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Resilient nations.*

STANDARD LETTER OF AGREEMENT BETWEEN
THE UNITED NATIONS DEVELOPMENT PROGRAMME AND
MINISTRY OF ENVIRONMENT, CLIMATE CHANGE, DISASTER MANAGEMENT AND
METEOROLOGY (MECDM)
ON THE IMPLEMENTATION OF THE GOLD RIDGE ENVIRONMENTAL MONITORING
PROGRAM
WHEN UNDP SERVES AS IMPLEMENTING PARTNER

Permanent Secretary Dr. Melchior Mataki,

1. Reference is made to the consultations between officials of the United Nations Development Programme (hereinafter referred to as "UNDP") in Solomon Islands and officials of the Ministry of Environment, Climate Change, Disaster Management and Meteorology ("MECDM") with respect to the realization of activities by MECDM in the implementation of the project **00091740, Solomon Islands Early Recovery Assistance for April 2014 Floods**, for the environmental baseline surveys for the gold ridge aquatic and marine ecosystem as specified in Attachment 1: Proposed Activity, to which UNDP has been selected as implementing partner.

2. In accordance with the Project Document and with the following terms and conditions, we confirm our acceptance of the activities to be provided by MECDM towards the project proposed activity, as specified in Attachment 2: Description of Activities (hereinafter referred to as "Activities"). Close consultations will be held between MECDM and UNDP on all aspects of the Activities.

3. MECDM shall be fully responsible for carrying out, with due diligence and efficiency, all Activities in accordance with its financial regulations, rules and other directives, only to the extent they are consistent with UNDP Financial Regulations and Rules. In all other cases, UNDP Financial Regulations and Rules must be followed.

4. In carrying out the activities under this Letter, the personnel and sub-contractors of MECDM shall not be considered in any respect as being the employees or agents of UNDP. UNDP does not accept any liability for claims arising out of acts or omission of MECDM or its personnel, or of its contractors or their personnel, in performing the Activities or any claims for death, bodily injury, disability, damage to property or other hazards that may be suffered by MECDM, and its personnel as a result of their work pertaining to the Activities.

5. Any subcontractors, including NGOs under contract with MECDM, shall work under the supervision of the designated official of MECDM. These subcontractors shall remain accountable to MECDM for the manner in which assigned functions are discharged.

6. Upon signature of this Letter, UNDP will make payments to MECDM, according to the schedule of payments specified in Attachment 3: Schedule of Activities, Facilities and Payments. Payments will be made to the identified **Waste and Chemical Management Project** Bank account. The signatories to the bank account are; Permanent Secretary of MECDM, Dr. Melchior Mataki, MECDM Chief Accountant- Ms. Rose Kulolo, Director Environment and Conservation Division- Mr. Joe Horokou and – Ms. Rosemary Apa-Chief Environment Officer.

Bank name: ANZ Bank
Account name: Waste and Chemical Management Project
Account number: 5085661

7. MECDM shall not make any financial commitments or incur any expenses which would exceed the budget for the Activities as set forth in Attachment 3. MECDM shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when MECDM is aware that the budget to carry out these Activities is insufficient to fully implement the project in the manner set out in the Attachment 2. UNDP shall have no obligation to provide MECDM with any funds or to make any reimbursement for expenses incurred MECDM in excess of the total budget as set forth in Attachment 3.

8. MECDM shall submit a financial report after utilization of 50% of the disbursement by February 29th 2016 and the final cumulative report by June 3rd 2016. The report will be submitted

to UNDP through the UNDP Deputy Resident Representative within 28 days following those dates. The format will follow the standard UNDP expenditure report [a model copy of which is provided as Attachment 4]. UNDP will include the financial report by MECDM in the financial report for 00091740, Solomon Islands Early Recovery Assistance for April 2014 Floods,

9. MECDM shall submit such progress reports relating to the Activities as may reasonably be required by the Deputy Resident Representative in the exercise of her duties.

10. MECDM shall furnish a final report within a month after the completion or termination of the Activities, including a list of non-expendable equipment purchased by MECDM and all relevant audited or certified financial statements and records related to such Activities, as appropriate, pursuant to its Financial Regulations and Rules.

11. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and MECDM.

12. Any changes to the agreed planned activities which would affect the work being performed by MECDM in accordance with Attachment 2 shall be recommended only after consultation between the parties.

13. For any matters not specifically covered by this Letter, the Parties would ensure that those matters shall be resolved in accordance with the appropriate provisions of the agreed planned proposed activities and any revisions thereof and in accordance with the respective provisions of the Financial Regulations and Rules of the MECDM and UNDP.

14. The arrangements described in this Letter will remain in effect until the end of the completion of stated activities of MECDM according to Attachment 2, or until terminated in writing (with 30 days' notice) by either party. The schedule of payments specified in Attachment 3 remains in effect based on continued performance by MECDM unless it receives written indication to the contrary from UNDP.

15. Any balance of funds that is undispersed and uncommitted after the conclusion of the Activities shall be returned within 90 days to UNDP.

16. Any amendment to this Letter shall be effected by mutual agreement, in writing,

17. All further correspondence regarding this Letter, other than signed letters of agreement or amendments thereto should be addressed to Ms. Akiko Suzuki, Deputy Resident Representative, UNDP Honiara Sub Office, Solomon Islands

18. MECDM shall keep the UNDP Deputy Resident Representative fully informed of all actions undertaken by them in carrying out this Letter.

19. UNDP may suspend this Agreement, in whole or in part, upon written notice, should circumstances arise which jeopardize successful completion of the Activities.

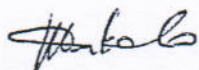
20. Any dispute between the UNDP and MECDM arising out of or relating to this Letter which is not settled by negotiation or other agreed mode of settlement, shall, at the request of either party, be submitted to a Tribunal of three arbitrators. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third arbitrator, who shall be the chairperson of the Tribunal. If, within 15 days of the appointment of two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint the arbitrator referred to. The Tribunal shall determine its own procedures, provided that any two arbitrators shall constitute a quorum for all purposes, and all decisions shall require the agreement of any two arbitrators. The expenses of the Tribunal shall be borne by the parties as

assessed by the Tribunal. The arbitral award shall contain a statement of the reasons on which it is based and shall be final and binding on the parties.

21. If you are in agreement with the provisions set forth above, please sign and return to this office two copies of this Letter. Your acceptance shall thereby constitute the basis for your MECDM's participation in the implementation of the INDC activities.

Yours sincerely,

Signed on behalf of UNDP


for Ms. Osnat Lubrani, Resident Representative

Date... 23 October 2015

Signed on behalf of Ministry of Environment, Climate Change, Disaster Management and Meteorology



Dr Melchior Mataka, Permanent Secretary,

Date... 26 October 2015

Attachment 1

PROPOSED ACTIVITY:

ENVIRONMENTAL BASELINE SURVEYS FOR THE GOLD RIDGE AQUATIC AND MARINE ECOSYSTEM

Background of Dewatering of Tailings Storage Facility Dam of Gold ridge

The dewatering of Tailings Storage Facility (TSF) Dam at Gold ridge has been a challenge and the recent April 2014 flash floods prompted the St Barbara Ltd to request for a dewatering license because of the increasing volume of water in the TSF.

Continuous processing of gold and heavy rain contributed to the rising waters in the Tailings Storage Facility (TSF) resulting in the need to dewater to reduce pressure on the dam walls. There was an existing Treatment Plant that was installed late in 2014 but it was vandalized.

The St. Barbara Ltd applied for a License to dewater untreated TSF supernatant water into the Tinahulu River; however, this was rejected by the Director, Environment and Conservation Division (ECD), the reason being that the TSF needed to be treated before it can be discharged into the nearby ecosystems.

The University of Queensland contracted by WHO conducted some water quality assessments in late 2014 and early 2015 which recommended that the TSF water is safe to discharge untreated and the river can still be used for recreational purposes but not for cooking or drinking. "These concentrations of Arsenic within TSF are above the WHO drinking water guideline of 0.01 mg/l and below the secondary use (bathing/washing) guideline of 0.05 mg/l" (UQ, July 2015).

Since the GCIL Company took over from St. Barbara in early 2015, the company has been requesting for a license to discharge untreated TSF water into the Tinahulu River. This application was rejected a couple of times. Due to the risks posed by the bad weather, the area was declared a "disaster zone" thus resulting in ECD granting approval for untreated discharge of TSF to reduce to the risks associated with dam failure.

Since the granting of the discharge license, GCIL did not discharge any untreated water into the River for the duration of the license. GCIL is now instructed to submit another application to dewater because the timeframe for the previous license has lapsed.

Importance of the Baseline Surveys

Since the operations of the Gold Ridge Mines, there have been many applications for dewatering however, only four of them were granted. The fourth dewatering did not take place due to reasons known only by the company. And from this experience, it can be said that there will be a need for more dewatering programs in the future if other alternatives are not looked into.

Having a baseline of the existing environment is crucial in any development, however there are no studies conducted over the years regarding the baseline of the river and the marine ecosystems in the vicinity of the Gold Ridge Mines. Some studies conducted are only focused on some parameters or in one area, but there is a need to understand the river ecosystem, the marine ecosystem and the linkages between the communities who live in the surrounding areas that depends on these ecosystem for their livelihoods.

SIG is proposing to conduct two separate baseline studies, one for the aquatic environment and the other for the marine environment. The studies will be conducted prior to the next dewatering and post dewatering. The main objective is to determine the ecosystem health pre-dewatering and post dewatering and also the potential impacts on the livelihoods. The data will be very useful for the government to assist them in making informed decisions about future dewatering programs.

Budget

SIG TSF Dewatering - 6 Months Monitoring Budget Revised

Ref	Description	Quantity	Unit Price	Total (AUD)	Exchange Rate (USD)	TOTAL (USD)	Exchange Rate (SBD)	TOTAL (SBD)
1 Local Analysis Costs (NPHL)								
	Arsenic (Photometric Test Set) -	12	\$765.00	\$9,180.00	0.70	\$6,426.00	0.1512	\$ 60,714.29
	Free Cyanide (Photometric Test Set) - 75 Tests	15	\$325.00	\$4,875.00	0.70	\$3,412.50	0.1512	\$ 32,242.06
	Zinc 500g	15	\$297.00	\$4,455.00	0.70	\$3,118.50	0.1512	\$ 29,464.29
2 Baseline Assessments								
	2 X Aquatic Survey	2	\$34,000.00	\$68,000.00	0.70	\$47,600.00	0.1512	\$ 449,735.45
	Physical, Biological, Chemical Parameters							
	2 X Marine Survey	2	\$37,000.00	\$74,000.00	0.70	\$51,800.00	0.1512	\$ 489,417.99
	Physical, Biological, Chemical Parameters							
TOTAL				\$160,510.00	0.70	\$112,357.00	0.1512	\$ 1,061,574.07

Narrative: GOLDRIDGE 6 MONTHS MONITORING BUDGET

1. Local Analysis Costs (NPHL)

- o 6 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 78 samples [for main environmental Sampling Points]
- o 13 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 169 samples [for Additional Environmental Sampling Points]
- o 6 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 78 samples [for Bore holes & wells]

2. Baseline Assessments

I. Aquatic Survey

Physical Assessment including;

- o Turbidity
- o Total Solids
- o pH
- o Temperature

Biological Assessment including;

- o Aquatic flora and fauna
- o Microbiological

Chemical Assessment including;

- o Heavy metals (Arsenic, Cyanide, Copper)
- o Dissolved Oxygen and Biochemical Demand (BOD)
- o Nitrates, Nitrites & Ammonia
- o Alkalinity
- o Conductivity

II. Marine survey

Physical Assessment including;

- o Turbidity

- o Total Solids
 - o pH
 - o Temperature
- Biological Assessment including;
- o Aquatic flora and fauna
 - o Microbiological
- Chemical Assessment including;
- o Heavy metals (Arsenic, Cyanide, Copper)
 - o Dissolved Oxygen and Biochemical Demand (BOD)
 - o Nitrates, Nitrites & Ammonia
 - o Alkalinity
 - o Conductivity

Focal Point: Ms Rosemary Apa
Chief Environment Officer
MECDM
Phone:26036

Attachment 2

DESCRIPTION OF ACTIVITIES

Project number: 00091740

Project title: Solomon Islands Early Recovery Assistance for April 2014 Floods

Project ID	Award ID	Dept ID	Fund	Donor	Imp Agency	Oper Unit	Bus. Unit	Activity	Total Budget (USD)
00091740	00083090	B0433	26941	00012	001981	SLB	FJ110	2.1.1	112,357.00

The Solomon Islands Early Recovery Assistance for April 2014 Floods project continues to provide support to the Gold Ridge Tailing Dam following the 2014 April Floods, which increased the water level of Gold Ridge Mining tailings dam at an alarming level. Accordingly, the Solomon Islands Government requested fielding of an UNDAC mission on the safety of the dam. The mission's recommendations included controlled dewatering of untreated water for a limited period; otherwise the 7000-10,000 downstream community would face a large scale humanitarian catastrophe of highly toxic contamination. The suggested discharge untreated water was on hold due to complexity of the issues. On 7 July 2015, the National Disaster Council declared the Gold Ridge area as Disaster Zone, due to heavy rain triggered by Cyclone Raquel which increased the probability of spillage of contaminated waste from the dam to nearby rivers and streams. Accordingly, the Ministry of Environment announced controlled dewatering of untreated water and requested support in monitoring of dewatering to ensure health and safety of livelihoods of the downstream community till end/December 2015. On the same note, this project is also providing support to the Advocacy and Awareness programmes for the communities along the Gold Ridge River (Tirahulu River).

Results to be achieved by MECDM

Baseline assessments

MECDM conduct two separate baseline studies, one for the aquatic environment and the other for the marine environment. The studies will be conducted prior to the next dewatering and post dewatering to determine the ecosystem health pre-dewatering and post dewatering and also the potential impacts on the livelihoods. The data will be used by the government to assist in making informed decisions about future dewatering programs.

Work to be performed by MECDM

ENVIRONMENTAL BASELINE SURVEYS FOR THE GOLD RIDGE AQUATIC AND MARINE ECOSYSTEM

Description of inputs:

- 3. Local Analysis Costs (NPHL)**
 - o 6 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 78 samples [for main environmental Sampling Points]
 - o 13 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 169 samples [for Additional Environmental Sampling Points]
 - o 6 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 78 samples [for Bore holes & wells]
- 4. Baseline Assessments**
 - I. Aquatic Survey**
 - Physical Assessment including:
 - o Turbidity
 - o Total Solids
 - o pH
 - o Temperature
 - Biological Assessment including:
 - o Aquatic flora and fauna
 - o Microbiological
 - II. Marine survey**
 - Physical Assessment including:
 - o Turbidity
 - o Total Solids

1. Local Analysis Costs (NPHL)	<ul style="list-style-type: none"> o 6 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 78 samples) [for main environmental Sampling Points] o 13 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 169 samples [for Additional Environmental Sampling Points] o 6 sampling points for 13 days (1 Sampling day per fortnight for 6 months) = 78 samples) [for Bore holes & wells. 	x	x	x	x	x	x	x		Arsenic (Photometric Test Set) - Free Cyanide (Photometric Test Set) - 75 Tests Zinc: 500g	\$12,957.00	\$12,957.00
2. Baseline	i. Aquatic Survey	x	x			x	x	x				

Assessments	Physical Assessment including:	X	X			X	X	2 X Aquatic Survey Physical, Biological, Chemical Parameters 2 X Marine Survey	\$99,400	\$99,400
Physical Assessment including: <ul style="list-style-type: none"> o Turbidity o Total Solids o pH o Temperature Biological Assessment including: <ul style="list-style-type: none"> o Aquatic flora and fauna o Microbiological Chemical Assessment including: <ul style="list-style-type: none"> o Heavy metals (Arsenic, Cyanide, Copper) o Dissolved Oxygen and Biochemical Demand (BOD) o Nitrates, Nitrites & Ammonia o Alkalinity 	X	X			X	X	2 X Aquatic Survey Physical, Biological, Chemical Parameters 2 X Marine Survey	\$99,400	\$99,400	
ii Marine survey Physical Assessment including: <ul style="list-style-type: none"> o Turbidity o Total Solids o pH o Temperature Biological Assessment	X	X			X	X	2 X Aquatic Survey Physical, Biological, Chemical Parameters 2 X Marine Survey	\$99,400	\$99,400	

	including: <ul style="list-style-type: none"> ○ Aquatic flora and fauna ○ Microbiological ○ Chemical Assessment including: ○ Heavy metals (Arsenic, Cyanide, Copper) ○ Dissolved Oxygen and Biochemical Demand (BOD) ○ Nitrates, Nitrites & Ammonia ○ Alkalinity ○ Conductivity 								Total	USD\$112,357.00	USD\$112,357.00
III.											

Note:

- Adjustments within each of the sections may be made in consultation between UNDP and MECDM. Such adjustments may be made if they are in keeping with the provisions of the Programme Support/Project Document and if they are found to be in the best interest of the project.

Attachment 4

MODEL UNDP EXPENDITURE REPORT

Period _____

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i>	Planned Budget		Payments and Expenditures		
		Budget Description	Amount	Payments received	Expenditures	Balance
		Total				