

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

93415

Project Name	Rapid Employment Project
Region	EAST ASIA AND PACIFIC
Country	Solomon Islands
Sector(s)	Other Social Services (90%), Public Administration-Other Social Services (10%)
Theme(s)	Social Safety Nets (60%), Conflict Prevention and Post Conflict Reconstruction (20%), Other Social Protection and Risk Management (10%); and City-wide Infrastructure and Service Delivery (10%)
Lending Instrument	IPF (IDA CRW Credit and Grant)
Project ID	P152709
Borrower(s)	Solomon Islands Government
Implementing Agency	Honiara City Council and Ministry of Infrastructure Development
Environmental Category	B
Date PID Prepared/Updated	November 9, 2014 and updated on December 17, 2014
Date PID Approved/Disclosed	
Estimated Date of CD Approval	December 18, 2014
Decision	November 25, 2014
Other Decision	

I. Project Context

Country Context

1. The Solomon Islands is a fragile state and is vulnerable to natural disasters. It is prone to earthquakes and tropical cyclones with damaging winds, rains and storm surge. In April 2014, the Solomon Islands experienced severe flooding caused by an unprecedented tropical depression induced heavy rains. The rainfall which battered the country from April 1-5 is considered rarer than a one in 100 year event. Honiara and Guadalcanal Province were severely impacted by the storm which caused the loss of lives, homes and businesses.

2. 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 estimates 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. The needed reconstruction exceeds the capacity of the SIG and would place a significant strain on the country's economy. Donors have come forward and pledged US\$26.2 million towards recovery efforts, but this still leaves a gap of US\$29.8 million needed for priority rehabilitation and recovery activities.

3. To cover the funding shortfall in meeting the identified priority recovery and rehabilitation needs, in July 2014 the Board approved US\$10 million from the Crisis Response Window (CRW) for the Solomon Islands, with the following allocations:

- US\$2.0 million towards a Development Policy Operation 2 (US\$4-6 million in total) to help the government cover the costs incurred in responding to the flooding;
- US\$4.0 million towards the Rural Development Program 2 (US\$9 million total budget), which would allow the operation to respond to the increased needs in the flood-hit rural areas; and
- US\$4.0 million towards the Rapid Employment Project Additional Financing (entirely financed from CRW) to rehabilitate tertiary roads in flood hit areas in and around Honiara.

4. **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) State and Peace-Building Fund (SPF) (TF095966) of US\$1.82 million approved on March 24, 2010; and (iii) Pacific Region Infrastructure Development Facility (PRIF) in the amount of US\$2 million approved on April 20, 2010. Additional financing of US\$1.29 million from the PRIF was approved in November 2013 and \$1.55 million (of which \$150k is executed by the Bank) from the SPF was approved in April 2014. Total financing for the project is \$9.86 million. Since 2010, the emergency nature of the project has changed, but the need for employment and regular urban services remains critical.

5. The project has been successfully generating short-term employment opportunities, providing training, and basic services to vulnerable urban communities in Honiara for almost 4 years. It is progressing well towards the achievement of its development objectives. 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.

6. The total Additional Financing (AF) from CRW IDA is US\$4.0 million and comprised of a US\$1.5 million grant and US\$2.5 million credit. The REP AF will scale up all the existing components of the project. In addition, it will finance a new subcomponent (Part 1A (iii)), namely 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. The bulk of the AF will finance this new sub-component.

II. Project Development Objective(s)/Global Environmental Objective(s)

Project Development Objective(s)

7. The original Project Development Objective (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; and (ii) improve their knowledge, experience and basic employment skills that are valued in the workplace and society.

III. Project Description

8. The project has three main 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, development of community access infrastructure,;

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

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

Summary of Activities under Additional Financing

9. The proposed additional financing will scale up the three components of REP as described below, and start implementing an additional subcomponent A1(iii).

10. **Sub Component 1A – Road Repair and Maintenance Scheme (US\$2,770,000).** A new subcomponent is being added under the Road Repair and Maintenance scheme, namely, the ‘improvement and maintenance of urban and peri-urban roads in and around Honiara’. Activities under this subcomponent are different from the road repair and maintenance activities previously carried out under REP in two ways. Firstly, the primary focus of the activities will shift from labor-generation to developing more climate resilient roads that can be accessible to vulnerable communities in all weather conditions. Secondly, the AF activities will entail a mix of labor- based and machine based operations. The envisaged total length of road improvements is expected to be approximately 12 kilometers (roads made more climate resilient), with a further 10 kilometers of maintenance and spot improvements. Works contracts for the roads will come to a total of US\$2,240,000 and the remaining US\$530,000 will go towards the procurement of goods and services, including equipment, materials, and technical supervision.

11. **Sub Component 1B – Urban Works and Services Scheme (US\$645,000).** Under the proposed AF this sub-component will continue to fund street cleaning activities for an extra year (until the proposed revised closing date), 5 additional concrete pedestrian access paths, and repairs to two schools. This is expected to generate an additional 50,000 labor days, and the community infrastructure will benefit an additional 7,000 people.

12. **Component 2 – Pre-Employment Training (US\$165,000).** The proposed AF will continue pre-employment training and job and social service referral services through the extended term of REP.

13. **Component 3 –Project Management Support (\$420,000).** The proposed AF will cover incremental project management costs for the additional 18 months. This would include the costs of rental and utilities, operating costs, staff, monitoring and evaluation, especially associated with project

closure.

14. **Proposed Restructuring.** The AF will result in the following changes: (i) change in the PDO to reflect the change in scope of the project due to activities under a new Sub-component 1A(iii) which will focus on the improvement and maintenance of urban and peri-urban roads in and around Honiara; (ii) amend the Results Framework and Indicators; and (iii) extend the Closing Date of the Project from June 30, 2015 to December 31, 2016. It is proposed to extend the closing date of the original IDA grant and credit, as well as the PRIF Trust Fund for this project, by eighteen months to December 31, 2016. The SPF Trust Fund will be extended till March 31, 2016.

15. **Change in PDO.** The AF will expand the scope of activities under REP significantly. A new subcomponent 1A(iii) will be added to the Project Description. As a result, the PDO will be amended as follows: “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.*”

16. **Modification of Results Framework.** The proposed change in the activities and in the PDO will also require a modification to the Results Framework in order to appropriately measure the results and outcomes of the project.

IV. Financing (in USD Million)

Total Project Cost:	14.04	Total Bank Financing:	7.38
Financing Gap:	0.00		
Financing Source			Amount
Borrower			
International Development Agency			3.38
International Development Agency (CRW) AF			4.00
Pacific Region Infrastructure Development Fund (PRIF)			2.00
PRIF AF			1.29
State and Peace-Building Fund			1.82
State and Peace Building Fund AF (o/w \$150,000 is bank-executed)			1.55
Total			14.04

V. Implementation

A. Institutional and Implementation Arrangements

17. Implementation arrangements for the AF will build on existing processes and structures, which have been refined over the past four years under the parent project. The project’s implementation arrangements have been designed to maximize ownership of the Project’s activities by the implementing agencies, build internal institutional and technical capacity as well as to ensure the sustainability of activities within their respective institutional priorities and mandates.

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

19. **Procurement arrangements** under REP will be used for procurement under the proposed AF. Procurement of contracts to be financed from the proposed AF will be 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).

20. PMU has prepared a procurement plan for the Additional Financing, including procurement thresholds and prior review methods agreed, which is available in the project and Bank web-sites. The Procurement Plan will be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

B. Results Monitoring and Evaluation

21. Project monitoring and evaluation (M&E) will be based on two separate but interrelated systems that are currently in operation. Project progress is monitored primarily through the use of intermediate outcome and output indicators (such as labor-days of wages paid, kilometers of roads improved, sub-projects certified, numbers of trainees successfully completing the PET, etc.) captured from administrative data that is tracked in the project’s management information systems (MIS) for both HCC and MID. A combination of contract data, regular reports from supervisors, and from the training consultant, will provide information that will be integrated and presented in quarterly progress reports.

22. Evaluation of the results of the Project will be based on several sources of information. The first is a semi-annual survey to be carried out by an independent organization hired under the Project to track self-reported changes brought about by the project interventions in terms of changes in income, and skills acquired, and use of services provided. The lack of a baseline means that impacts of the projects cannot be fully measured; however it provides a good source of information and feedback that can be used by government and the Bank to make timely adjustments to Project implementation.

C. Sustainability

23. 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 current project provides sustainable benefits for project participants by increasing their employability through valued pre-employment training and referral to social service, employment and training opportunities. 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. In this AF operation, MID will test an approach where the focus will increasingly be on providing a service 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 achieved. Going forward, REP implementing agencies would shift the focus to effective, urban service delivery targeted at the poorest communities.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X

Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10		X
Involuntary Resettlement OP/BP 4.12	X	
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X

VII. Contact point

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