fit into the local context. If local people use resources on the land (e.g., collect firewood, fish) it is important to establish where they come from and what their links to the land are.

Once consent has been given, all information collected during the land titleholder consultations in Step 5 should be documented – adding to the initial documentation collected in Step 4. The information documented will contribute to the final land parcel profile completed in Step 7.



3.6 Step 6: Conduct an Environmental and Social Diagnostic Study (ESDS) on shortlisted land parcels

Conduct an Environmental and Social Diagnostic Study (ESDS) on each land parcel within the tourism corridor shortlisted in Step 5. The ESDS provides an overview of environmental and social risks, as well as impacts and opportunities associated with tourism development. The ESDS enables further screening of the identified land parcels to determine "low", "moderate" and "high" levels of environmental and social risks, and how these would be compounded if tourism development was to occur on the land.

Risks identified in the ESDS are divided into three categories:

- 1. Contextual Risk:** Broad overarching risks generally beyond the control of the developer and general risks of doing business in Solomon Islands. An example of a contextual risk is tropical cyclones, which occur throughout the South Pacific region.
- 2. Corridor Risk:** Risks that vary across the province, but could potentially occur anywhere within the corridor, for example negative impacts on biodiversity due to unplanned development.
- 3. Identified Site Risk:** Specific risks on identified sites, for example the presence of Unexploded Ordinance (UXO) on WWII battlegrounds. Identified site risks should be collated and included in individual land parcel profiles.

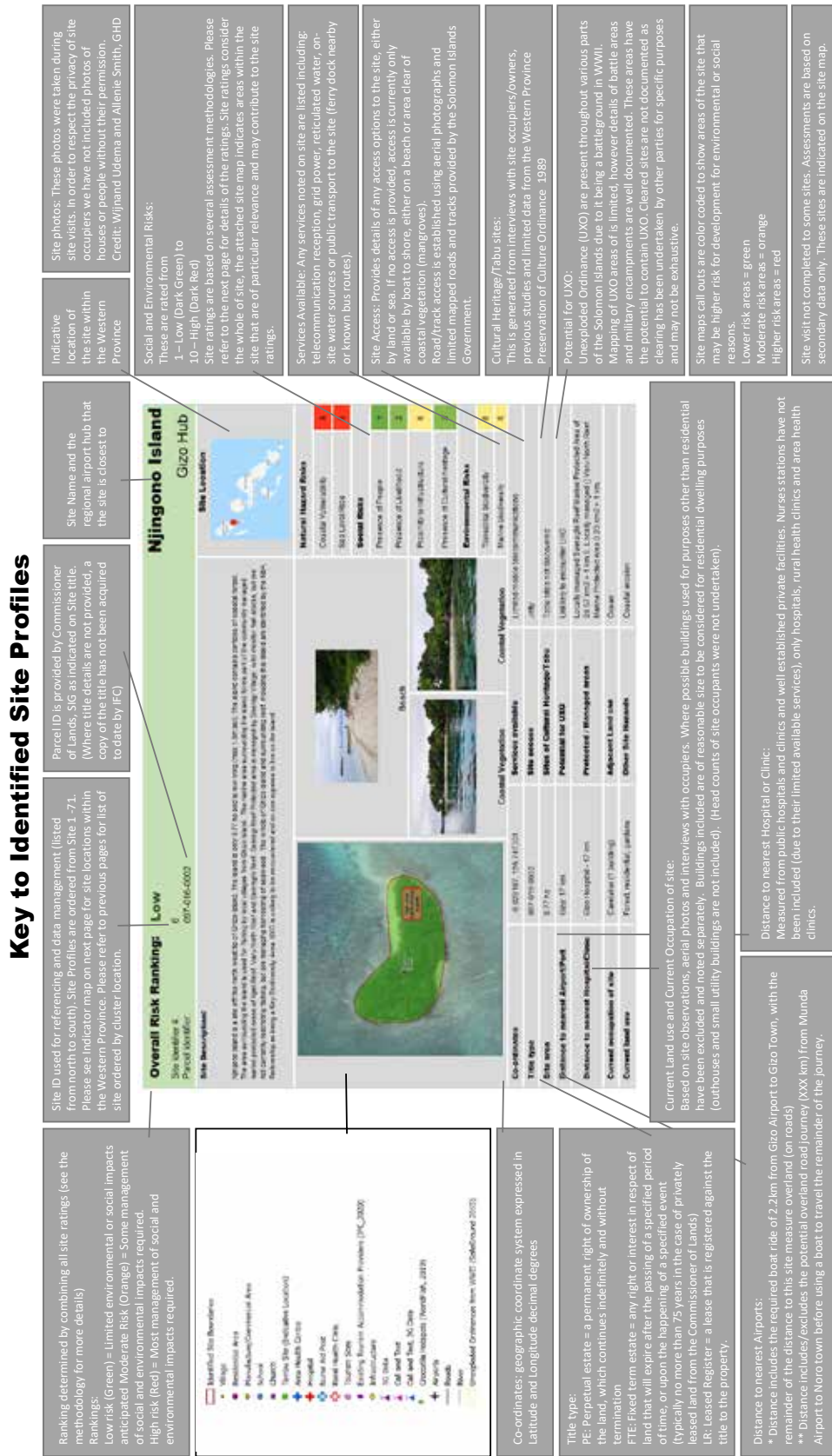
Risks are further divided into indicators for natural hazards, environmental risk and social risk. Based on scoring of these risk indicators, individual land parcels are allocated a risk level of "high", "moderate" or "low". This scoring is fed into an individual land parcel's Tourism Development Suitability Index' score (refer [Section 3.7](#)). A high ESDS risk level does not mean a particular site is off-limits for tourism development, rather the developer needs to put in place the appropriate mitigants to reduce risk and manage impacts.

Information provided in the ESDS is not the equivalent of an Environmental Impact Assessment (EIA). Tourism development projects in Solomon Islands need a development permit from provincial governments and an EIA from central government. The developer must take the appropriate steps to ensure that a separate EIA as part of the compliance procedure is conducted.

A completed ESDS can be used by SIG, prospective investors and tourism developers to make more informed decisions about the location, type and concentration of tourism development in the assessed area. It also acts as a tool to reduce the impacts of risks identified by developing mitigation strategies.

[Figure 4](#) provides a sample of an individual land parcel's ESDS summary. This can be provided to investors as part of their investable site profile information. If requested, investors can be supplied with the full ESDS study results.

Figure 4: Sample Only: Environmental and Social Diagnostic Study results for an individual land parcel²¹



Source: Adapted from IFC. 2021. Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands' Western Province

21 Source: Ibid.

3.7 Step 7: Develop investable site profiles and an inventory of investable sites for tourism development

Once an ESDS has been completed for each land parcel, individual profiles should be written for each site and added to a national tourism investable site inventory currently being developed by IFC in partnership with MCT. Once a land parcel reaches the profile preparation stage (Step 7), it should be referred to as an “investable site”. This assists in differentiating between locations that are still undergoing Steps 1-6 (land parcels) and those that have been selected for profile development and promotion (investable sites).

⚠ Important note: The information collated in Steps 1-6 is considered confidential and should only be shared with prospective investors or other interested parties with prior consent from the land titleholder (Refer Step 5 – ‘signed consent form’).

3.7.1 Criteria and indicators for assessing land parcels

Once all information has been collected on individual site profiles, each should be scored against a consistent set of criteria and key indicators. The objective is to avoid subjectivity as much as possible, whilst assisting investment officers to determine which sites are most suitable for individual investors based on each investor’s specific needs and priorities. Criteria and key indicators should be reviewed and contextualized for each tourism corridor.

Potential for tourism development for each site is assessed against the Tourism Development Suitability Index (TDSI), made up of four criteria and nine indicators. The TDSI is designed to assist interested parties in determining which sites may be suitable for their needs at an early stage of interest. When sharing the TDSI with prospective tourism investors, it is critical to ensure the information is clearly labelled with a Disclaimer (suggested text below) to reduce the risk of misinterpretation and to make clear that responsibility for site selection lies with the investors and not MCT:

‘Disclaimer: The Tourism Development Suitability Index (TDSI) and its criteria and indicators are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type.

The TDSI criteria and indicators are not in-depth Environmental Impact Assessments (EIA) or Environmental and Social Impact Assessments (ESIA),

nor do they replace a comprehensive Integrity Due Diligence (IDD) check on the part of the investor. Major tourism development projects need a development permit from provincial governments and an EIA from the central government. The investor must conduct a separate EIA as part of the compliance procedure.’

Each site is scored from 1-10 (ranging from 1 as least suitable, to 10 as most suitable) against four criteria. For each criterion, an average score of the nine individual indicators is calculated to provide the score out of 10. The criteria and individual indicators were developed using a ‘common-sense’ approach to assessing sites deemed suitable for tourism investment and development. Whilst this approach is not scientific, it has been developed using insights from foreign investors from the Pacific region and by tourism sector specialists drawing on IFC’s depth of investment experience to try to anticipate what investors will deem to be important when looking for land to invest in for the purpose of tourism development.

The four criteria are:

- 1. Tourism Appeal:** An assessment of a site’s inventory of tourism assets and their quality. The presence and proximity of existing and potential tourism attractions and activities, along with the overall appeal of the immediate area around the site, is also included in a site’s tourism appeal.
- 2. Land Tenure:** Involves an assessment of the legal strength of tenure and the probability that an investment can be realized on the site based on the clarity of title and lack of disputes over title or use of land, cohesiveness and decision-making capabilities of titleholder and likelihood that social license can be established and maintained with nearby communities.
- 3. Access and Connectivity:** These aspects feed into an overall assessment of how convenient, reliable and safe it is to travel to the site, based on the distance to the nearest airport, its standard and how weather-dependent boat travel is to the site.
- 4. Environmental and Social Risks:** Refer to IFC’s Environmental and Social Diagnostic Study (ESDS) above in [Section 3.6](#) (Step 6). The ESDS is a comprehensive analysis that warrants deeper study once potential sites of interest are identified. The ESDS can help to identify complex E&S risks and challenges very early on and highlights potential mitigation measures that investors could undertake that may lessen or help avoid impacts and may reduce the chances of unexpected delays arising from stakeholder concerns. For more detailed information on the E&S risks and challenges in Western Province, refer to the full ESDS study.²²

22 IFC. 2021. Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands’ Western Province.

Figure 5: Front cover of IFC. 2021. Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands' Western Province



Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands' Western Province

Main Report

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An overview of The Tourism Development Suitability Index (TDSI) criteria, key indicators and definition of scores is shown in Table 1 using Western Province as an example.

After the site assessment using the TDSI criteria and indicators is conducted, site profiles are loosely categorized into one of four types (refer below), noting that the information and context are fluid and need to be constantly monitored:

- **High potential:** An attractive site with good tourism potential and clear title.
- **Medium potential:** A site with good tourism potential, but low scores on some key criteria, such as access or clarity of title.
- **Low potential:** A site assessed as 'low' may not be attractive for a tourism resort or lodge, but could be used for projects or infrastructure in support of tourism development, such as marinas, dive centers or fuel depots. A site categorized as 'low' does not mean it is off-limits for tourism development or investment, but the tourism appeal compared to other available sites is relatively low. The value and appeal of these sites are predicted to increase as the destination develops and available land becomes scarcer.
- **Temporarily unavailable:** Any site which is currently off-limits for investment. This can be for any number of reasons, such as issues with land tenure, logging operations or current titleholders not interested in outside investment. A site can move in and out of this category depending on circumstances.

Table 1: Tourism Development Suitability Index criteria and indicators (example of Western Province)

CRITERIA #1: TOURISM APPEAL ²³
An assessment of a site's inventory of tourism assets and their quality. The presence and proximity of existing and potential tourism attractions and activities as well as the overall appeal of the immediate area around the site is also included in a site's tourism appeal.
Indicator 1.1 - Desirable features and characteristics: Potential for tourism development based on natural beauty of the site. This includes assessing the site's appealing qualities such as a sandy beach, muddy or clear lagoon, and types of landscapes, such as mangroves, rocks or steep, flat, forested or cleared land.
Score between 10-7: Island or coastal site with appealing beach/es.
Score between 6-4: Island or coastal site with appealing coastline/small beaches.
Score between 3-1: Not particularly attractive site. Coastline mainly consists of mangroves or rocks or land is extremely steep.
Indicator 1.2 - Surrounding area: Assessment of overall attractiveness and scenic beauty of the surrounding area, including views as seen from the site.
Score between 10-7: Beautiful surrounding area. Nice views in all directions.
Score between 6-4: Attractive surroundings. Good views in some directions.
Score between 3-1: Land is near an unattractive site/s e.g., logging, industry, town.
Indicator 1.3 - Tourism attractions and activities: The presence and proximity of existing tourism attractions and activities, or potential to develop those on, or in the general area of the site.
Score between 10-7: Area with well-developed tourism attractions and activities.
Score between 6-4: Area with undeveloped tourism, but with known attractions and limited activities.
Score between 3-1: Unexplored area with few known attractions or activities.

²³ IFC recognizes that these criteria are subjective and that applying the criteria and indicators involves making assumptions about the way an investor may assess a selection of sites using a 'common-sense' approach and using information from high-level analysis. Whilst this approach is not scientific, it has been developed using insights from foreign investors from the Pacific region and tourism sector specialists drawing on IFC's depth of investment experience to try to anticipate what investors will deem to be important when looking for land to invest in for the purpose of tourism development. For example, the tourism appeal indicator is imperfect if an investor specifically seeks a dramatic clifftop location; however, it is assumed that, for the majority of tourism accommodation, investors coming to Solomon Islands would prefer an attractive beach. As the process is developed further and piloted across a range of tourism corridors, more quantitative indicators may be developed by IFC and MCT.

CRITERIA #2: LAND TENURE

An assessment of the legal strength of tenure, and probability that an investment can be realized on the site. This assessment includes the clarity of title and lack of disputes over title or use of land, the cohesiveness and decision-making capabilities of titleholder and probability that "social license" can be established with nearby communities.

Indicator 2.1 - Clarity of title: Clear legal title to land, lack of active or latent disputes over title or use of land.

Score between 10-7: Clear title with no caveats. No ongoing challenges, disputes or court cases.

Score between 6-4: Clear title, but caveats or questions about tenure. Titleholder transfer in process and likelihood of caveats solved in the short term.

Score between 3-1: Unclear land title or ongoing dispute. Tenure not certain and unknown if dispute can be resolved.

Indicator 2.2 - Titleholder capacity: The potential likelihood that the titleholding owner(s) or entity can complete a deal with an investor. This depends on factors, such as the decision-making abilities of the titleholder(s) and the level of internal interest and support for a deal with an investor.

Score between 10-7: High capacity of titleholder(s).

Score between 6-4: Medium capacity of titleholder(s).

Score between 3-1: Low capacity of titleholder(s).

Indicator 2.3 - Social License and Community: The probability that social license can be established and maintained. Based on early stage consultations and no contrary historical incidents, nearby communities indicated an interest and willingness to accept a future tourism investment on the site. Successful social license is important to ensure the investment is realized and tourism operations can continue long term.

Score between 10-7: Considerable potential to establish and maintain social license.

Score between 6-4: Medium potential to establish and maintain social license.

Score between 3-1: Minimal potential to establish and maintain social license.

CRITERIA #3: ACCESS AND CONNECTIVITY

Access and connectivity are an overall assessment of how convenient, reliable and safe it is to travel to the site. This is based on the distance to the nearest airport, standard of airport, and how weather-dependent boat travel is to the site.

Indicator 3.1 - Distance to airport: Based on the distance traveled (usually by boat) to reach site.

(10)	(9)	(8)	(7)	(6)	(5)	(4)	(3)	(2)	(1)
1-2km	3-5km	6-10km	11-15km	16-20km	21-25km	26-30km	31-40km	41-50km	50 + km

Indicator 3.2 - Airport standard: The standard of airport/s affects access and connectivity. Smaller regional airports with unsurfaced landing strips will experience more cancellations and delays due to inclement weather. A site near a modern airport (such as Munda) will have more reliable access and connectivity.

(9)	(7)	(5)
Munda International Airport	Nusatupe Airport (Gizo)	Seghe Airport

Indicator 3.3 - Safety (weather dependency): Ability to travel safely by boat, as most sites can only be reached by boat, from the nearest airport to the site during a range of different weather conditions. A site inside a protected lagoon can be accessed in any weather, while a site which requires an open water crossing may not be safely accessed in bad weather. The location of a site in relation to the closest airport affects safety and reliability of access.

Score between 10-7: Travel by boat inside a protected lagoon.

Score between 6-4: Travel by boat requires an open water crossing.

Score between 3-1: Travel by boat requires several and/or a long-distance open water crossing.

CRITERIA #4: ENVIRONMENTAL AND SOCIAL RISKS

Refer to IFC's Environmental and Social Diagnostic Study (ESDS).²⁴ The ESDS is a comprehensive analysis that can identify complex E&S risks and challenges very early on in the investment process and points out potential mitigation measures that investors could undertake that may lessen or help avoid impacts and may reduce the chances of unexpected delays arising from stakeholder concerns.

While some of the criteria and indicators are static and do not change over time, such as, distance to airport, other essential criteria may change. The changes may be permanent or temporary.

Detailed Excel scoring sheets to complete this process have been developed and are available from the Tourism Division, MCT. This tool should be used for informational purposes only to provide an indicative, rather than a definitive, guide of the

potential suitability of a site for tourism development and investment, identifying high potential versus low potential sites using the TDSI framework. Figure 6 below provides a snapshot of the scoring sheet. **The data provided in Figure 6 below is fictional and provides an illustration only of what a completed score sheet could look like.**

Figure 6: Sample Only: Tourism Development Suitability Index score sheet

Land Parcel Number Obtained from the site's Land Title Certificate	Criteria #1 Individual Indicators			Average score for each criteria = sum of the individual indicators for the criteria divided by 3	Criteria #2 Individual Indicators			Average score for each criteria = sum of the individual indicators for the criteria divided by 3	Criteria #3 Individual Indicators			Average score for each criteria = sum of the individual indicators for the criteria divided by 3	Criteria #4: Environmental & Social Risks	Converted score from ESDS	TOTAL:
	CRITERIA #1: Tourism Appeal	Desirable Features	Surrounding Area		Tourism Attraction & Activities	CRITERIA #2: Land Tenure	Clarity of Title		Titleholder Capacity	Social License & Community	CRITERIA #3: Access & Connectivity				
Land Parcel No: XXX	8.00	8	8	8	9.00	9	9	9	6.67	8	9	7	8	8	33.00
Land Parcel No: YYY	8.33	8	9	8	5.67	5	3	9	6.00	9	9	9	9	8	31.00
Land Parcel No: ZZZ	3.67	2	5	4	6.00	6	7	5	6.67	7	5	8	6.67	8	24.33

TOTAL: The TOTAL score does not reflect the priority or preference an Investment Officer should place on each dimension or land parcel. The TOTAL score should be used as an indicative, rather than definitive, guide for an Investment Officer identifying high potential sites versus low potential sites.

Source: IFC, 2021 created for the Western Province Tourism Registered Land Survey, 2018 - 2020.

The TDSI scoring sheet has been developed as an internal tool for MCT and **should not be shared with investors**. Investors should only be given completed investable site profiles which must always include the following disclaimer:

'Disclaimer: The Tourism Development Suitability Index (TDSI) and its criteria and indicators are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type.

24 IFC. 2021. Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands' Western Province. The ESDS is an analysis of risks – thus a high score is considered less desirable as it equates to higher risk. In order to translate the ESDS risk score into the E&S indicator for the TDSI (where higher numbers indicate more favorable conditions) the ESDS rating is converted as: Low Risk = 8, Moderate Risk = 5 and High Risk = 2.

The TDSI criteria and indicators are not in-depth Environmental Impact Assessments (EIA) or Environmental and Social Impact Assessments (ESIA), nor do they replace a comprehensive Integrity Due Diligence (IDD) check on the part of the investor. Major tourism development projects need a development permit from provincial governments and an EIA from the central government. The investor must conduct a separate EIA as part of the compliance procedure.'

3.7.2 Tourism investable site profiles explained

Once scoring of individual investable sites is complete, profiles can be written up and finalized.

The profiles contain detailed information about investable sites within the tourism corridor that have been assessed and are confirmed to be suitable for tourism development. The purpose of the site profiles is to provide investors with information to assist them in making informed decisions on site selection, with the aim of improving and expediting the overall investment facilitation process. The provision of this information should also assist in reducing the risk profile of Solomon Islands, which currently inhibits tourism investment.

Investors would usually be presented with sites that have been categorized with high and/or medium-level suitability, but all profiled sites should be made available and a selection presented based on the specific interests, priorities and intended usage of the site by the potential investor.

Before sharing any investable site profiles, Investment Officers should:

- a. Understand that certain information about the investable site profile and the contact details of the titleholders is confidential and kept by MCT in order to protect titleholders from external interference in the official investment facilitation process. This confidential information should not be shared with a potential investor unless the investor has signed a non-disclosure agreement as further described in the "Titleholder Confidentiality Section" summary below.
- b. Discuss with investors the type of site they are looking for. This may include preferences on specific geographic characteristics, size of investable site and, maximum distance to airport, amongst others. Based on these preferences, Investment Officers should then compile a portfolio of sites that matches the characteristics that the investor has requested. The process can be compared to a real estate agent matching a client with suitable properties.

- c. Ensure the information on each investable site profile has been updated. Information on investable sites needs to be monitored and updated on an ongoing basis (refer to Step 8). While the physical characteristics of the site will likely remain the same, the social and legal context around ownership and the site is dynamic and can change. Investors should be encouraged to study the profiles carefully before deciding to take next steps on a specific site.

The amount of available information for an investable site may vary. Some sites near tourism hubs have a well-documented history, while very little may be known about more remote sites. Sites that have been assessed as having high tourism suitability tend to have more detailed profiles.

The following information is included in an investable site profile. For a sample profile, refer to [Annex 3](#).

It is important for Investment Officers to familiarize themselves with this information, particularly those involved in the collection and development of the site profiles.

Title Number, Name and Size

- Land parcel title number, land parcel name, and size of parcel.

Site Summary

- A brief summary description of the site, including the location, characteristics and land tenure.
- Maps including area maps indicating location of the site, as well as a cadastral map showing the boundaries of the investable site.
- Site coordinates using World Geodetic System 1984²⁵ (WGS84) as it appears in Google Maps, location and distance to nearest airport.
- Description of current land tenure, and owner/titleholder. Where relevant, length and type of lease and status and clarity of title. The information is anonymized.

Site Description

- Detailed description of characteristics of site and physical features.
- Distance to nearest airport and travel description.
- Occupation and usage: current tenants and usage of site.
- Communities and settlements in the immediate area of the site.
- Availability of fresh water on site.
- Mobile phone network coverage.
- Potential presence of Unexploded Ordinance (UXO) on site.

²⁵ World Geodetic System 1984 (WGS84) is a geographical coordinate system. The geographic coordinate system = horizontal datum + prime meridian + angular unit. Further information on WGS84 can be found at: [Virtual Surveyor: What is WGS84?](#)

Investable Site History

- Historical use by tribes, individuals and significant events taking place on the site. Known history of landownership and commercial usage.

Tourism Attractions and Activities

- Description of current tourism activities in the area surrounding the site and overview of tourism activities that could potentially be developed in the area.

Future Usage

- Description of potential tourism development on the site.

Environmental and Social Challenges

- Detailed overview of potential E&S issues for the investable site and surrounding area, and a summary of IFC Environmental and Social Diagnostic Study (ESDS) for Tourism Sector.²⁶

Tourism Development Suitability Index Score

- Summary of tourism potential of the site, and strengths and weaknesses.

Titleholder Confidential Section

- Information and contact details of the titleholders is strictly confidential and kept by MCT in order to protect titleholder from external interference in the official investment facilitation process.
- This confidential information will be shared with a potential investor only after: (i) legitimate interest, intent and ability to invest has been confirmed by MCT, (ii) the investor wishes to initiate discussions regarding a specific site or sites, and (iii) the investor has signed a non-disclosure agreement. The information must remain otherwise confidential to protect the privacy of the titleholder(s) and to ensure that third parties are unable to use the information against the interests of the titleholder(s).

3.8 Step 8: Update investable site profiles and tourism investable site inventory

The inventory of tourism investable sites should not be considered a static list, but a dynamic depository of detailed information on investable sites that is continually updated and expanded.

Before sharing profiles with investors and/or other government departments, always check that the information on investable site profiles is up to date. Information about land tenure may change over time, as well as the conditions on the ground. For example, an investable site may change ownership, or there might be infrastructure developments that impact the characteristics of a site. Important changes should be added to the site profiles on an ongoing basis by tourism officers. This will ensure that information provided to investors is relevant and updated, avoiding unnecessary confusion or conflict.

²⁶ IFC. 2021. Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands' Western Province.



PART C. Conclusion



Chapter 4. Conclusion

The Western Province Tourism Registered Land Survey and this *Solomon Islands Tourism: Investable Site Identification and Selection. A guide to the identification and selection of land for future tourism investment* have:

- Responded to two key barriers to private sector tourism investment in Solomon Islands: i) lack of investable land; and ii) land tenure issues, including land disputes, with the objective of reducing the negative impact of these barriers.
- Developed a replicable approach to identifying investable sites for the purpose of tourism investment that can be used across all provinces and/or tourism destinations in Solomon Islands. With the development of different indicators for different sectors, the methodology – thus this Guide – could also be adapted to identify investable sites for other uses by other SIG entities.
- Created an inventory of investable sites in Western Province for the purpose of tourism development that can continue to be built up to a national-level inventory using the eight-step replicable approach.²⁷
- Compiled detailed profiles for investable sites that can be shared with prospective investors to assist them to make informed investment decisions and help reduce the investment risk profile of Solomon Islands.
- Developed criteria and indicators to help in assessing land parcels for their suitability for tourism development.
- Mainstreamed environmental and social considerations into an investment decision-making framework to support more sustainable and inclusive tourism development.
- Provided MCT with investment outreach tools that can assist in attracting prospective investors.
- Developed a capacity building tool to enhance Phase I and Phase II of the tourism investment facilitation process.

²⁷ At the time of writing this Guide in Oct 2021, 70 land parcels have been surveyed as part of the Western Province Tourism Registered Land Survey, with approximately two-thirds assessed as market-ready.

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Annexes

ANNEX 1. METHODOLOGY

An outline of the methodology used to gather and develop information presented in this *Solomon Islands Tourism: Investable Site Identification and Selection. A guide to the identification and selection of land for future tourism investment* is as follows:

Desktop review: Secondary or desktop research was conducted to collate existing publications, journal articles and press releases relevant to tourism investment facilitation in Solomon Islands. IFC WPTINA, 2018 was an essential reference.

Stakeholder consultations: Information was distilled from extensive consultations conducted since January 2018 amongst stakeholders (government, titleholders, existing investors and business owners, lawyers) in Solomon Islands, and tourism investors elsewhere in the Pacific region.

Western Province Tourism Registered Land Survey: Conducted in 2018-2020, the survey set out to canvass and assess registered land with high tourism potential in Western Province.

The survey involved:

Secondary data collection:

- Desktop research to review existing literature on investing in tourism in Solomon Islands and land tenures and land titles
- Review of cadastral maps and satellite imagery
- Review of land title certificates.

Primary data collection:

- In-depth field site surveys and assessments by a tourism specialist
- High-level Environmental and Social Diagnostic Study (ESDS) for individual sites conducted by qualified Environmental & Social (E&S) specialists
- Titleholder, land user and community consultations.

The outputs of the survey were:

- Investable sites identified in Western Province contributing to development of a future national inventory of investable sites for tourism development.
- Detailed profiles for each investable site to share with prospective investors to make informed investment decisions.
- Documentation of the process of identifying investable sites, including development of a set of criteria and indicators from which investable sites can be assessed based on suitability for tourism investment.
- This *Solomon Islands Tourism: Investable Site Identification and Selection. A guide to the identification and selection of land for future tourism investment*.
- *Solomon Islands Tourism: Investor Guide. A guide to investing in land for tourism development*.

ANNEX 2. TITLEHOLDER CONSENT FORM

The following is an EXAMPLE ONLY of a Titleholder Consent Form to be presented to titleholder at the first in-person consultations in Step 5 of the land identification process. Before using this or any other consent form, it is important to gain approval from SIG legal team to ensure the form is up to date and reflects changing operational circumstances and is in line with current legal requirements.

It is good practice to take a Pidgin translation of the latest consent form to ensure full understanding of the titleholder. Where a titleholder has low literacy or does not wish to sign a document to indicate consent, video consent can be used. In this case, the team should record in one take: i) the titleholder being read the information on the consent form and ii) the titleholder clearly stating her/his understanding and consent.

Titleholder Consent Form

[insert Province name]

Survey of Investable Land for Tourism Investment & Development, Solomon Islands

Background

Access to land is one of the barriers holding back tourism development in Solomon Islands. To overcome this barrier, the Ministry of Culture and Tourism (MCT) is surveying registered land to identify land parcels with potential for tourism investment and development. The project is supported by the Ministry of Lands, Housing and Survey (MLHS) and the Registrar of Titles, who provided land tenure information such as maps and land titles. The preferred outcome of the assessment is an inventory of investable land parcels that can be used to attract tourism investors to Solomon Islands.

Consent to Participate

You are a titleholder to a land parcel which MCT has identified as having potential for tourism investment and development. We would like your consent, as titleholder, to develop a site profile for the land parcel identified below and to potentially include such a site profile among the inventory of investable land parcels to be used to attract tourism investors to Solomon Islands.

The site profile will include information about the land parcel and the surrounding area, an assessment of tourism development potential and information about the title and titleholder(s). The information MCT gathers during its interview with you or through a questionnaire you complete and return to MCT, may be included as part of the site profile.

All site profiles will be managed by MCT and shared with other relevant Solomon Islands Government bodies, such as Invest Solomons and the MLHS. MCT may also use the site profiles to promote land parcels to potential investors/developers and to facilitate contact, if authorized by the titleholders, between interested titleholders and such investors/developers.

It is important to note that MCT will not negotiate on your behalf or make promises to others regarding your land parcel without your knowledge and agreement. You may withdraw your consent at any time and MCT will remove your site profile from the inventory of investable land parcels available to potential investors/developers. Any decision to make a deal with an interested investor will always be made by the titleholder(s).

Land Parcel Parcel number:
Province/area:
Site name/location:

By signing below, you consent to MCT developing a site profile for your land parcel, with the understanding that such a site profile may be shared with other Solomon Islands Government ministries and also with potential tourism investors/developers. You may withdraw this consent at any time by notifying MCT using the contact information below.

Agreed and accepted by:

[Titleholder Name]

Date

MCT Contact Information #1:

Name:

Email:

Phone:

MCT Contact Information #2:

Name:

Email:

Phone:

ANNEX 3. INVESTABLE TOURISM SITE PROFILE – EXAMPLE ONLY

Information provided in this example investable tourism site profile is **fictional** and is provided for illustrative purposes **only**. As such, this **should not be distributed to prospective investors**.

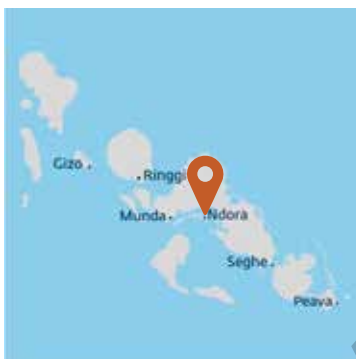


Western Province

Roviana Lagoon

Ilasana Island

331-023-0001 – 13.5 Hectares



Site Summary

Ilasana Island is a 13.5-hectare uninhabited island located in Roviana Lagoon in Western Province. The island is easily accessible by boat from Munda. The island is an old coconut plantation and the vegetation consists of tropical foliage and coconut groves. The island is surrounded by a lagoon and the northern side has an attractive beach. Near the beach is a clearing which is used for picnics and camping by domestic tourists. Visiting yachts often anchor just north of the island. The attributes of the island and the convenient location makes it ideal for tourism development, such as a small to medium resort. The Fixed-Term Estate (FTE) for this parcel is held by a national individual. The land title certificate is clear and up to date.

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Description

Ilasana island has an irregular, elongated oval shape, oriented from north to south. It is 750 meters long (north-to-south), 310 meters wide (west-to-east) at its widest point. The southern end is narrower and turns slightly to the west. The circumference of the island is 1,930 meters. The island is located just outside just outside Roviana Lagoon.

The northern end of the island ends in a flat cleared area with a beach. This area is used for picnics and has a caretaker's cabin. This area is attractive for tourism development, such as a small resort. The southern part of the island consists of an old overgrown coconut plantation and is more thickly vegetated. Toward the south, there is a low hill toward the center of the island. There is a small cave at the southern side of the hill. The soil is mainly coral gravel and sandy loam which is well drained. There are no creeks or ponds on the island, but there is a swampy mangrove area at the eastern tip of the island.

The coastline around the southern part of the island mainly consists of coral gravel and stones. The northern side of the island is lined with a beach and looks onto Roviana Lagoon. There is a small house reef around the northern side of the island with a shallow lagoon suitable for swimming. The lagoon east of the island has extensive seagrass beds where dugongs are sometimes seen. The southern point of the island looks out across Blanche Channel and Rendova Islands. This side is very rocky, with a three-meter-high vertical rock wall. During seasonal storms, this side of the island is pounded by large waves. The western side of the island overlooks Roviana Island. Because of its location, surrounded by sea on all sides, the island is breezier, with more comfortable temperatures than the larger islands.

The only development on the island is a small cabin for the caretaker and overnight bungalow used by visitors. There are no utilities on the island. Any development on this site must be designed as off-grid, as there is no access to public services. There is 3G network in the area.

For further information on this site, please contact:

Location

-8.371292, 157.432393

Ilasana Island is located in the Roviana Lagoon in central Western Province. The distance to Munda International Airport is 9.3km.

Land Tenure

Perpetual Estate (PE - freehold): Commissioner of Lands, on behalf of Solomon Islands Government.

Fixed-Term Estate (FTE - leaseholder): FTE valid until 2063 is held by a national individual. The Leaseholder may enter into contractual agreements with third parties.

Current status (2021): The land title certificate for this parcel is clear and up to date.

The contents of this work are intended for general informational purposes only and do not constitute, nor should they be construed as constituting, legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC does not guarantee the accuracy, reliability or completeness of the content included in this work, or for the conclusions or judgments described herein, and accepts no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon.

Tourism Features

Currently, the main tourism activities in the wider Roviana Lagoon area are scuba diving and fishing, followed by cultural site visits. Most tourists visiting Roviana Lagoon are based in Munda or on nearby resorts and lodges. These lodges offer a range of activities, but are best known for fishing. Visiting yachts regularly anchor in the lagoon just north of Ilasana and it is known as a safe anchorage. Tourism activities in the area include:

- **Scuba diving:** within 10-30 minutes of Ilasana there are several well-known dive sites, including WWII plane wrecks
- **Fishing charters:** mainly organized by nearby lodges that arrange fishing tours led by experienced guides
- **Cultural experiences:** visits to local villages and tambo-sites
- **Surfing:** Tambu Island Break is located 3km southwest of Ilasana
- **WWII heritage:** there are numerous Japanese and US wrecks and relics on the surrounding islands
- **Island excursions:** there are several uninhabited 'paradise' islands nearby that are regularly visited by tourists
- **Yacht anchorage:** there is a deep sheltered anchorage often used by visiting yachts.

There are many additional tourism activities on Ilasana Island and Roviana Lagoon region that could be further developed, particularly ecotourism tourism activities, such as nature walks, birdwatching and mangrove tours.





Suitability for Tourism Development*



Ilasana Island has excellent tourism development potential, due to the proximity to Munda International Airport and to a range of tourism attractions and activities in the wider area. As a potential resort site, Ilasana is one of the most attractive in Western Province. There is sufficient space for a small- to medium-sized resort on the island. The proximity to Noro International Port offers further opportunities. The clear and stable land tenure is adding to the overall allure of this site.

Strengths

- Location close to Munda
- Attractive site
- Beauty of Roviana Lagoon and surrounding area
- Opportunities for a wide range of tourism activities in the area
- Clear and stable land tenure.

Weaknesses

- Lack of freshwater source
- Run-off from logging activities on nearby New Georgia island sometimes affects water clarity
- Logging ships sometimes anchor near the island.

* More detailed information about each site itself is available on request from the Ministry of Culture and Tourism – Tourism Division. Note that a lower 'Suitability for Tourism Development' assessment does not mean that the site is off-limits for tourism development, rather that the development of the site can be more challenging.

Usage, Access, Amenities & History

Etymology, pronunciation and alternate names

Ilasana is a combination of local language words meaning 'shelter'. It refers to local fishermen sheltering on the island during storms.

Communities

There are small settlements and villages on the islands inside the lagoon north of Ilasana. The closest is Sasavele village, located on an island 1.6km northeast of Ilasana. The largest village in the area is Roviana on Roviana Island.

Occupation and usage

Ilasana is undeveloped and uninhabited, apart from a small caretaker's cabin at the north end of the island. There are only a few visible remains from when there was a trading post and coconut plantation on the island, such as pieces of machinery and equipment. The northern area has been cleared and is being used as a picnic area by visiting tourists. There is no tourism accommodation on the island, and it is mainly used for day visits or camping by domestic tourists, for example expats living in Western Province.

Access

Ilasana Island is reached by boat from nearby Munda. From the small port at Munda market, boats travel in an easterly direction for 9km. The route initially follows the New Georgia coastline eastward. At the southern tip of Munda township (Ilanga Point) cross over to the barrier islands, towards Roviana Island. At Sasavele village, turn sharply to the south and exit the lagoon through Honiavasa Passage. Ilasana Island is just outside the passage. Locals regularly travel this area in small boats, and it is generally safe except during very windy conditions.

Water sources

There is no freshwater well on the island. Past inhabitants used rainwater tanks and any future development will need to install rainwater harvesting or desalination systems.

Mobile phone networks

There are 3G network mobile towers at nearby Munda and Rendova Island. A direct line of sight to both towers means that Ilasana Island has good access to mobile networks.

Unexploded Ordinance (UXO)

During WWII there was heavy fighting around Munda, but there are no records of fighting on Ilasana. US marines landed on Ilasana during the buildup to the battle of Munda, but only stayed for a few days. The current titleholders have not encountered any war relics or heard of any UXO on the island.

Historical use by tribes, individuals

Ilasana was one of the first islands in the area to be settled by foreign traders. In the second half of 1800s, there was a trading post on the island owned by Hans Svensen. The trading post was taken over by John Smith when Svensen was killed in 1880. John Smith became a prosperous and influential trader and planter in the region.

Known history of landownership and commercial usage

The first recorded land transaction for Ilasana was in 1915 when John Smith purchased the Island from a local chief. Similar to many other islands in the region a coconut plantation was established on Ilasana. The Island remained with the Smith family until 1954 when it was bought by Bob Anderson. He later sold the Island to a company trading under the name Ilasana Island Co Limited, owned by a shipping company in Cairns. In 2002, the lease was transferred to the current owner's family who has strong links to the island, having kinship to both the Smith family and customary landowners from the local tribe.

Tourism Attractions and Activities

Currently, the main tourism activity in the immediate area is scuba diving, fishing, followed by cultural site visits. Most tourists visiting Roviana Lagoon are based in Munda or one of several small lodges in the area. Paradise Lodge is located on Alo Island, 35km east of Ilasana. This lodge offers a range of activities but is best known for fishing. Visiting yachts regularly anchor in the lagoon just north of Ilasana and it is known as a safe anchorage. Some of the tourism activities in the area include:

- **Scuba diving:** Mainly organized by Dive Munda, visiting diving liveaboard boats and yachts. Within 10-30 minutes of Ilasana there are several well-known dive sites, including a few WWII plane wrecks.
- **Fishing charters:** Mainly organized by Paradise Lodge that offers deep-sea, reef, lagoon and river fishing led by experienced fishing guides.
- **Cultural experiences:** Skull Island with a warrior chief skull shrine, and village experiences in Honi Village in Roviana Lagoon.
- **Surfing:** Tambol Island Break is located 3km southwest of Ilasana. This wave is described as a rather inconsistent left-hander, with a clean break during the right combination of swell and wind.
- **WWII heritage:** Apart from several underwater plane and shipwrecks, there several relics around Roviana Lagoon and nearby New Georgia and Kolombangara islands, including a US M3A1 Stuart tank and several Japanese naval guns.
- **Island excursions:** There are several uninhabited 'paradise' islands nearby that are regularly visited by tourists, for example Palm Island, which has a beautiful beach and good snorkeling.
- **Yacht anchorage:** There is a deep sheltered anchorage which is often used by visiting yachts. So-called super yachts are increasingly stopping over at Ilasana. Expeditions cruise ships have also used Ilasana for excursions.

For more detailed information on tourism activities in the area, visit the websites of local operators:

- www.zipolohabu.com.sb/tours/
- www.divemunda.com/sites
- www.agneshotelsolomon.com/tour

There are additional tourism activities on Ilasana Island and Roviana Lagoon region that could be further developed:

- Snorkeling and freediving along the house reef of the island.
- Swimming and beach leisure on the north side of the island.
- Stand-up paddle boarding or kayaking around the island and in Roviana Lagoon.
- Mangrove tours and wildlife viewing in nearby waterways.
- Bushwalks including visit to waterfalls, crocodile lake on nearby New Georgia and Rendova islands
- Birdwatching: Solomons is known for its many endemic species. International birding tour operators regularly visit nearby Kolombangara Island.
- Cultural experiences: Rarumana village, one of the last builders of traditional 'Tomoko' war canoes.

Note that access to land in the Melanesian culture must be negotiated with landowners in advance. Usually this access involves a so-called 'kastom' fee. This is the general practice for all tourism operators in Solomon Islands.

Future Usage

This site has potential high suitability for tourism development due to an attractive site, scenic location and its proximity to Munda International Airport. The beach at the northern tip of the island is currently used for picnics and overnight camping by domestic tourists. This area would be a natural center for any tourism operation. The west side of the island is suitable for accommodation development, either on land, or overwater bungalows.

Back-of-house infrastructure such as laundry, maintenance, workshops, staff quarters can be located in the interior of the parcel, or on the opposite side of the island from where accommodation is developed.

The length of the available waterfront is 1,930 meters. Based on the length of the available waterfront and median data extrapolated from existing island resorts, the following development models are possible:

- Low-density development: ≤ 30 rooms.
- Medium-density development: Approximately 50 rooms.
- High-density development: ≥ 150 rooms.

If only the eastern side of the island is used for accommodation, there is room for 50 percent of the above rooms.

Note that there are no utilities in this area and any development will be 'off-grid' and must by necessity be self-sufficient in terms of energy production, water supply and waste management.

Tourism Development Suitability Index Criteria

Tourism Development Suitability Index (TDSI) criteria are provided to assist interested parties in comparing sites at an early stage of interest.

Disclaimer: The Tourism Development Suitability Index (TDSI) and its criteria are intended for general informational purposes only and do not constitute, nor should they be construed as constituting, legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type.

The TDSI criteria are not an in-depth Environmental Impact Assessment (EIA) or Environmental and Social Impact Assessment (ESIA) nor do they replace a comprehensive Integrity Due Diligence (IDD) check on the part of the investor. Major tourism development projects need a development permit from provincial governments and an EIA from the central government. The developer needs to conduct a separate EIA as part of the compliance procedure.

Score	1-10	Each site has been given a score from 1-10 (with 1 being least suitable, to 10 most suitable) against four criteria:
Tourism Appeal	8	<p>Tourism Appeal</p> <p>An assessment of a site's inventory of tourism assets and their quality. The presence and proximity of existing and potential tourism attractions and activities and the overall appeal of the immediate area around the site is also included in a site's tourism appeal.</p>
Land Tenure	8	<p>Land Tenure</p> <p>Assessment of the legal strength of tenure, and the probability that an investment can be realized on the site. This assessment includes the clarity of title and lack of disputes over title or use of land, the cohesiveness and decision-making capabilities of the titleholder(s) and the likelihood that social license can be established with nearby communities.</p> <p>Information about land tenure is fluid, confidential and sensitive. This information is not publicly available but held by Ministry of Culture and Tourism that will support investors on specific enquiries and facilitate contact with relevant landowners. The rating given here reflects the confidential information held.</p>
Access and Connectivity	5	<p>Access and Connectivity</p> <p>Access and connectivity are an overall assessment of how convenient, reliable and safe it is to travel to the site. This is based on the distance to the nearest airport, standard of the airport and how weather-dependent boat travel is to the site.</p>
Environmental and Social Risks	7	

Environmental and Social Risks

Refer to IFC's high-level Environmental and Social Diagnostic Study (ESDS). The ESDS is a comprehensive analysis that warrants deeper study once potential sites of interest are identified. The ESDS can help to identify complex E&S risks and challenges very early on and highlights potential mitigation measures that investors could undertake that may lessen or help avoid impacts and may reduce the chances of unexpected delays arising from stakeholder concerns.

IFC Environmental and Social Diagnostic Study (ESDS)

Overall Risk Rating = Low

Ilasana Island is a site east of Munda in the Roviana Lagoon off New Georgia Island. The island's vegetation consists of a coconut plantation with secondary regrowth forest. There is a shallow fringing coral reef around the island with patches of sea grass. The coral is healthy, but fish numbers are low. The site is close to Roviana Community Marine Managed Areas, however, interviewees noted these are no longer maintained by the communities. The northern end of the island is developed into a camping and picnic site frequented by the public and managed by an on-site ranger (who lives on the site year-round). The site owner confirmed there are no cultural artefacts on site.

Understanding E&S Risk Ratings for Tourism Development

International Finance Corporation (IFC) conducted an Environmental and Social Diagnostic Study (ESDS) in 2020. This was a landscape-level study of the tourism corridor within Western Province, and screening of selected sites within that corridor. The study is an overview of social and environmental risks conducted by assessors. Apart from overall risk, the specific impacts and opportunities associated with tourism development were also assessed. A detailed explanation of the weighting and measurements of the risk indicators can be found in the ESDS report. The full report and individual site profiles are available from Ministry of Culture and Tourism and IFC.

Risk ratings lower on the scale are more desirable when considering a site for development. A high risk-rating does not mean the site is off-limits for tourism development, however, rather that the developer needs to work harder on reducing risks and mitigating impacts. Some sites may be more challenging to develop. On the table below, 1 is low risk, and 10 is high risk against each metric, and when considered together the ESDS returns a rating of Low, Moderate or High risk for tourism development. This rating then feeds into the Tourism Development Suitability Index (TDSI) above.

Natural Hazard Risks			
Coastal vulnerability	4	Sea-level rises	3
Social Risks			
Presence of people	1	Presence of livelihoods	1
Remoteness of site	2	Presence of cultural heritage	1
Environmental Risks			
Terrestrial biodiversity	3	Marine biodiversity	6

Highlighted environmental considerations

Crocodiles are present all over Solomon Islands, particularly deep inside the lagoons near rivers and mangrove areas.

Highlighted local considerations

Due to the proximity of local settlements, it will be important to develop good relationships with neighbors.

Disclaimer

The International Finance Corporation ("IFC"), a member of The World Bank Group, is an international organization whose mission is to promote sustainable private sector investment in developing countries, helping to reduce poverty and improve people's lives.

The purpose of this site profile is to provide interested parties with information to assist them in making their own determination whether a site may be suitable for their needs at an early stage of interest.

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ANNEX 4. FULL WEB LINKS FOR ALL HYPERLINKED REFERENCES

Full web links are presented in the order in which they appear in this *Solomon Islands Tourism: Investable Site Identification and Selection. A guide to the identification and selection of land for future tourism investment.*

- World Bank. 2021. The World Bank DataBank. Metadata Glossary. Accessed via the internet at: The World Bank Databank.
FULL LINK: <https://databank.worldbank.org/metadataglossary/jobs/series/BX.KLT.DINV.WD.GD.ZS>
- A cadastral map shows the boundaries and ownership of land parcels and includes topographical details. Source: [United Nations Food and Agriculture Organization Online Definition](#)
FULL LINK: <http://www.fao.org/3/v4860e/V4860Eo3.htm#ch2>
- For a definition, refer to IFC. 2012. Performance Standard 1. Assessment and Management of Environmental and Social Risks and Impacts. Accessed online via: [IFC Performance Standard 1 \(30\)](#)
FULL LINK: https://www.ifc.org/wps/wcm/connect/24e6bfc3-5de3-444d-begb-226188c95454/PS_English_2012_Full-Document.pdf?MOD=AJPERES&CVID=jkV-X6h
- IFC. 2012. Performance Standard 1. Assessment and Management of Environmental and Social Risks and Impacts. Accessed online via: [IFC Performance Standard 1 \(30\)](#)
FULL LINK: https://www.ifc.org/wps/wcm/connect/24e6bfc3-5de3-444d-begb-226188c95454/PS_English_2012_Full-Document.pdf?MOD=AJPERES&CVID=jkV-X6h
- The World Bank. 2019. Understanding Poverty – Topics. Accessed online via [World Bank Topics: Public Private Partnerships](#)
FULL LINK: <https://www.worldbank.org/en/topic/publicprivatepartnerships>
- OECD. 2018. Effective Policy Approaches for Quality Investment in Tourism. OECD Tourism Papers, No. 2018/02. OECD Publishing, Paris. Accessed online: [OECD iLibrary](#)
FULL LINK: https://www.oecd-ilibrary.org/industry-and-services/effective-policy-approaches-for-quality-investment-in-tourism_88ea780c-en
- World Travel and Tourism Council (WTTC). 2020. Solomon Islands 2020 Annual Research: Key highlights. Accessed online via: [WTTC Economic Impact Report, Solomon Islands 2020](#)
FULL LINK: <https://wttc.org/Research/Economic-Impact>
- World Bank. 2019. Data Bank. Foreign Direct Investment, net flows, (% GDP). Comparison between Solomon Islands, Fiji and Vanuatu. Access online via: [World Bank Data](#)
FULL LINK: <https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?end=2019&locations=SB-FJ-VU&start=2019&view=bar>
- World Bank Group. 2020. Doing Business 2020. Economy Profile – Solomon Islands. Accessed online via: [World Bank Doing Business 2020](#).
FULL LINK: <https://www.doingbusiness.org/content/dam/doingBusiness/country/s/solomon-islands/SLB.pdf>
- Available online via: IFC. 2018. Western Province Tourism Investment Needs Assessment Executive Summary.
FULL LINK: https://tourismsolomons.com/wp-content/uploads/2019/11/IFC_Western-Province-Tourism-Investment-Needs-Assessment-Executive-Summary.pdf
- A cadastral map shows the boundaries and ownership of land parcels and includes topographical details. Source: [United Nations Food and Agriculture Organization Online Definition](#)
FULL LINK: <http://www.fao.org/3/v4860e/V4860Eo3.htm#ch2>
- World Geodetic System 1984 (WGS84) is a geographical coordinates system. The geographic coordinates system = horizontal datum + prime meridian + angular unit. Further information on WGS84 can be found at: [Virtual Surveyor: What is WGS84?](#)
FULL LINK: <https://support.virtual-surveyor.com/en/support/solutions/articles/1000261351-what-is-wgs84->

- Accessed online via: [Boosting Tourism: Environmental and Social Diagnostic of the Tourism Sector in Solomon Islands' Western Province](#).
FULL LINK: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_esdiagnostictourismsolomonislands
- OECD. 2018. *Effective Policy Approaches for Quality Investment in Tourism*. OECD Tourism Papers, No. 2018/02. OECD Publishing, Paris. Accessed online: [OECD iLibrary](#)
FULL LINK: https://www.oecd-ilibrary.org/industry-and-services/effective-policy-approaches-for-quality-investment-in-tourism_88ea780c-en
- Solomon Islands Government. 2020. *Investment Policies in Solomon Islands*. Ministry of Commerce, Industry, Labor and Immigration. Accessed online via: [Why invest in the Solomon Islands](#)
FULL LINK: <https://www.commerce.gov.sb/departments-units/foreign-investment/functions-of-the-division/investment-promotion/why-invest-in-the-solomon-islands/investment-policies-in-solomon-islands.html>
- Thomson, I. and Joyce, S.A., 2008. *What is the Social License?* Shinglespit Consultants Inc. Canada. Accessed online via: [Sociallicense.com](#)
FULL LINK: <https://sociallicense.com/definition.html>
- World Bank. 2019. Data Bank. *Foreign Direct Investment, net flows, (% GDP). Comparison between Solomon Islands, Fiji and Vanuatu*. Accessed online via: [World Bank Data](#)
FULL LINK: <https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?end=2019&locations=SB-FJ-VU&start=2019&view=bar>
- World Bank. 2019. *Understanding Poverty – Topics*. Accessed online via [World Bank Topics: Public Private Partnerships](#)
FULL LINK: <https://www.worldbank.org/en/topic/publicprivatepartnerships>
- World Bank Group. 2020. *Doing Business 2020. Economy Profile - Solomon Islands*. Accessed online via: [World Bank Doing Business 2020](#).
FULL LINK: <https://www.doingbusiness.org/content/dam/doingBusiness/country/s/solomon-islands/SLB.pdf>



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tourismsolomons.com/investment

Contact

International Finance Corporation
1st Floor, Heritage Park
Commercial Building
Mendana Avenue
Honiara, Solomon Islands
+ (677) 21444

International Finance Corporation
Level 18, CML Building
14 Martin Place
Sydney, NSW 2000
Tel: (+61) 2 9235 6519

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