

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: 94357-SB

PROJECT PAPER

ON A

PROPOSED RESTRUCTURING AND ADDITIONAL GRANT

IN THE AMOUNT OF SDR 1.1 MILLION
(US\$1.5 MILLION EQUIVALENT)

INCLUDING SDR 0.73 MILLION
(US\$1 MILLION EQUIVALENT)

FROM THE
CRISIS RESPONSE WINDOW OF THE
INTERNATIONAL DEVELOPMENT ASSOCIATION

TO THE SOLOMON ISLANDS

FOR THE

RAPID EMPLOYMENT PROJECT

JULY 13, 2015

Social, Urban, Rural and Resilience Global Practice
East Asia and Pacific Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective May 11, 2015)

Currency Unit	=	Solomon Island Dollars (SBD)
SBD 7.728	=	US\$1
US\$1.4063	=	SDR1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AF	Additional Financing
CRW	Crisis Response Window
DaLA	Damage and Loss Assessment
EU	European Union
HCC	Honiara City Council
IDA	International Development Association
JICA	Japanese International Cooperation Agency
MID	Ministry of Infrastructure Development
NGO	Non-Governmental Organization
OP/BP	Operational Policy/Bank Procedure
PDO	Project Development Objective
PET	Pre-Employment Training
PRIF	Pacific Region Infrastructure Facility
REP	Rapid Employment Project
RES	Rapid Employment Scheme
SB	Solomon Islands
SDR	Special Drawing Rights
SIG	Government of Solomon Islands
SPF	State and Peace-Building Fund
TDIHR	Tropical Depression-Induced Heavy Rains Recovery
UN	United Nations

Vice President:	Axel van Trotsenburg
Country Director:	Franz Drees-Gross
Country Manager	Anne Tully
Senior Global Practice Director	Ede Jorge Ijjasz-Vasquez
Global Practice Director	Maninder Gill
Practice Manager:	Bassam Ramadan
Task Team Leader:	Sonya M Sultan

SOLOMON ISLANDS
RAPID EMPLOYMENT PROJECT ADDITIONAL FINANCING
CONTENTS

Additional Financing Data Sheet	iii
I. Introduction	1
II. Background and Rationale for Additional Financing	1
III. Proposed Changes to REP	4
IV. Appraisal Summary	6
Annex 1: Revised Results Framework and Monitoring	11
Annex 2: Risk Assessment	19

Additional Financing Data Sheet

Solomon Islands

Solomon Islands Rapid Employment Project Additional Financing (P152709)

EAST ASIA AND PACIFIC

GSURR

Basic Information – Parent										
Parent Project ID: P114987				Original EA Category: B - Partial Assessment						
Current Closing Date: 31-Dec-2016										
Basic Information – Additional Financing (AF)										
Project ID: P152709				Additional Financing Type (from AUS): Scale Up						
Regional Vice President: Axel van Trotsenburg				Proposed EA Category:						
Country Director: Franz R. Drees-Gross				Expected Effectiveness Date: 31-Aug-2015						
Senior Global Practice Director: Ede Jorge Ijjasz-Vasquez				Expected Closing Date: 31-Dec-2016						
Practice Manager/Manager: Bassam Ramadan				Report No: PAD1251						
Team Leader(s): Sonya M. Sultan										
Borrower										
Organization Name			Contact		Title		Telephone		Email	
Ministry of Finance and Treasury			Harry D Kuma		Permanent Secretary		67722556		hkuma@mof.gov.sb	
Project Financing Data - Parent (Rapid Employment Project-P114987) (in USD Million)										
Key Dates										
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date			
P114987	IDA-H5750	Effective	18-May-2010	02-Jul-2010	28-Sep-2010	30-Jun-2015	31-Dec-2016			
P114987	TF-95966	Effective	24-Mar-2010	01-Apr-2010	01-Apr-2010	30-Jun-2012	31-Dec-2016			
P114987	TF-96620	Effective	20-Apr-2010	30-Apr-2010	30-Apr-2010	30-Jun-2013	31-Dec-2016			
Disbursements										
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed	
P114987	IDA-H5750	Effective	USD	3.20	3.20	0.00	3.35	0.02	104.80	
P114987	TF-95966	Effective	USD	3.22	3.22	0.00	2.44	0.78	75.77	
P114987	TF-96620	Effective	USD	3.29	3.29	0.00	3.17	0.12	96.48	

Project Financing Data - Additional Financing Solomon Islands Rapid Employment Project Additional Financing (P152709)(in USD Milli on)				
[]	Loan	[]	Grant	[X] IDA Grant
[]	Credit	[]	Guarantee	[X] Other
Total Project Cost:		1.50	Total Bank Financing: 1.50	
Financing Gap:		0.00		
Financing Source – Additional Financing (AF)				Amount
Borrower				0.00
IDA Grant from CRW				1.00
IDA Grant from national IDA				0.50
Total				1.50
Policy Waivers				
Does the project depart from the CAS in content or in other significant respects?				No
Explanation				
Does the project require any policy waiver(s)?				No
Explanation				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Sonya M. Sultan	Team Leader (ADM Responsible)	Senior Social Development Specialist		GSURR
Zhentu Liu	Procurement Specialist	Senior Procurement Specialist		GGODR
Stephen Paul Hartung	Financial Management Specialist	Financial Management Specialist		GGODR
Bernardita Ledesma	Team Member	Operations Analyst		GPSOS
Janet Funa	Team Member	Program Assistant		EACSB
Ly Thi Dieu Vu	Safeguards Specialist	Consultant		GSURR
Marjorie Mpundu	Counsel	Senior Counsel		LEGES
Roberto B. Tordecilla	Safeguards Specialist	Social Development Specialist		GSURR
Stephen David Close	Team Member	Education Spec.		GEDDR

Zhuo Yu	Team Member	Finance Officer	Finance Officer	WFALN	
Kim Alan Edwards	Team Member	Economist		GMFDR	
Oleksiy Ivaschenko	Team Member	Senior Economist		GSPDR	
Extended Team					
Name		Title	Location		
Darian Naidoo		Impact Evaluation Field Coordinator	Sydney		
Faustinus Marius Ravindra Corea		Management Information Specialist	Melbourne		
Rob Dingen		Labor Based Engineering Specialist	Roden		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Solomon Islands	Guadalcanal Province	Honiara			
Institutional Data					
Parent (Rapid Employment Project-P114987)					
Practice Area (Lead)					
Social, Urban, Rural and Resilience Global Practice					
Contributing Practice Areas					
Cross Cutting Topics					
[X] Climate Change					
[X] Fragile, Conflict & Violence					
[] Gender					
[X] Jobs					
[] Public Private Partnership					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Health and other social services	Other social services	70			
Transportation	Rural and Inter-Urban Roads and Highways	11			
Transportation	Urban Transport	10			
Public Administration, Law, and	Sub-national	5			

Justice	government administration			
Public Administration, Law, and Justice	Public administration-Transportation	4		
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services	50		
Social dev/gender/inclusion	Conflict prevention and post-conflict reconstruction	20		
Social protection and risk management	Other social protection and risk management	20		
Urban development	City-wide Infrastructure and Service Delivery	10		
Total		100		
Additional Financing Solomon Islands Rapid Employment Project Additional Financing (P152709)				
Practice Area (Lead)				
Social, Urban, Rural and Resilience Global Practice				
Contributing Practice Areas				
Cross Cutting Topics				
<input checked="" type="checkbox"/> Climate Change				
<input checked="" type="checkbox"/> Fragile, Conflict & Violence				
<input type="checkbox"/> Gender				
<input checked="" type="checkbox"/> Jobs				
<input type="checkbox"/> Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	90		
Public Administration, Law, and Justice	Public administration-Other social services	10		
Themes				

Theme (Maximum 5 and total % must equal 100)		
Social protection and risk management	Social Safety Nets/Social Assistance & Social Care Services	50
Social dev/gender/inclusion	Conflict prevention and post-conflict reconstruction	20
Social protection and risk management	Other social protection and risk management	20
Urban development	City-wide Infrastructure and Service Delivery	10
Total		100

Consultants (Will be disclosed in the Monthly Operational Summary)

Consultants Required ?Consulting services to be determined

Summary of Proposed Changes

This Project Paper seeks the approval of the Executive Directors to: provide an additional financing grant of SDR 1.1 million (equivalent to US\$1.5 million), of which US\$1 million will be from the Crisis Response Window (CRW) of the International Development Association (IDA) and US\$ 0.50 million from the national IDA allocation, to amend the Project Development Objective (PDO) and scale-up and modify the activities of the Solomon Islands Rapid Employment Project (REP) (P114987, IDA Grant No. H575-SB, State and Peace-Building Fund (SPF) TF95966 and Pacific Region Infrastructure Facility (PRIF) TF96620). The proposed Additional Financing (AF) was part of the proposal for Support for the Tropical Depression-Induced Heavy Rains Recovery (TDIHR) Program under CRW that was submitted to the Board in July, 2014. The AF is being processed under Paragraph 12 of OP10.00, as Solomon Islands is a fragile state that is in urgent need of assistance due to a natural disaster (flooding in April 2014).

As the project development objective will change, the Project will require a level one restructuring. The Closing Date of REP, including the closing dates of the IDA, SPF and PRIF Grants, has recently been extended from June 30, 2015 to December 31, 2016 with RVP approval, to allow for continued project activities with the AF.

Change in Implementing Agency	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Results Framework	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Safeguard Policies Triggered	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change of EA category	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Changes to Safeguards	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Legal Covenants	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Change in Disbursement Estimates	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]					
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]					
Change in Institutional Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]					
Change in Financial Management	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]					
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]					
Change in Implementation Schedule	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]					
Other Change(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]					
Development Objective/Results						
Project's Development Objectives						
Original PDO						
To assist targeted vulnerable urban populations to: (i) increase their incomes through the provision of short-term employment; and (ii) improve their knowledge, experience and basic employment skills that are valued in the workplace and society.						
Change in Project's Development Objectives						
Explanation:						
The REP AF will enable existing components of the project to continue for a further 18 months, targeting communities affected by the floods. Under the AF, the Ministry of Infrastructure Development (MID) will pilot a new activity - Part 1A (iii) – for the improvement and maintenance of urban and peri-urban roads in and around Honiara, to reinstate critical access for small urban communities to the main roads and to basic socio-economic services. This new pilot activity under MID Subcomponent 1A will slightly shift the focus from labor generation through road repair and maintenance activities, to a focus on improving and strengthening the quality of urban and peri-urban roads damaged by severe weather events. As a result, the PDO will be amended to reflect the new objective of improving access, rather than simply generating short-term employment.						
Proposed New PDO - Additional Financing (AF)						
The proposed new PDO is: to assist targeted vulnerable urban populations in the Recipient's territory to (i) increase their incomes through the provision of short term employment; (ii) improve their knowledge, experience and basic employment skills that are valued in the workplace and society; and (iii) improve their access to services and markets through repaired, more climate resilient roads and access infrastructure.						
Change in Results Framework						
Explanation:						
The proposed change in the activities and in the PDO will also require a modification to the Results Framework. In addition, it is proposed to drop a number of intermediate indicators to simplify reporting. The attached revised Results Framework (Annex 1) provides more details on the proposed changes.						
Compliance						
Covenants - Additional Financing (Solomon Islands Rapid Employment Project Additional Financing - P152709)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action

IDWT	Schedule 2, Section IA and IB	Throughout implementation, the Recipient shall maintain the Project Steering Committee and the Technical Coordination Committee		<input checked="" type="checkbox"/>	CONTINU OUS	New
IDWT	Schedule 2, Section IE	The Recipient shall carry out the Project in accordance with the Environmental and Social Management Guidelines.		<input checked="" type="checkbox"/>	CONTINU OUS	New
Conditions						
Source Of Fund		Name		Type		
Description of Condition						
Risk						
Risk Category				Rating (H, S, M, L)		
1. Political and Governance				Moderate		
2. Macroeconomic				Moderate		
3. Sector Strategies and Policies				Moderate		
4. Technical Design of Project or Program				Moderate		
5. Institutional Capacity for Implementation and Sustainability				Moderate		
6. Fiduciary				Moderate		
7. Environment and Social				Moderate		
8. Stakeholders				Low		
9. Other						
OVERALL				Moderate		
Finance						
Loan Closing Date - Additional Financing (Solomon Islands Rapid Employment Project Additional Financing - P152709)						
Source of Funds			Proposed Additional Financing Loan Closing Date			
IDA Grant from CRW			31-Dec-2016			

Change in Disbursement Estimates (including all sources of Financing)										
Explanation:										
Disbursement estimates will be revised due to the proposed additional financing.										
Expected Disbursements (in USD Million)(including all Sources of Financing)										
Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual	0.11	0.79	1.82	1.76	2.61	1.81	1.81	0.5	0.00	0.00
Cumulative	0.11	0.90	2.72	4.48	7.09	8.90	10.71	11.21	0.00	0.00
Allocations - Additional Financing (Solomon Islands Rapid Employment Project Additional Financing - P152709)										
Source of Fund	Currency	Category of Expenditure	Allocation		Disbursement %(Type Total)					
			Proposed		Proposed					
IDWT	XDR	(1) Subgrants (HCC), (2) Works (MID), Goods, Training, Consultants' Services and Incremental Costs (MID and HCC)	1,100,000.00		100.00					
		Total:	1,100,000.00							
Components										
Change to Components and Cost										
Explanation:										
The proposed additional financing will allow the continuation of the three components of REP as described below, and introduce an additional sub-component A1(iii).										
Sub-Component 1A – Road Improvement and Maintenance Scheme (US\$ 0.852 million). The new sub-component will pilot developing more climate resilient roads that will be accessible to vulnerable communities in all weather conditions. AF activities will entail a mix of labor-based and machine-based operations. The envisaged length of climate resilient road improvements is approximately 2 kilometers, with a further 4 kilometers of maintenance and spot improvements.										
Sub-Component 1B – Urban Works and Services Scheme (US\$ 0.165 million). The proposed AF will supplement the remaining funds HCC has for this component from a previous SPF grant (US\$ 700,000). It will allow the continuation of street cleaning activities, the construction of 5 concrete pedestrian access paths and the repair of 2 public schools. The activities under this sub-component are expected to generate 85,000 labor days, and the community infrastructure will benefit an additional 3,500 people.										
Component 2 – Pre-Employment Training (US\$ 0.096 million). The proposed AF will continue pre-employment training and job and social service referral services for an extra six months.										
Component 3 –Project Management Support (US\$ 0.387 million). The proposed AF will cover incremental project management costs for the duration of the AF, including the costs of rental and utilities, operating costs, staff, monitoring and evaluation, and costs associated with project closure.										
Please note that the cost of this proposed AF is US\$1.5 million equivalent and the cost per component indicated above. The proposed cost per component in the subsequent section of the project paper reflects the current cost plus the cost of the new AF (US\$1.5 million equivalent) plus the cost of previously										

approved AFs from PRIF (US\$1.29 million) and SPF (US\$1.4 million). The total proposed costs do not include any Bank Executed Trust Fund grants allocated to REP implementation.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Rapid Employment Scheme	Rapid Employment Scheme	7.31	8.33	Revised
Pre-Employment Training (PET)	Pre-Employment Training (PET)	1.1	1.20	Revised
Project Implementation Support	Project Implementation Support	1.3	1.68	Revised
	Total:	9.71	11.21	

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to: provide an additional financing grant of SDR 1.1 million (equivalent to US\$1.5 million), of which US\$1 million will be from the Crisis Response Window (CRW) of the International Development Association (IDA) and US\$ 0.50 million from the Solomon Islands IDA allocation, to amend the Project Development Objective (PDO) and scale-up and modify the activities of the Solomon Islands Rapid Employment Project (REP) (P114987). The proposed Additional Financing (AF) was part of the proposal for Support for the Tropical Depression-Induced Heavy Rains Recovery (TDIHR) Program under the CRW that was discussed by the Board in July, 2014. The AF is being processed under Paragraph 12 of OP10.00, as Solomon Islands is a fragile state that is in urgent need of assistance due to a natural disaster (flooding in April, 2014).

2. As the project development objective will change, the Project will require a level one restructuring. The Closing Date of REP, including the closing dates of the IDA, SPF and PRIF Grants, has recently been extended from June 30, 2015 to December 31, 2016 with RVP approval, to allow for continued project activities with the AF.

II. Background and Rationale for Additional Financing

3. ***Project Background.*** The Rapid Employment Project (REP) was processed as an emergency project to provide short term employment and pre-employment training to vulnerable groups at a time of ethnic conflicts brought on by the global financial crisis. It is financed by grants from: (i) IDA (H575-SB) in the amount of US\$3.2 million approved on May 18, 2010; (ii) SPF (TF0959660) of US\$1.82 million approved on March 24, 2010; and (iii) PRIF (TF096620) in the amount of US\$2 million approved on April 20, 2010. Additional financing of US\$1.29 million from PRIF was approved in November 2013 and \$1.40 million from SPF was approved in April 2014. Total financing for the project is US\$9.71 million.

4. ***Project Development Objectives and Components.*** The parent project's development objective is to assist targeted vulnerable urban populations in the Recipient's territory to: (i) increase their incomes through the provision of short term employment; and (ii) improve their knowledge, experience and basic employment skills that are valued in the workplace and society. The project comprises three components:

Component 1: Rapid Employment Scheme (RES), designed to provide short-term employment to unemployed residents of Honiara through labor based public works. It comprises two subcomponents:

Sub-component 1A Road Repair and Maintenance Scheme executed by the Ministry of Infrastructure Development (MID), which includes:

- i. Carrying out of labor-based road repair and maintenance works of the unpaved urban and peri-urban roads in and around Honiara.
- ii. Provision of technical assistance and training to build the capacity of local works contractors and of MID.

Sub-component 1B Urban Works and Services is implemented by the Honiara City Council (HCC) which is responsible for sub-project activities such as street cleaning, brushing and clearing, and development of community access infrastructure.

Component 2: Pre-Employment Training (PET), which provides basic life skills training to REP beneficiaries to prepare them for RES and for future employment opportunities.

Component 3: Project Management Support, which provides technical support to the implementing agencies, HCC and MID.

5. **Disbursements.** The project has disbursed US \$8,627,227.62 (90% of funds), as shown in the table below. The IDA grant is almost fully utilized, while the SPF grant and the PRIF Grant are fully committed.

Table 1: Disbursements as of May 07, 2015**

Source of Funds	Implementing Agency	Credit Amount (US\$)	Amount Cancelled	Amount Disbursed	% of Funds Disbursed
IDA H575-SB	HCC & MID	3,091,088*	0	3,070,308.5	99.33%
SPF TF95966 ¹	HCC & MID	3,221,250	0	2,440,624.69	75.77%
PRIF (Australia) TF96620	HCC & MID	3,290,000	0	3,116,294.43	94.72%
Total		9,602,338	0	8,627,227.62	89.85%

* At the time of signing of the Legal Agreement the US\$ equivalent of SDR2.2 million was \$3.2 million.

** The current closing date of all funds is December 31, 2016.

6. **Project Performance.** The project is progressing well towards the achievement of its development objectives and is on track to meet its key indicators. The December 2013 Mid-Term Review (MTR) of the project concluded that REP is likely to exceed its main output targets and is seen by all local stakeholders as a successful project. Just under 11,500 beneficiaries have been reached through REP so far. It is effectively targeting women and youth, and is in compliance with all legal covenants and fiduciary and safeguard policies. There are no overdue audits and no outstanding audit issues. The status of implementation of the three components is summarized below.

7. **Component 1: Rapid Employment Scheme.** RES has generated 600,000 labor days so far, surpassing the target of 500,000 labor days set when the project was first designed. The project, however, has not been able to meet the revised target (in April 2014) of 710,000 labor days by June 2015, because of delays in project activities caused by the floods and emergency response in the second quarter of 2014. Implementation of sub-component **1A – Road Repairs and Maintenance Scheme** was initially slow due to contracting issues. It has picked up pace in the last year, and has now met the revised target of generating 100,000 labor days, with all available funds now almost fully disbursed. **HCC's Urban Works and Services Scheme** continues to expand the scope of its activities successfully. The Scheme has generated just over 500,000 labor days, delivered US\$2.1 million in wages, and engaged 9,700 beneficiaries for an average of 52 days each. The majority of people are employed in street cleaning and road side brush cutting. In addition, the Scheme has completed 26 pedestrian infrastructure sub-projects (mostly steps and staircases), with a further three under construction. As mentioned above, some delays in implementation have been experienced due to disruptions caused by the floods in April 2014.

8. **Component 2: Pre Employment Training (PET).** This component has already exceeded its original target of 7,500 trainees. At the end of March 2015, a total of 10,140 trainees had graduated from Pre-Employment Training (PET), equivalent to 88% of its revised target of 11,500. The participant satisfaction rate is 86%. A social services and job referral scheme has been added since August 2014 to help REP participants identify further job opportunities after their time on the project.

1 Of the total amount of \$2 million financed by the SPF, \$178,875 was executed by the Bank on behalf of the project.

9. **Component 3: Project Management Support.** There is a strong Project Management Unit (PMU) in place, with good coordination with both implementing agencies, HCC and MID. The PMU has satisfactory financial management and procurement systems in place. The project is routinely collecting data and reporting on key performance and monitoring indicators through the regular submission of Quarterly Performance Reports and Semi-Annual Progress Reports.

10. **Rationale for Additional Financing.** The Solomon Islands is vulnerable to natural disasters. It is prone to earthquakes, tsunamis and tropical cyclones with damaging winds, rains and storm surges. In April 2014, the Solomon Islands experienced severe flooding caused by unprecedented tropical depression induced heavy rains which battered the country for a week. The flooding resulted in the loss of lives, homes and businesses and had a devastating impact on the capital city of Honiara and Guadalcanal Province, which were declared disaster zones.

11. At the request of the Government of Solomon Islands (SIG), the World Bank led a Damage and Loss Assessment (DaLA) in coordination with the Asian Development Bank (ADB), European Union (EU) and UN partners. The assessment estimated that total damage and loss was equivalent to US\$107.8 million (which is about 9.2% of the country's Gross Domestic Product, GDP) while priority recovery and reconstruction needs were estimated at US\$56 million. Reconstruction needs exceed the capacity of SIG and would place a significant strain on the country's economy. Donors have pledged US\$26.2 million towards recovery efforts, leaving a gap of US\$29.8 million for priority rehabilitation and recovery activities.

12. **Crisis Response Window.** To cover the funding shortfall for identified priority recovery and rehabilitation needs, on July 24, 2014 the Board endorsed IDA Management's proposal to provide US\$10 million from the Crisis Response Window (CRW) for the Solomon Islands, with the intention of providing supplementary financing towards the following:

- a. Recovery Financing Development Policy Operation 2 (US\$5 million in total) to help the government cover the costs incurred in responding to the flooding;
- b. Rural Development Program II (US\$19 million total budget), which would allow the operation to respond to the increased needs in the flood-hit rural areas; and
- c. Rapid Employment Project Additional Financing (planned as US\$2.5 million credit, and US\$1.5 million in grant) to rehabilitate urban and peri-urban roads in flood hit areas in and around Honiara. The final allocation was for US\$1.0 million in grant funding.

13. Both the DPO and RDP II including the additional CRW funds were approved by the Board in November 2014. The processing of the REP AF was delayed because in February 2015, the Solomon Islands Government decided it did not wish to borrow for small-scale infrastructure provision, but thought the grant component should be used towards the flood recovery activities proposed by REP. The REP AF will enable existing components of the project to continue for a further 18 months, targeting communities affected by the floods. Under the AF, MID will pilot a new activity - Part 1A (iii) – for the improvement and maintenance of urban and peri-urban roads in and around Honiara, to reinstate critical access for small urban communities to the main roads and to basic socio-economic services. Improvement of these roads is essential in enabling the city of Honiara, particularly the most vulnerable communities, to maintain access to basic social services and markets beyond their own neighborhoods.

14. Activities to be financed by the AF will shift the focus and purpose of activities under MID Subcomponent 1A slightly from short-term employment generation to improving the quality of secondary and tertiary roads to make them more resilient against future severe weather events. The AF will

supplement remaining funds under the project (\$700,000) to allow MID to undertake new activities as described above and cover HCC TA and operating costs to allow it to complete delayed activities. With all the funding that will be available to REP for the remaining 18 months (July 2015 – December 2016), the project will generate an additional 100,000 labor days and provide short-term employment for an additional 1,000 people. By the end of the project, it is expected that 25,000 people, or just over a third of the Honiara population (estimated at 70,000 - 75,000), will have benefitted from the community infrastructure and road repairs carried out by REP over the six and a half years of project implementation.

15. **Consistency with CPS.** REP supports the Government's National Development Strategy (NDS) 2011-2020 goal of 'increasing social and economic opportunities' through efforts to alleviate poverty; provide targeted programs to assist the vulnerable; and encourage equitable distribution of public resources and economic benefits across the country. It is also consistent with key objectives of the Bank Group Country Partnership Strategy (CPS) for 2013-2017 (approved on June 13, 2013) for the Solomon Islands, namely supporting improvements in the equitable and accountable delivery of basic services across the country. It will contribute to the CPS Outcome of "increased access to skills and employment opportunities for urban population".

16. **Alternatives considered.** SIG has no resources available to allocate to these activities and other donors in Solomon Islands have already committed their funds to other flood recovery activities based on the Damage and Loss Assessment. The continued exclusive use of labor-intensive methods for road improvement was also considered, but the technical assessment recommended that some machine based work would be essential to meet the government's need to improve the quality of roads and ensure that the roads are more climate-resilient. Where appropriate, labor-based methods will still be used.

III. Proposed Changes to REP

17. The proposed additional financing will scale up the three components of REP as described below, and introduce an additional sub-component 1A (iii) on a pilot basis.

18. **Sub-Component 1A – Road Improvement and Maintenance Scheme (US\$0.852 million).** The new activities under this sub-component will focus on developing more climate resilient roads that will be accessible to vulnerable communities in all weather conditions. AF activities will entail a mix of labor- based and machine based operations. The envisaged length of climate resilient road improvements is approximately 2 kilometers, with a further 4 kilometers of maintenance and spot improvements.

19. **Sub-Component 1B – Urban Works and Services Scheme (US\$0.165 million).** The proposed AF will supplement the remaining funds HCC has for this component from a previous SPF grant (US\$ 700,000). It will allow the continuation of street cleaning activities, the construction of 5 concrete pedestrian access paths and the repair of 2 public schools. While the community infrastructure work was programmed for 2014, the work was delayed due to the floods and emergency response in the second half of 2014. The SPF funds will cover wages to community members, while the IDA AF allocations will cover the cost of goods, TA and project operating costs. The activities under this sub-component are expected to generate 85,000 labor days of employment, and the community infrastructure will benefit an additional 3,500 people.

20. **Component 2 – Pre-Employment Training (US\$0.096 million).** The proposed AF will continue pre-employment training and job and social service referral services for another six months into the extended term of REP.

21. **Component 3 –Project Management Support (\$0.387 million).** The proposed AF will cover incremental project management costs for the duration of the AF, including the costs of rental and utilities, operating costs, staff, monitoring and evaluation, and costs associated with project closure.

22. **Additional Financing Project Costs and Financing Arrangements.** Tables below summarize the costs of the AF by component and the revised financing plan for the entire project.

Table 2: Summary of Activities under Additional Financing

Activity	Financing (US\$)
Sub-component 1A –Road Improvement and Maintenance	852,000
Continuation of Activities under Sub-component 1B-Urban Services until August 2016	165,000
Continuation of Activities under Component 2-Pre-Employment Training until December 2015	96,000
Continuation of Component 3 – Project Management until December 2016	387,000
Total Additional Financing	1,500,000

Table 3. Revised Financing Plan

Source	Original		With Additional Financing	
	Amount (US\$m)	Share of Total (%)	Revised Amount (US\$m)	Share of Total (%)
IDA	3.2	47%	3.20	42%
IDA AF			1.50	
SPF	1.82	25%	1.82	29%
SPF AF (a)			1.40	
PRIF	2.00	28%	2.00	29%
PRIF-AF (b)			1.29	
Total	7.02	100%	11.21	100%

(a) Approved in April 2014

(b) Approved in November 2013.

23. **Contribution to Twin Goals.** REP currently targets the bottom 40% of the population in Honiara. The project contributes to reducing extreme poverty in the following ways: (i) providing short-term work to unemployed people; (ii) income earned through REP (SBD 32 X 50 days on average) is a significant amount for the poorest households reached through the project; (iii) PET training equips participants with skills which may lead to employment opportunities outside REP and helps people improve their current situation - 60% of respondents in the Semi-Annual Survey felt that REP helped them find work after their participation in the project; and (iv) community infrastructure built through REP helps improve access to social services, markets, and other economic opportunities for poor communities that are often disconnected from mainstream services.

24. REP also explicitly addresses the goal of shared prosperity by trying to reduce inequality in urban areas. The project has recognized that social tensions in Honiara are caused by perceived inequalities between different groups on the basis of ethnicity, age, gender and residence. REP explicitly targets unemployed youth (over 52% of project participants) and women (58% of project participants are women and 42% men), two groups which have been identified as some of the most vulnerable populations in urban areas in Solomon Islands and is providing them new opportunities. It has also contributed to a reduction in tension between diverse communities; 37% of respondents of the REP Annual Survey stated that one of the main impacts of the project was improving community spirit, and that people have learned to work and live together.

25. **Proposed Restructuring.** The AF will result in the following changes: (i) change in the PDO to reflect the change in the scope of the project due to the new pilot activities under Sub-component 1A (iii); (ii) amend the Results Framework and Indicators. No further extensions to the closing date of the project are expected since the original IDA grant as well as the PRIF and SPF Trust Fund grants for this project have been extended by eighteen months to December 31, 2016 in April 2015, after receiving RVP approval.

26. **Change in PDO.** For the reasons indicated above, a third objective will be added to the PDO of REP: “(iii) improve their access to services and markets through repaired, more climate resilient roads and access infrastructure.”

27. **Modification of the Results Framework.** The proposed change in activities and in the PDO will require a modification to the Results Framework. In addition, it is proposed to drop a number of intermediate indicators to simplify reporting. The table below summarizes the key changes to the Results Framework; more details are provided in Annex 1.

Table 4: Changes to PDO indicator and Key Intermediate Level Indicators

Indicator	Original Target	Proposed Change in Indicator under AF	Revised Target
PDO Indicator			
New	n/a	Estimated number of beneficiaries of road works and other community access infrastructure.	25,000
Total No of safety net beneficiaries	11,500	No change in indicator, increased target.	12,500
Component 1 Rapid Employment Scheme			
Total Labor days generated	710,000	No change. Total projected labor days for mid-2015 was not achieved because of delays caused by floods. The delayed activities will be covered under the AF, with a slight overall increase in the target.	725,000
New	n/a	% of community leaders surveyed who report they have better access to services and markets because of REP infrastructure.	70%
Sub-component 1A. Roads Improvement and Maintenance			
Kilometers of roads rehabilitated and maintained	95	No Change, increased target.	99
New	n/a	Kilometers of roads improved to all-weather, climate resilient standard on a pilot-basis.	2
No. of works contracts completed or achieving satisfactory outputs	16	No Change, increased target. 26 contracts completed currently.	31

IV. Appraisal Summary

28. **Technical.** The current envisaged length of road scoped and earmarked for climate resilience improvements is approximately 2 km, with a further 4 km of maintenance and spot repair works. The project will identify road sections that require improvements (including spot sealing and pavement) that can be handled under one contract, to be fully managed by REP.

29. Two types of activities will be undertaken under the new MID sub-component 1A (iii) called ‘Improvement and maintenance of urban and peri-urban roads in and around Honiara’:

- i. **Repairing and improving road sections that are no longer in maintainable condition.** The road sections will be improved to ensure *all-weather access*, and made more resilient against severe weather shocks by consolidating the road embankment, and improving the drainage system so it can handle larger flows of storm water discharge. The work will involve increasing the number and capacity of drainage structures, both along the road (side drains) and across the road, with cross water structures such as culverts.
- ii. **Continue maintenance work on road sections that are maintainable.** This will target spots that require immediate attention, and the work could include reshaping of the embankment and wearing course, spot re-graveling, repair of culverts and wing walls, and routine maintenance works such as patching and potholing, clearing and cleaning of the drainage system.

30. **The following criteria was used to select the type of roads in and around Honiara that are eligible under the REP AF:**

- i. Tertiary road(s) sections that require improvements to drainage systems and/or the road embankment and wearing course that have no other funding earmarked for improvements from MID or other financing agencies.
- ii. Secondary road sections that provide essential access to vulnerable communities and require urgent improvements to the drainage system, which are not earmarked for funding by any other financing agency or MID.

Priority will be given to:

- i. Roads that provide the only access to vulnerable populations and communities;
- ii. Roads that have a substantial number of beneficiaries from vulnerable communities

31. MID and the REP PMU have drawn up a list of damaged secondary and tertiary roads from which roads have been selected for improvement under the AF. The above criteria will be used to identify further stretches of road during the second year, or to replace any contract that has to be substituted in the first year. Smaller, local contractors who have previously worked on REP will be used for road repair and maintenance contracts, which will require more labor. When required, larger national contractors, with heavy road construction machinery, will be deployed to undertake the more technical work.

32. The road improvements pilot will provide valuable lessons with respect to (unit) costs, implementation technique and quality control mechanisms to ensure roads are made climate-resilient. This can then inform the design for MID and HCC of any follow up investment project. The technical design of the rest of the project remains the same and has been refined during the implementation of REP.

33. **Economic Benefits.** Proposed activities under the AF will result in economic benefits from: (i) improved infrastructure, which will provide increased access to markets and services; (ii) increased short-term employment opportunities, as well as improved long-term employment prospects for PET and RES participants; and (iii) positive economic spillovers from reduced poverty and greater social cohesion. For the 2km of upgraded roads, these benefits include: lower recurrent maintenance costs; reductions in travel times; and lower vehicle operating costs:

- Lower maintenance costs of the repaired and upgraded roads financed by the AF (compared with the costs of maintaining these roads in the absence of an upgrade) are estimated to generate benefits with a present value of USD187,000.
- Travel time savings attributable to the 2km of upgraded roads financed by the AF are expected to generate benefits with a present value of USD71,000

- Lower vehicle operating costs attributable to improvements in upgraded road quality are estimated to generate benefits with a present value of USD89,000

34. Economic benefits will also be derived from the road maintenance element of the project, to the extent that regular maintenance of the 4km of road undergoing maintenance and spot repairs under the project is more cost effective than periodic upgrading. The present value of these benefits is estimated to be USD 161,000. This figure is likely to be conservative as it does not explicitly account for improvements in access and reductions in vehicle operating costs experienced by the 4,000 people estimated to benefit from the maintenance of these roads, which would likely be left unmaintained in the absence of this project.

35. The Urban Works and Services Scheme supervised by HCC will also deliver significant economic benefits through the provision and maintenance of community infrastructure, such as footpaths and the maintenance of public buildings. While these are difficult to quantify, it is estimated that the time savings benefits from the construction of seven pedestrian access footpaths have a present value of USD 187,000. This figure is again likely to be conservative as it does not account for the improved safety and access to social services provided by the footpaths.

36. Training and short-term employment provided by the project will improve skills and prospects for future employment, in addition to directly providing income in the short-term. With the funding that will be available to REP for the remaining 18 months (July 2015 – December 2016), the project will generate 100,000 labor days and provide short-term employment for an additional 1,000 people. 15,000 labor days will be generated by the MID road works, employing around 150 people over the 18 month period, while 85,000 labor days (employing around 850 people) will be generated by the Urban Works and Services Scheme. Altogether, the continuation of the REP for a further 18 months will allow USD440,000 to be transferred in wages to project beneficiaries. Using results from a 2010 survey as a guide, it is estimated that around 83 percent of the additional beneficiary group are unemployed, meaning that from an employment perspective the project extension will provide short-term work to around 830 people who otherwise would not have had jobs.

37. However, strictly speaking the employment and wages (USD374,000 = 85 percent of USD440,000) generated by the Urban Works and Services Scheme should not be attributed to the AF itself, but rather to the remaining funds from the previous SPF grant. After accounting for the opportunity cost of labor, the (net) transfers to the remaining 150 MID road works beneficiaries – which are financed by the AF – are around USD28,000. This increase in incomes will likely have multiplier effects on the rest of the economy as it is spent, with these benefits conservatively estimated at USD14,000.

38. Just under half (450) of the additional 1,000 beneficiaries are expected to benefit from the PET. Assuming that the PET and REP work experience results in a 12 percent wage premium for workers who earned some form of income (including informal wages) prior to PET/REP, and that chances of finding a job of those previously unemployed increase by 5 percent as a result of the PET, the investment in PET under the AF is expected to yield a present value of around USD328,000. In addition, pre-employment training may also reduce many of the economic costs associated with high-risk behaviors, lowering the likelihood of violence and crime, and improving health outcomes. Moreover, the short-term employment provided even to those workers who don't receive the PET is also likely to boost skills and future employability, although possible gains in lifetime wages for these beneficiaries are not quantified here, further adding to the conservatism of the estimates.

39. Taking these quantitatively estimated benefits into account, components 1 and 2 of the USD1.5 million grant are estimated to generate an economic internal rate of return of 8.4 percent, after adjusting for tax revenues and the net transfers to labour provided by the project.

40. ***Environmental and Social Safeguards.*** The Environmental Category of the proposed AF is the same as the parent project i.e. Category B, since the type and location of proposed investments remain similar. The AF is expected to continue to bring about positive environmental impacts, e.g., improved drainage and local sanitation. Potential negative environmental impacts and risks would be limited to dust, noise, community disturbance, waste and wastewater generation, health and safety issues, etc. These impacts are mostly temporary, short-term, and small-scale. Environmental safeguard issues have been managed effectively under the parent project based on the Environmental and Social Management Guidelines (ESMG), which has been updated twice during project implementation. The ESGM currently in use (which was re-disclosed on April 22, 2014) is adequate for managing the social and environmental issues of the AF project.

41. Anticipated social safeguards issues under the AF mainly revolve around incidental temporary effects of works (such as increased dust levels, traffic disturbance, and occupational health issues related to intensive labor on public works) as well as grievances related to beneficiary selection and payment. The construction of drainage (particularly cross-drainage) may affect structures, crops and right of way, and appropriate compensation will have to be arranged for affected people. Measures to mitigate and address these negative impacts, including resettlement and compensation, have been outlined in the ESGM, which is being effectively implemented by the project. A Grievance Redress Mechanism (GRM) is in place, and has been enhanced based on experience during REP implementation to: increase awareness of GRM among beneficiaries by disseminating more project IEC materials; inclusion of safeguards and GRM in the agenda of regular PIU meetings to facilitate timely actions; and regular reporting to IDA. The GRM will be complemented by the Bank's corporate Grievance Redress Service (GRS, see below).

42. ***Grievance Redress Service.*** Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

43. ***Climate Change and Disaster Risks.*** The proposed investments to be financed under the IDA Grant will be screened for short- and long-term climate change and disaster risks. A preliminary assessment has already been done, and the interventions proposed under the AF were selected because they can help urban communities cope better with climate shocks and natural disasters (e.g. planned climate-resilient roads, and construction of footpaths offering people a safer way out of valleys during floods and heavy rains). Simple procedures for the screening will be incorporated in the project's Operational Manual.

44. ***Opportunities for Women.*** Women in Solomon Islands suffer from low levels of opportunity in employment (only 28% of those in formal wage work are women, and on average their wages are 50% lower than that of men). REP has provided targeted actions to address gender inequity in employment and training. It has an explicit target to recruit at least 50% women; the target has been consistently surpassed, and cumulatively 58% of all project participants are women. Coaching and counseling sessions for women participants include help in identifying further employment opportunities and training, as well as referral to other services that can help them deal with issues such as domestic violence. Issues of

gender inequity, tolerance, conflict resolution and women's rights are covered in Pre-Employment Training for both men and women. Women are also provided leadership opportunities in organizing community groups to set up Jacob's ladders or cleaning groups under HCC. Gender disaggregated data on women's participation in various project activities is regularly collected and monitored.

45. **Implementation Arrangements.** Implementation arrangements for the AF will build on existing processes and structures which have been refined over the past four years. The REP MID team will work closely with MID counterparts to ensure that REP activities complement the activities of others working in the Transport sector, and avoid duplication. The current structure and size of the PMU is considered to be adequate to deliver the AF activities, with continued regular technical support from the Bank.

46. **Financial management arrangements** currently in place for REP are functioning satisfactorily and will be used for the AF.

47. **Procurement.** The existing PMU established jointly by HCC and MID would continue to be responsible for procurement under the AF. Procurement under REP is Satisfactory. Going forward, the REP PMU should: (i) continue to improve procurement filing; (ii) conduct local market assessments and develop a works contract packaging strategy; and (iii) use sample documents and templates provided in the Procurement Guidance Note: 'Making Procurement and Financial Management Work for Fragile and Small States in the Pacific' dated January 2013.

48. Procurement of contracts to be financed from the proposed AF will fall under the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits," dated January 2011 and revised July 2014 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers," dated January 2011 and revised July 2014 (Consultant Guidelines). Detailed procurement arrangements and an approved procurement plan for the first year of the AF are in the Project Files and will be disclosed on the project website as well as the Bank website.

49. **Sustainability.** The Government is committed to ensuring greater sustainability of REP interventions and its impacts and is discussing with the Bank the design of a second phase of this project that would start in 2016. The focus of the next phase will be to develop a sustainable model of urban service delivery that is community focused, targets vulnerable areas and is participatory in approach. Under the AF, MID will test an approach where the focus will increasingly be on providing services to poor communities, i.e., good roads and all weather access, in a more financially sustainable manner. While labor intensive works were seen as appropriate in an emergency situation, it was not always the most cost-effective method of repairing roads, and in some cases compromised the quality of the repairs. Going forward, MID will focus on effective urban service delivery targeted at the poorest communities which will also generate employment opportunities, while HCC could continue to retain its strong focus on labor generation within its Urban Services activities.

50. In the meantime, REP is already piloting the provision of coaching and job and social services referral for REP graduates, under the Pre-Employment Training component, to help them transition to more long-term employment opportunities, further training, or access to wider social services, so that some of the development gains made under REP can be sustained.

51. **Risks.** Annex 2 contains the consolidated risk assessment for REP and the AF. The overall risk is rated as "moderate".

Annex 1: Revised Results Framework and Monitoring

Activity Description	Expected Results	Current Performance Indicators (As per EPP)	Change	Comments / Rationale for Change
Project Development Objective	To assist targeted vulnerable urban populations in the Recipient’s territory to: (i) increase their incomes through the provision of short-term employment; and (ii) improve their knowledge, experience and basic employment skills that are valued in the workplace and society, and (iii) access services and markets through improved infrastructure.	Average wage transfer per person per year.	No change	
		Percentage of participants from communities ranked as highest priority in the vulnerability index developed by REP.	No change	Target increased to 50%
		Percentage of youth and women participating in the Project	No change	
		Percentage of participants reporting that that REP was useful in obtaining subsequent employment.	No Change	
		Estimated number of beneficiaries of road works and other community access infrastructure	New	Addresses shift in focus to more sustainable access with AF
Component 1: Rapid Employment Scheme	To increase incomes of targeted vulnerable urban populations through the provision of short-term employment.	New	Average number of labor days worked per person	Currently measured at sub-component 1B level only.
		New	Total labor days generated through RES	A key indicator, currently not in RF, although reported.
		New	% of community leaders surveyed who report they have better access to services and markets because of REP infrastructure	Addresses shift in focus to more sustainable access with AF
Roads Rehabilitated and Maintained		Average labor input (as a percentage) of sub-projects	Removed	Simplification. Labor input is reported elsewhere.
		Kilometers of roads rehabilitated or maintained	No Change	The project is now distinguishing between roads maintained through labor intensive works and those using more machine based technologies and will report accordingly on a disaggregated basis.
		New	Kilometers of roads improved to all-weather, climate resilient standard	This will measure the more intensive improvements made to the roads, rather than focusing on focusing on labor generation
		No. and value of works contracts tendered and awarded	Removed	Simplification. Contracts completed or in progress are more indicative of outputs.
		No. of works contracts completed or achieving satisfactory outputs	No change	

Activity Description	Expected Results	Current Performance Indicators (As per EPP)	Change	Comments / Rationale for Change
		Average length of employment (MID)	Removed	This is captured in calculating average no of labor days worked/person
		Number and type of contractor training programs delivered and the number of contractors participating more than once in REP/MID tenders	Changed to: Number of contractor representatives trained on labor based works' methods	Simplification. This is looking at capacity building of contractors in Honiara
Urban Works and Services delivered		No. and value of works contracts tendered and awarded	Removed	Not relevant to HCC work modalities under REP.
		No. and value of community grants provided	No change	
		No. sub-projects completed and certified	Removed	Simplification. Disaggregated values are reported under previous and following indicators.
		Number of community access infrastructure sub-projects completed.	No change	
		Estimated number of beneficiaries served by completed Community Access Infrastructure.	Moved to a higher level	and combined to one target for all REP provided infrastructure
Environmental Initiatives		No. of Community Access Infrastructure units maintained / landscaped	No change	
		No. of street theater or media initiatives conducted	No change	
		Percentage of community respondents reporting increased awareness of issues surrounding community cleanliness.	Removed	This is proving hard to measure and was dropped to simplify reporting
Improved management capacity		Timely preparation of procurement and Financial Management documentation	No change	
		Satisfactory implementation of performance -as per ISRs	No change	
Component 2: Pre-Employment Training	To improve the knowledge and basic employment skills of program beneficiaries that are valued in the work place and society.	Percentage of PET graduates reported as being a) re-employed and b) would be considered for re-employment by REP/MID works contractors	Removed	Difficult to obtain a meaningful assessment from contractors. New indicator is measurable via semi-annual survey.
		Level of satisfaction of trainees with training received	No change	
Pre-employment training delivered		Number of PET classes completed	Removed	Not a useful indicator since class sizes may change.

Activity Description	Expected Results	Current Performance Indicators (As per EPP)	Change	Comments / Rationale for Change
		Number of trainees certified	No change	This captures the number of people completing the training.
<i>RES Socialization and Community Information</i>		Location and numbers of Community Awareness Activities	Removed	Simplification. Next indicator captures the impact.
		Percent of community members aware of REP.	Removed	Not providing useful information
<i>Coaching and Referral Services</i>		Number of one-on-one coaching sessions conducted	No change	
		Number of participants who produced CVs	No change	

Revised Results Indicators with Targets

Results Indicators	Core	N-new D- dropped R- revised NC-No change	Unit of Measure	Baseline	Cumulative Targets		Data Source	Frequency	Responsibilit y for Data Collection	Comment
					YR5 July 2015	YR6 Dec 2016				
Indicator One: Average wage transfer per person per year.		NC	SBD		SBD 1600	SBD 1600	MIS			
Indicator Two: Percentage of participants from communities ranked as highest priority on the vulnerability index.		NC	%		50%	50%	MIS			Target increased to 50% to address the concern that REP may not be reaching the most vulnerable, (even though they may be from the communities ranked high on the index). Recent data shows that 60% (ongoing) is feasible.
Indicator Three: Percentage of youth & women participating in the Project		NC	%		50% 50%	50% 50%	MIS			
Indicator Four: Percentage of participants reporting that that REP was useful in obtaining subsequent employment.		NC	%		60%	60%	Semi- annual survey			

Results Indicators	Core	N-new D- dropped R- revised NC-No change	Unit of Measure	Baseline	Cumulative Targets		Data Source	Frequency	Responsibility for Data Collection	Comment
					YR5 July 2015	YR6 Dec 2016				
Indicator Five: Estimated number of beneficiaries of road works, and other community access infrastructure.		New	No.	zero	20,000 (no. beneficiaries reached by REP so far, though this was not an indicator previously)	25,000	Sub project assessment		HCC and MID	Estimated minimum number of community residents who will be served by the roads rehabilitated and maintained, the community footpaths & repaired schools.
Intermediate Result (Component One – Rapid Employment Scheme (RES)): To increase incomes of targeted vulnerable population through the provision of short-term employment										
<i>Core Indicator Number One:</i> Beneficiaries of safety nets programs	X	NC	No.		11,500	12,500	MIS			Currently reporting the numbers that have received short-term employment. Will be expanded to include those completing PET and MID work as well
<i>Core Indicator Number Two:</i> Beneficiaries of safety nets programs (female)	X	NC	No.		5750	6,250	MIS			
<i>Intermediate Result indicator One:</i> Average number of labor days worked per person		New	No.		50	50	MIS		HCC and MID	Currently based on HCC data. MID Data is now becoming available.
<i>Intermediate Result indicator Two:</i> Total labor days generated through RES		New	No.		625,000	725,000	MIS	Every Quarter	MID and HCC	New indicator

Results Indicators	Core	N-new D- dropped R- revised NC-No change	Unit of Measure	Baseline	Cumulative Targets		Data Source	Frequency	Responsibility for Data Collection	Comment
					YR5 July 2015	YR6 Dec 2016				
<i>Intermediate Result indicator Three:</i> % of community leaders surveyed who report they have better access to services and markets because of REP infrastructure		New	%	zero	60%	65%	SAS	Every 6 months	MID and HCC	New indicator
1A - Road Improvement and Maintenance (MID)										
<i>Intermediate Result indicator Four:</i> Kilometers of roads rehabilitated or maintained		Revised	Km		95	99	Contract Records			Aggregate target. Will include roads “rehabilitated” and “maintained”;
<i>Intermediate Result indicator Five:</i> Kilometers of roads improved to all-weather, climate resilient standard		New	km		n/a	2	MIS	quarterly	MID	
<i>Intermediate Result indicator Six:</i> No. of works contracts completed or achieving satisfactory outputs		NC	No.	0	26	31	Contract Records			
<i>Intermediate Result indicator Seven:</i> Number of contractor representatives trained on labor based works methods		R	No.		450	500	MIS	quarterly	REP – MID data	Changed
1B - Urban Works and Services (HCC)										
<i>Intermediate Result indicator Eight:</i> No. and value of community grants provided		NC	No. SBD		1045 14.95 million	1140 15.9 million	MIS/F MIS	quarterly	HCC	

Results Indicators	Core	N-new D- ropped R- revised NC-No change	Unit of Measu re	Baseline	Cumulative Targets		Data Source	Frequency	Responsibilit y for Data Collection	Comment
					YR5 July 2015	YR6 Dec 2016				
<i>Intermediate Result indicator Nine:</i> Number of community access infrastructure sub-projects completed.		NC	No.		29	36	MIS	quarterly	HCC	
<i>Intermediate Result indicator Ten:</i> No. of Community Access Infrastructure units maintained / landscaped		NC	No.		17	20	Contract data			Not begun
<i>Intermediate Result Indicator Eleven:</i> No. of street theater or media initiatives conducted		NC	No.		24	36	Contract data	Half-yearly	HCC	Not begun
Intermediate Result (Component Two – Pre-Employment Training (PET)): To improve the knowledge and basic employment skills of program beneficiaries that are valued in the workplace and society										
<i>Intermediate Result indicator One:</i> Number of trainees certified		NC	No.		11,000		MIS			PET to close by end Dec 2015
<i>Intermediate Result indicator Two:</i> Level of satisfaction of trainees with training received		NC	% who are very satisfied		80%		MIS	At the end of each course	HCC	PET to close by end Dec 2015
<i>Coaching, Mentoring and Referral services</i>										
<i>Intermediate Result indicator Three:</i> Number of one-on-one coaching sessions conducted		NC	No.		375		PET Records			PET to close by end Dec 2015

Results Indicators	Core	N-new D- dropped R- revised NC-No change	Unit of Measure	Baseline	Cumulative Targets		Data Source	Frequency	Responsibilit y for Data Collection	Comment
					YR5 July 2015	YR6 Dec 2016				
<i>Intermediate Result indicator Four:</i> Number of participants who produced CVs		NC	%		200		PET Records			PET to close by end Dec 2015
Intermediate Result (Component Three – Incremental Project Management):										
<i>Improved management capacity</i>										
<i>Intermediate Result Indicator One:</i> Timely preparation of procurement and Financial Management documentation.		NC			100%	100%	IFRs			
<i>Intermediate Result indicator two:</i> Satisfactory implementation performance -as per ISRs		NC			100%	100%	ISRs			Each year, both ISR should be rated as satisfactory

Annex 2: Risk Assessment

Systematic Operations Risk-Rating Tool

Risk category	Rating
1. Political and Governance	M
2. Macroeconomic	M
3. Sector Strategies and Policies	M
4. Technical Design of Project or Program	M
5. Institutional Capacity for Implementation and Sustainability	M
6. Fiduciary	M
7. Environment and Social	M
8. Stakeholders	L
9. Other	N/A
OVERALL	M