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INTERNATIONAL DEVELOPMENT ASSOCIATION
PROJECT APPRAISAL DOCUMENT
ON A
PROPOSED GRANT
IN THE AMOUNT OF SDR 10.4 MILLION
(US\$15 MILLION EQUIVALENT)
TO THE
SOLOMON ISLANDS
FOR A
COMMUNITY ACCESS AND URBAN SERVICES ENHANCEMENT PROJECT
March 12, 2018

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

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CURRENCY EQUIVALENTS

(Exchange Rate Effective February 28, 2018)

Currency Unit = SBD

US\$1 = SBD7.86

USD 1.44589 = SDR 1

FISCAL YEAR

January 1 - December 31

Regional Vice President: Victoria Kwakwa

Country Director: Michel Kerf

Senior Global Practice Director: Ede Jorge Ijjasz-Vasquez

Practice Manager: Susan S. Shen

Task Team Leader(s): Sonya Woo

ABBREVIATIONS AND ACRONYMS

AGO	Auditor General's Office
BoQ	Bill of Quantities
BSP	Bank South Pacific
CAUSE	Community Access and Urban Services Enhancement Project
CBSI	Central Bank of the Solomon Islands
CLO	Community Liaison Officer
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
CRISP	Community Resilience to Climate and Disaster Risk Project
DA	Designated Account
DFAT	Department of Foreign Affairs and Trade, Australia
ESIA	Environmental and Social Impact Assessment
ESMG	Environmental and Social Management Guidelines
ESMP	Environment and Social Management Plan
FM	Financial Management
GFC	Global Financial Crises
GPG	Guadalcanal Provincial Government
GRM	Grievance Redress Mechanism
HCC	Honiara City Council
IDA	International Development Association
IFR	Interim Financial Report
IP	Indigenous People
ISDT	Infrastructure and Service Delivery Training
JICA	Japan International Cooperation Agency
LDA	Literacy Development Association
LUMSCG	Land and Urban Management Sector Coordination Groups
M&E	Monitoring and Evaluation
MDPAC	Ministry for Development Planning and Aid Coordination
MHA	Ministry of Home Affairs
MID	Ministry of Infrastructure Development
MIS	Management Information System
MOFT	Ministry of Finance and Treasury
MPG	Malaita Provincial Government
MPGIS	Ministry of Provincial Government and Institutional Strengthening
MTR	Mid-Term Review
MWYCA	Ministry of Women, Youths, Children, and Family Affairs
MYOB	Mind Your Own Business
NTF	National Transport Fund
NTP	National Transport Plan
NZAID	New Zealand Aid Program
PA	Participation Agreement
PAD	Project Appraisal Document
PDO	Project Development Objective

PET	Pre-Employment Training
SDR	Special Drawing Rights
PIU	Provincial Implementation Unit
PMU	Project Management Unit
POM	Project Operations Manual
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee
RDP II	Rural Development Program, Phase II
REP	Rapid Employment Project
SI	Solomon Islands
SIG	Solomon Islands Government
STEP	Systematic Tracking of Exchanges in Procurement
TCC	Technical Coordination Committee
TIMS	Transport Infrastructure Management Services
UYEP	Urban Youth Employment Project, Papua New Guinea
WB	World Bank
WPG	Western Provincial Government



BASIC INFORMATION

Is this a regionally tagged project? No	Country(ies)	Financing Instrument Investment Project Financing
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Situations of Urgent Need of Assistance or Capacity Constraints
 Financial Intermediaries
 Series of Projects

Approval Date 02-Apr-2018	Closing Date 27-May-2022	Environmental Assessment Category B - Partial Assessment
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Bank/IFC Collaboration No	
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Proposed Development Objective(s)

To improve basic infrastructure and services for vulnerable urban populations in targeted urban centers of the Recipient

Components

Component Name	Cost (US\$, millions)
Urban Works and Services	6.50
Road Maintenance and Repair	5.50
Infrastructure and Service Delivery Training	1.40
Project Management	1.60

Organizations

Borrower : Solomon Islands



Implementing Agency : Ministry of Infrastructure Development
Honiara City Council

Safeguards Deferral

Will the review of safeguards be deferred?

Yes No

PROJECT FINANCING DATA (US\$, Millions)

<input type="checkbox"/> Counterpart Funding	<input type="checkbox"/> IBRD	<input type="checkbox"/> IDA Credit	<input checked="" type="checkbox"/> IDA Grant	<input type="checkbox"/> Trust Funds	<input type="checkbox"/> Parallel Financing
Total Project Cost: 15.00	Total Financing: 15.00		Financing Gap: 0.00		
	Of Which Bank Financing (IBRD/IDA): 15.00				

Financing (in US\$, millions)

Financing Source	Amount
IDA-D2920	15.00
Total	15.00

Expected Disbursements (in US\$, millions)

Fiscal Year	2018	2019	2020	2021	2022
Annual	0.57	4.60	4.56	3.61	1.66
Cumulative	0.57	5.17	9.73	13.34	15.00



INSTITUTIONAL DATA

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
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	● Substantial
6. Fiduciary	● Moderate
7. Environment and Social	● Moderate



8. Stakeholders	● Low
9. Other	
10. Overall	● Moderate

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

Safeguard Policies Triggered by the Project

	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Natural Habitats OP/BP 4.04	✓	
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11	✓	
Indigenous Peoples OP/BP 4.10	✓	
Involuntary Resettlement OP/BP 4.12	✓	
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓

Legal Covenants

Sections and Description

The Recipient shall establish by no later than June 1, 2018, and thereafter maintain, a Technical Coordination Committee, with terms of reference, composition and resources satisfactory to the Association. (Section I.A.1 of Schedule 2 to the Financing Agreement).

Sections and Description

The Recipient shall maintain two Project Management Units, one within HCC which shall be responsible for HCC's



implementation of Parts 1, 3 and 4 of the Project, and one within MID which shall be responsible for MID’s implementation of Parts 2 and 4 of the Project, each with mandate, composition and resources satisfactory to the Association. (Section I.A.2 of Schedule 2 to the Financing Agreement).

Sections and Description

The Recipient, through HCC, shall: (a) by no later than July 31, 2018, confirm to the Association in writing that one senior works officer and one community liaison officer have been appointed at the provincial level to support Malaita Provincial Government with its execution of Project activities in Malaita province; and one senior works officer and one community liaison officer have been appointed at the provincial level to support Western Provincial Government with its execution of Project activities in Western province, each with terms of reference, qualifications and experience satisfactory to the Association; and (b) ensure that such officers are maintained at the provincial level throughout the Project implementation period. (Section I.A.3 of Schedule 2 to the Financing Agreement).

Sections and Description

To facilitate proper implementation of the Project in Guadalcanal, Malaita and Western provinces, the Recipient shall ensure that the Project is implemented by HCC and MID with support and participation from Guadalcanal Provincial Government, Malaita Provincial Government and Western Provincial Government, in a manner set forth in the Participation Agreement and the Project Operations Manual. (Section I.A.4 of Schedule 2 to the Financing Agreement).

Sections and Description

The Recipient, through HCC and MID, shall: (i) prepare and furnish to the Association for review and no-objection, a Project Operations Manual; (ii) adopt the Project Operations Manual as accepted by the Association; and (iii) ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual. (Section I.D of Schedule 2 to the Financing Agreement).

Sections and Description

The Recipient shall prepare and furnish to the Association not later than November 30 of each year during the implementation of the Project (or such later date as the Association may agree) for the Association’s no-objection, an Annual Work Plan and Budget, and the Recipient shall implement the Project in accordance with the Annual Work Plan and Budget accepted by the Association for the Recipient’s respective fiscal year. (Section I.E of Schedule 2 to the Financing Agreement).

Conditions

Type	Description
Disbursement	Disbursement – No withdrawal shall be made under Category (2) unless and until the Association is satisfied that the Recipient, through HCC and MID, has adopted



the Project Operations Manual. (Section III.B.1(b) of Schedule 2 to the Financing Agreement)

PROJECT TEAM**Bank Staff**

Name	Role	Specialization	Unit
Sonya Woo	Team Leader(ADM Responsible)	TTL	GSU02
Manuela Da Cruz	Procurement Specialist(ADM Responsible)	Procurement	GGOPG
Stephen Paul Hartung	Financial Management Specialist	Financial Management	GGOEP
Carlos Rafael Orton Romero	Team Member	Economist	GMTP2
Darian Naidoo	Team Member	Survey Design	GSU02
Duangrat Laohapakakul	Counsel	Legal	LEGES
Faustinus Marius Ravindra Corea	Team Member	MIS	GEN2A
Felix Peter Taaffe	Environmental Safeguards Specialist	Environmental Safeguards	GEN2A
Graham Melvyn Walter	Team Member	M&E	GSU02
Ingo Wiederhofer	Team Member	Social Development Specialist	GSU02
Janet Funa	Team Member	Program Assistant	EACSB
Loren Jayne Atkins	Counsel	Legal	LEGES
Manoj Kumar Nath	Team Member	Training	GSU02
Richard Croad	Team Member	Operations	GSU02
Rob Dingen	Team Member	Engineer	GSU02
Roberto B. Tordecilla	Social Safeguards Specialist	Social Safeguards	GSU02
Sitara Roshan Fernando	Team Member	Financial Management	GSUID

Extended Team

Name	Title	Organization	Location
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The World Bank

Community Access and Urban Services Enhancement Project (P161320)



SOLOMON ISLANDS
COMMUNITY ACCESS & URBAN SERVICES ENHANCEMENT PROJECT

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I. STRATEGIC CONTEXT

A. Country Context

1. **Solomon Islands is a small, remote archipelago in the South Pacific with a dispersed population of less than one million.** Following civil conflict, which ended in 2003 after a regional intervention, real GDP growth averaged 7.3 percent between 2003 and 2009. Following a modest contraction during the Global Financial Crisis (GFC), GDP grew on average by 5 percent between 2010 and 2016. Since 2003, measures of health and education have improved. Poverty rates have declined by about eight percentage points between 2005/06 and 2012/13. However, this strong growth performance masks some key problems. First, as the population has continued to expand relatively rapidly (at 2.5 percent each year), per capita real GDP remains below its pre-conflict peak. Second, logging, which has been the main driver of growth, is expected to decline sharply during the next decade. Third, poverty remains extensive. Although poverty has dropped since the conflict, 12.7 percent of Solomon Islanders are still ‘poor’, living below the national poverty line, and Solomon Islands remains among the least developed countries in the world. Its ranking is 156 out of 188 countries based on the 2014 United Nations Human Development Index, placing it in the ‘low human development’ category. Fourth, providing access to basic services is extraordinarily challenging given the small, dispersed nature of the population. Fifth, there are major sources of fragility in Solomon Islands arising from the limited reach and effectiveness of the state, uneven development across locations, gender inequalities, and effects of weather and climate change. Solomon Islands is one of the most exposed and vulnerable countries affected by natural hazards, ranked sixth out of 171 countries based on the World Risk Index. Climate change and geophysical hazards related to tropical cyclones, and collection of urban areas in coastal areas, expose the country to numerous risks. Its capacity to cope and adapt to natural disasters such as earthquakes, floods, cyclones, droughts, and sea level rise, is weak.

B. Sectoral and Institutional Context

2. **In the late 1990s, Solomon Islands entered a period of conflict known as the ‘Tensions’.** While civil unrest has subsided, key drivers of the Tensions—contested state legitimacy, uneven development, poorly managed urbanization, and disputes over control of land and natural resources—remain present today. Economic growth over the past decade has been highly uneven, driven predominantly by the logging industry and to a lesser extent by the mining sector. During the same period, Honiara’s expanding service economy, with the public sector at its core, has also been a key driver of economic growth. Regional inequalities are pronounced. From national poverty lines, basic needs and food poverty are higher in rural (13.6 percent) than urban (9.1 percent) areas. However, economic vulnerability is greater in urban or peri-urban areas and among female-headed households. Peri-urban households around the capital of Honiara suffer from disproportionate levels of poverty, which is about 15 percent higher than the national average of 7–10 percent, followed by Guadalcanal, where one in five persons lives in poverty. Meeting basic needs cost twice as much in Honiara and Guadalcanal compared with other locations, such as Temotu.

3. **Although by world standards urban growth is low, the risks of poorly managed urbanization are high, exacerbated by a pronounced youth bulge¹.** From the 2009 census, Honiara’s urban area population—including the two bordering wards in Guadalcanal province—was 54 percent larger than in 1999. While its reported population is 65,000, more recent estimates are closer to 100,000. The two adjacent wards in Guadalcanal are the fastest growing of all the

¹ Surveys report that almost 70 percent of the population is less than 29 years of age, and that almost a third are between 15 to 29 years of age. Based on these current statistics, the youth bulge is projected to double in size within the next 16 years.



urban wards, with the Tandai ward growing at an average annual rate of 12.8 percent. The other main provincial capitals, Auki (5,100) and Gizo (7,177), share similar annual growth rates of 11.6 percent and 12 percent, respectively. By 2030, urban areas are expected to contain 30 percent of the total population, up from 20 percent in 2009. Therefore, with limited jobs, lack of essential services in informal settlements, inequities between formal and informal areas, and expansion on to customary land—poorly managed urbanization is likely to fuel disputes and grievances.

4. **Limited socio-economic opportunities, youth unemployment for the urban poor and gender disparities in the labor market are three specific challenges that remain critical for Solomon Islands as urbanization expands.** Urban youth and women feature prominently among unemployment groups in the urban space, which makes them vulnerable to poverty. Therefore, targeted investments facilitating their access to employment and urban services continue to be relevant, especially in poorer urban and peri-urban neighborhoods. The World Bank’s Youth Scoping Study², highlighted some of the vulnerabilities and challenges faced by young men and women. The three most prominent issues identified were: (i) barriers to the labor market (limited employment opportunities), (ii) inadequate learning opportunities, and (iii) gender-based violence in the workplace, at home, (and previously, during the Tensions). Roughly 50,000 people of the 250,000-eligible working-age population are employed in the formal economy. Most of the remaining population engage in subsistence agriculture receiving cash incomes periodically. An estimated 7,500 young people enter the workforce each year, but only 17 percent find paid employment. Many young people make their way into the urban and peri-urban areas, particularly around Honiara. From the Solomon Islands Population and Housing Census (2009), 63 percent of those aged twelve and over formed part of the labor force, with men and women taking part equally. However, only 24 percent were paid workers, the rest being part of the subsistence economy. There is a gender gap in access to paid work: only 26 percent of employed women compared to 51 percent of men are in paid work. Of the employed women, 31 percent of women are in the non-agricultural sector. About 51 percent of “employed” women produce goods for their own consumption. Men hold a significant majority of private and public-sector jobs. The situation has remained largely unchanged since 1999. Nationally, the poverty risk for female-headed households is slightly less than male-headed households. However, gender inequities remain pervasive, partly because of differences in livelihood opportunities and leadership roles, but also because of widespread violence against women. Sixty-four percent of women aged 15–49 years are reported to have experienced physical or sexual violence from an intimate partner. Studies of a major private company (SolTuna) identified gender based violence as a major factor linked to women’s high level of absenteeism and turnover.³

5. **With the high pace of poorly managed urbanization and associated risks, improving the connectivity and service delivery capacity of Honiara and other urban growth centers in the country is critical to security and stability.**⁴ Investments in services and infrastructure will support socio-economic growth and improve community well-being, provide employment opportunities for women and youth, and improve the circulation of cash flow to support the broader community.

6. **In 2009, Solomon Islands Government (SIG) asked the World Bank to prepare an emergency project, the Rapid Employment Project (REP, H5750, FY10), to target the poor and vulnerable people in and around Honiara.**⁵ It was thought possible that the financial crisis of 2009, precipitated by the Global Financial Crisis (GFC), could disrupt the

² *Solomon Islands Youth in Transition – Summary Note*, December 2008, I. Wiederhofer, S. Woo, and S. Clark.

³ IFC, *Pacific WINvest Advisory Services Project (2016)*.

⁴ World Bank Group, *Solomon Islands Systematic Country Diagnostic (2017)*.

⁵ REP is financed through an IDA Grant (H575-SB) of US\$3.2 million, which was approved on May 18, 2010 and co-financed by a World Bank-administered State and Peace-building Fund (SPF) Grant of US\$1.82 million and a Pacific Region Infrastructure Facility (PRIF) Grant of US\$ 2 million. To date, a total of four Additional Financing (AF) operations have been processed bringing the total financing for the project to US\$13.11 million. The project is scheduled to close in December 2018.



country's recovery from the earlier conflict. SIG feared the poor in Honiara would feel the negative effects of the GFC most acutely, and REP was setup to provide a safety net. A significant focus of the REP design was, therefore, to provide short-term employment and training opportunities for the vulnerable groups, especially youth and women. To date, four Additional Financing operations have been approved with incremental financing added to the project. Over time, improving access to services and markets through repaired, more climate resilient secondary and tertiary roads and access infrastructure, was later added, to improve the quality of urban and peri-urban roads damaged by severe weather events in 2014.

7. **Given the strong performance of the REP,⁶ and change in environment (the country is no longer in a crisis situation), SIG requested a follow-on project starting in FY18, citing:** project's achievements; impact on vulnerable groups; desire to expand to other provincial capitals; and focus on strengthening infrastructure and service delivery outcomes. SIG's support is underscored by concerns regarding both poverty, caused by limited social and economic opportunities, and associated risks, which are likely to fuel disputes and grievances. There is also a perception that provincial capitals do not receive an equitable allocation of development resources, and that additional resources are needed at the subnational level to match the demands of a rapidly growing urban population. Increasing the geographic scale of the project meets two key SIG objectives: (a) ensuring an equitable allocation of development resources across the country; and (b) contributing to the country's growth and well-being by expanding infrastructure development and basic services to urban centers.

8. **Urban areas experience key infrastructure and service delivery constraints, which have been identified by the local development authorities in their Local Development Plans and through SIG's National Transport Plan (NTP).** Transport infrastructure and maintenance, especially pedestrian access, has been identified as a key development need in the main urban areas. Improved connectivity between the main transport networks and residential areas is essential to allow communities to participate in the local economy, and to provide safe (and timely) access to socio-economic services and markets, especially during times of floods and other hazardous weather conditions. Women, especially, are highly active in small-scale income generation and agriculture, but their economic participation and control of productive resources are constrained by lack of education, sociocultural discrimination, and lack of access to key resources such as transport and market infrastructure. Waste management, market facilities and tourism are also listed as priority activities. In all locations, the local town councils are expected to organize the collection and disposal of waste. However, services have been limited to collecting rubbish from the open bins and transporting them to the dumpsite. Apart from the

⁶ World Bank missions have rated the REP's progress towards achievement of its Development Objectives and Implementation Progress as *Satisfactory*. The project is well placed to meet or exceed its targets, complying with all legal covenants and audit reporting. As of September 30, 2017, the Rapid Employment Scheme (RES) has cumulatively generated approximately 760,000 paid labor days, provided short-term employment to almost 13,000 people in Honiara. The Pre-Employment Training (PET) has trained about 11,600 participants, and provided one on one coaching services to about 1,700 persons. To date, the project has benefited 62,000 individuals (compared to the target of 25,000) out of an estimated population of 84,000, suggesting that 74 percent of the Honiara population has benefited. According to the 6th Annual Survey conducted in 2017, 29 percent of project beneficiaries reported that they had other employment when surveyed six months after graduating from project, and of those who obtained subsequent employment, 17 percent were women, 42 percent men and 40 percent were youth aged between 15 and 29 years. Of this group, 77 percent found the PET to be somewhat or very useful (compared to the end-target of 60 percent). The Annual Survey further confirmed that 74 percent of beneficiaries and 90 percent of community members reported that they used the REP infrastructure daily. 94 percent of beneficiaries reported that access to their work was improved while 92 percent agreed that the infrastructure did improve access to services and markets. Results were even higher among community members surveyed, at 96 percent and 98 percent, respectively. 12 percent of community members attributed improved access to the roads; 55 percent to the Jacobs Ladders; and/or 33 percent, to both. The most commonly accessed market (accessed by half of community members) was Honiara Central Market. In addition to improving access, Jacobs Ladders proved to have a significant impact on safety. 48 percent of communities reported injuries in the six months prior to construction; compared with only 6 percent reporting injuries in the six-months post construction.



occasional street cleaning work done by some volunteer groups, communities themselves are expected to collect their own rubbish and put it in the bins. A large amount of waste remains, due to a lack of awareness and inadequate access to bins from residents living in informal settlements as well as sufficient transport and personnel to dispose of waste in the dumpsite. This haphazard system results in waste build-up along roads, and in drains, streams and rivers, which can be detrimental to the environment and increase flood risks. Potential benefits in investing in improved community infrastructure and waste management services for the urban poor, many of whom cannot access essential services and have limited livelihood opportunities, are significant, and are expected to result in improved living conditions, overall.

9. **The project will therefore address the key constraints identified by women and youth, through the provision of economic opportunities, training, and in part, for GBV through relevant counseling and referral services; and improve infrastructure and services through community engagement in both the transport and solid waste management sectors, focusing on the provision of basic life and job readiness skills, short-term employment for vulnerable groups, and improving the contracting environment for them.** Furthermore, the project will assist local governments, to improve their community-based labor and organizational management; and increase the transparency and efficiency of waste collection and road improvement and maintenance work. The project allows for investment in infrastructure and essential waste management services that otherwise would not be done, and especially for those and communities that are currently not being served by public services and that cannot afford private services.

10. **The proposed project supports SIG’s National Development Strategy (NDS) 2016–35 goal of increasing social and economic opportunities by:** focusing on poverty alleviation; providing targeted programs to assist the vulnerable, including women and youth; and encouraging equitable distribution of public resources and economic benefits across the country. A key aspect of the NDS Objective 2, reinforced in SIG’s Medium-Term Strategy, is the need to improve gender equality and support the disadvantaged and the vulnerable through community programs that address the needs of women, youth, and children, and encourages social and communal stability.

C. Higher Level Objectives to which the Project Contributes

11. **SIG’s request for a follow-on operation is consistent with the Bank’s Country Partnership Strategy (CPS) for 2013-2017; and new Country Partnership Framework (CPF) for 2017-2022, which is under development but builds on the lessons of the CPS.** The current CPS focuses on two broad themes: strengthening economic resiliency and improving service delivery. The proposed project supports the second area of engagement, which focuses on supporting improvements in the equitable and accountable delivery of basic services across the country. Based on the priorities identified in the National Development Strategy 2011-2020, SIG shares the Bank’s view that supporting the effective functioning and connection of urban and other growth centers, to increase their contribution to growth and well-being in both urban and rural areas, is a key priority for supporting poverty reduction and shared prosperity. The new CPF is expected to also reinforce the objective, to enhance to economic resilience of Solomon Islands through inclusive growth while considering economic geography and state fragility.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

The objective of the project is to improve basic infrastructure and services for vulnerable urban populations in targeted urban centers of the Recipient.



B. Project Beneficiaries

12. **CAUSE will cover Honiara and five additional urban and peri-urban locations in Guadalcanal, Malaita, and Western Provinces.** The three provinces constitute over 60 percent of the country's population. While their provincial towns (Honiara, Auki, Gizo, Noro and Munda) show economic promise, they also share common urban management challenges (high rates of poverty, limited basic services and infrastructure, high unemployment, high population growth and a growing number of squatter settlements).⁷

13. **The project will target poor and vulnerable groups in five locations. It is estimated that beneficiaries would include at least 50 percent youth (ages 16 to 29 years) and support a methodology for targeting that increases economic participation for women.** CAUSE will apply informed, inclusive, and transparent mechanisms for the engagement of these groups using a combination of self-selection and geographic targeting. *Self-selection* would be the result of the types of works to be undertaken and applying the legal minimum wage, which was found to be below the market clearance rate earned by similar beneficiary groups. *Geographic targeting* would be informed by conducting a *Vulnerability Screening/Assessment* of all project locations. This would guide the prioritization of infrastructure activities in the poorest and most vulnerable communities, including communities that are particularly vulnerable to natural hazards. Focusing work on urban areas where higher concentrations of the poor and vulnerable reside is expected to improve the likelihood of their participation. Once the project locations are identified, proposed sub-project would be further screened for estimated impacts on women and youth, to determine their suitability for financing. Lessons acquired under REP, include:

- (i) Integrating targets for women and youth at 50 percent and the disaggregation of results for analysis;
- (ii) Explicitly targeting women and youth in the communications and awareness campaign throughout the life of the project and addressing gender and inter-generational issues in the ISDT curriculum;
- (iii) Including ancillary services such as counselling and referral services for young men and women to social intermediaries such as SAFENET, which provides support to survivors/victims of Gender Base Violence (GBV)/violence against women (VAW). Adopting and training all project personnel in the project-based GBV and Sexual Harassment Guidelines, which specifies reporting and response protocols;
- (iv) Embedding a Grievance Redress Mechanism (GRM) within the project's structure to monitor citizen engagement;
- (v) Paying for skilled and unskilled labor, which has been found to be a strong incentive for engaging women and youth in the project;
- (vi) Incorporating an electronic banking component, which is proving to be very popular particularly among women, to help protect their income and savings; and
- (vii) Working with women's groups and associations as another entry point to identify additional priorities that may be eligible for funding under the project.

14. **The project is expected to engage about 5,300 individuals in training or work activities. However, out of a**

⁷ Honiara's population is reported to be 65,000 although more recent estimates are closer to 100,000. The average growth rate is 4.4 percent, nearly twice the national population growth rate. Auki's population is reported to be 5,100; and Gizo's population 7,177 but there is an estimated influx of 3,000 more people into town during the week. Both Auki and Gizo, share similar annual growth rates of 11.6 percent and 12 percent, respectively. Noro's and Munda's reported population is 3,365 but their estimated population is over 6,000. By 2030, urban areas are expected to contain 30 percent of the total population, up from 20 percent in 2009.



combined population of approximately 133,000 people in the project locations⁸, the project is expected to provide benefits, more broadly, to approximately 15,250 households or about 84,000 people (assuming a household size of 5.5 people) residing in project impacted areas over the four-year implementation period. The households are expected to benefit from improved connectivity and access infrastructure, short-term employment opportunities and urban services. Table 1 provides a summary of the estimated area and population impacted by the project’s infrastructure and road maintenance activities.

Table 1: Estimated Area and Population Impacted by CAUSE Infrastructure Sub-Projects.

	Road Maintenance Area	Access sub-projects	Access sub-projects area covered	Total Area impacted	Total Population	Population to benefit	Households (5.5 persons per household)
Honiara	30%	76	50%	65%	84,553	54,959	9,993
Guadalcanal	0%	15	60%	60%	16,506	9,903	1,801
Auki	0	16	60%	60%	12,283	7,370	1,340
Gizo	0	15	60%	60%	8,782	5,269	958
Noro	0	6	60%	60%	3,256	1,954	355
Munda	0	5	60%	60%	7,372	4,423	804
				TOTAL:	132,752	83,879	15,250

Note: Three road maintenance contracts are envisaged for Guadalcanal. However, the area to be covered is combined with Honiara.

C. PDO-Level Results Indicators

17. **The performance of the project will be measured by a set of indicators contained in the Results Framework.** Key Project Development Objective (PDO) results and intermediary outcome indicators will be disaggregated by gender for analysis. Indicators that will track the achievement of the PDO will include:

- (i) Estimated number of households and individuals in project areas that benefit from improved access to infrastructure, services or markets;
- (ii) Percentage of individuals in project areas that report benefits from improved access to infrastructure, services or markets;
- (iii) Number of beneficiaries of job-focused interventions (i.e., number of project beneficiaries that are engaged in works or training activities)⁹;
- (iv) Percentage of beneficiaries from poor communities ranked as “highest priority” in the vulnerability index¹⁰;

⁸ Based on projections generated by the Solomon Islands Census Office. <http://www.citypopulation.de/Solomon.html> applying average annual growth rates using the base figures from the 2009 Census.

⁹ The adoption of this indicator is required for all - IDA financed investment projects. In the context of - IDA-financed operations, a beneficiary is defined as people or groups who directly derive benefits from an intervention.

¹⁰ Under REP, all 12 Wards in Honiara benefitted from the project. Geographic targeting (within Wards across Honiara) was applied using a rapid assessment tool (*Vulnerability Screening/Assessment Tool*), which ranked and identified communities with higher levels of vulnerability based on dwelling and household level characteristics, which are known to be common predictors of poverty and comparable to a subset of Census (2009) variables. Examples include main materials used in dwellings, primary source of energy, main source of water supply, main source of sanitation, distance to the closest market and Central Business District (CBD), public transport access and means of accessibility. Scores were allocated to each indicator and combined with proportional weightings, which in turn, produced a total score and ranking of communities in order of priority. This was used to inform and prioritize the roll-out of community infrastructure sub-project locations and interventions financed by the project. In addition, as a part of sub-project planning and selection, the project routinely screened sub-projects for their estimated labor content; assessed their potential impacts on the community as well as specific impacts on



and

- (v) Number of beneficiaries that report that the project investments reflected their needs.¹¹

III. PROJECT DESCRIPTION

A. Project Components

18. The project will be implemented over four years from 2018-2022 and has been designed building on REP's proven track record and the experience of the implementing agencies, HCC and MID, in partnership with Guadalcanal (GPG), Malaita (MPG) and Western (WPG) Provincial Governments. **Local government authorities in all the three provinces have expressed their commitment to participating and supporting the project's objectives, partnership arrangements and activities.**¹² The project is being processed under condensed procedures as outlined in paragraph 12 of Bank Policy on Preparation of Investment Project Financing (*Situations of Urgent Need of Assistance or Capacity Constraints*) and subject to IDA's Mandatory Direct Payment Pilot. However, no fiduciary or safeguard requirements have been deferred. The project's components are:

19. **Component 1: Urban Works and Services** will be implemented by HCC in association with Guadalcanal (GPG), Malaita (MPG), and Western (WPG) Provincial Governments. Activities include engagement of community groups and contractors through community grants and contracts to build basic transport infrastructure and provide waste management and cleaning services. Activities will generate approximately 176,000 labor-days, employing roughly 4,550 people. There are two subcomponents:

(i) **Subcomponent 1a: Community Access Infrastructure** will improve community access and connectivity of transport links to basic social and economic services. Better pedestrian infrastructure, allowing all year, weather-safe access to socio-economic services and facilities, will be built. Subprojects beautifying town areas will complement SIG's investments in tourism to improve the economy. Examples of infrastructure include concrete steps (Jacob's Ladders), footpaths, small bridges, swamp crossings, drainage improvements, erosion protection, landscaping, bus shelters, and secondary markets.

(ii) **Subcomponent 1b: Community-Based Waste Management Services** will improve solid waste management service delivery for urban residents, raise awareness through communications and provide targeted communities with employment opportunities in the sector. It will also help to strengthen social cohesion with mobilization of community groups, and foster greater transparency and engagement between them and local government authorities in delivering public services. Activities will involve increasing awareness about the importance of proper collection and disposal of waste. Where possible, garbage collection will be integrated with other, back-end services, such as transport to and disposal at landfills as well as recycling. Community groups engaged under task-based contracts will cover defined geographic areas and tasks. The services will be tailored to the needs of each urban center depending on its specific physical and social-economic environment.

women and youth (*Criteria for the Review, Evaluation and Selection of Community Works*).

¹¹ Core Participation and Civic Engagement Sector Indicator.

¹² As a condition of support for the project, the provincial authorities have: (i) nominated a Provincial Coordinator for the project from within the provincial government; (ii) agreed on a process for developing work plans that are being prepared; and (iii) agreed to provide an appropriate office for PIU personnel.



20. **Component 2: Road Maintenance and Repair** will be implemented by MID in association with GPG. It supports transport development priorities identified in the NTP across the feeder and lower tier road network in Honiara and selected urban areas of Guadalcanal Province. Urgently needed recurrent road maintenance, drainage improvements and rehabilitation of critical sections to climate resilient standards, will be addressed. While the work will mostly entail small to medium sized contractors carrying out civil works contracts covering road maintenance, improvements, the use of community grants will also be considered. Activities will generate approximately 34,000 labor-days, employing roughly 220 people. Despite the lower benefit-cost ratio in comparison with Component 1, investments in road maintenance and rehabilitation are important as the feeder roads connect to the main roads and other basic social and economic services. There are two subcomponents:

(i) **Subcomponent 2a: Community-Based Road Maintenance** will repair and maintain the short-linked roads in Honiara and Guadalcanal urban areas, between residential areas and the main paved roads. Repairs and maintenance help vulnerable urban communities in areas where immediate attention is required.¹³ Due to SIG's budget constraints, there is a backlog of maintenance on most roads. The purpose of routine maintenance is to prolong the life-span of the road with minor repairs of potholes and ruts in the road surface and shoulders, spot re-graveling, and clearing drainage systems of obstructions. Small contractors will be used under contracts of 12-months duration. Eighteen annual contracts are envisaged, covering approximately 70 km of road in Honiara and ten kilometers in Guadalcanal Province.

(ii) **Subcomponent 2b: Community-Based Road Improvement and Rehabilitation** will reinstate critical access for vulnerable urban communities to tertiary and secondary road sections that have been damaged by severe weather events and are no longer in maintainable condition. Safe and reliable access, and connectivity to the main transport network are prerequisites for people to participate in the local economy and to access basic socio-economic services. The subcomponent includes spot improvement of damaged road sections, which will ensure year-round access and make the road climate resilient for the future. The work involves improving and upgrading the road pavements and drainage systems, including constructing culverts and side drains. The sub-component will provide employment opportunities for contractors and community groups through four spot improvement and climate strengthening contracts, and two larger, road rehabilitation and upgrading contracts. Using safe work practices, appropriate technology, equipment, and materials will ensure quality and durability of constructed infrastructure.

21. **Component 3: Infrastructure and Service Delivery Training (ISDT)** will be implemented by HCC in coordination with MID, GPG, MPG and WPG. ISDT will provide skills training for 5,300 individuals from targeted urban communities and contractors to strengthen their knowledge of basic life and job-readiness skills; and increase their capacity¹⁴ to access benefits linked to labor-based activities funded by the project. As a pre-requisite for work, the training will build upon the REP's successful Pre-Employment Training (PET), which remains relevant in the context of high unemployment and limited urban service delivery. The curriculum will include, *inter-alia*: basic life skills; occupational health and safety; basic numeracy skills; health; hygiene and nutrition and improving the knowledge and skills of beneficiaries related to labor-based construction and service delivery methods as well as contracting and payment arrangements. The project will also provide stipends for bus fare and lunch during the seven-day training. ISDT will be used to facilitate entry for individuals in On-the-Job Training (OJT) provided in Components 1 and 2. During the OJT, individuals are expected to

¹³ Due to the very low capacity of civil works and labor based contractors in the provinces, and the high mobilization costs of equipment to the islands, procurement of civil works contracts in Western and Malaita provinces is considered high. For this reason, and because the volume of civil works is relatively low, road maintenance and improvement works are not proposed to be included in Malaita and Western Province.

¹⁴ The knowledge and skills provided to the trainees will help them to participate in the project; and provide them with the basic skills and support to access further training and economic opportunities beyond the project. Data collected through an annual survey will be used to track the outcomes.



acquire further practical, work place and marketable skills in: mixing and laying of concrete, the laying of bricks and pavers, drainage simple road maintenance and landscaping as well as safety in construction and other works specifications. ISDT will also be used to: (i) collect socio-economic data as part of its registration process; (ii) setup bank accounts for beneficiaries; (iii) provide counseling and referral services to other social intermediaries as part of its post-training support services; and (iv) pilot pre-training literacy development for a sub-set of trainees with support from the Literacy Development Association (LDA). This is in response to concerns expressed during project consultations regarding the low level of literacy among the beneficiary population, particularly among women. Further modules will be added to the ISDT, targeting: (a) works contractors in: (i) bid preparation, including technical advice on volumetric costing; (ii) supervision training for contractors and staff to increase quality of works; and, (iii) fiduciary training on completion of required compliance documents and billing processes; and (b) community groups (in years two and beyond) that aim to obtain further contract work. It is anticipated that community groups will benefit from training in: (i) the organization of works and tasks for contracting; (ii) supervision and monitoring; and (iii) bookkeeping and reporting.

22. **Component 4: Project Management** will finance project management support, including safeguards oversight, monitoring and evaluation (M&E), audits, communications and media support (for the project overall, and specifically around the waste management services to increase awareness), short-term technical help, training, financial management, procurement, and provision of goods and operating costs. Project Management Units (PMUs), attached to HCC and MID as Implementing Agencies, will be housed in a joint project office in Honiara and share staff and physical resources. The PMUs will be responsible for: (i) supporting HCC and MID on procurement, financial management, safeguards, communications and media, reporting and monitoring and evaluation under the respective parts of the project; (ii) providing technical assistance to Community Groups on sub-project designs and (iii) overseeing the implementation of the project at provincial level. PIUs will be attached to Provincial Secretaries’ Offices to support project delivery in Western and Malaita Provinces. The PIUs will effectively serve as satellite offices for the PMUs and be responsible for providing supervision and logistical support, community outreach, local level monitoring and maintaining petty cash. Details on the establishment, composition and scope of responsibilities of the PIUs will be set out in the Project Operations Manual (POM). The joint project office will continue supporting HCC, Guadalcanal Province, and MID project delivery in and around Honiara. Establishment of the PMUs is on the project’s critical path to successful implementation, in addition to the recruitment and maintenance of the Senior Works and Community Liaison Officers at the provincial level to support project delivery in Malaita and Western provinces. An annual work plan and budget will be required for submission by no later than November 30 of each calendar year. As part of the project’s impact evaluation, baseline, and follow-up surveys of communities in project impact areas, beneficiaries, and contractors will be carried out to measure key result indicators.

B. Project Cost and Financing

Project Components	Project cost	IBRD or IDA Financing	Trust Funds	Counterpart Funding
Component 1: Urban Works and Services	6.452	6.452		
Component 2: Road Maintenance and Repair	5.458	5.458		
Component 3: Infrastructure and Service Delivery Training	1.426	1.426		



Component 4: Project Management	1.664	1.664		
Total Costs	15.000	15.000		
Total Project Costs	15.000	15.000	-	-
Front End Fees	0	0	0	0
Total Financing Required	15.000	15.000		

C. Lessons Learned and Reflected in the Project Design

23. **CAUSE will apply similar fiduciary arrangements and implementation mechanisms as REP; and focus on the transport and waste management sectors, which have been identified as priorities for Honiara and the provincial authorities,¹⁵ targeting vulnerable urban communities, especially women and youth.** Building on REP's proven track-record, the project will: (a) construct access infrastructure to connect communities to basic social and economic services; (b) deliver waste management services; (c) maintain and improve secondary and tertiary roads; and (d) provide skills training to beneficiaries carrying out labor based activities. Lessons include:

- (i) **Ensuring smooth inter-agency coordination** by establishing a joint project office, sharing staff and resources, and maintaining simplified institutional arrangements;
- (ii) **Mainstreaming and aligning project activities with implementing partner priorities, which has helped to maximize development impact and ensure sustainability.** Linking new access works to existing infrastructure and services has proven to be effective in meeting wider community needs. Many road networks in town areas are poorly designed, poorly linked and pose safety risks to both pedestrians and drivers due to a lack of poor strategic planning and challenging topography. Under the REP, the connective infrastructure has helped to enhance community access to main transport links and other social and economic services such as schools, health clinics and markets¹⁶;
- (iii) **Applying informed, targeted, inclusive, and transparent mechanisms for the engagement of young men and women in the project.** Results from REP confirm the project is effective in reaching vulnerable groups (59 percent of participants come from communities ranked highest priority on the vulnerability index), including unemployed women (58 percent) and youth between the ages of 16 and 29 years (58 percent).¹⁷ General cultural bias, norms, and resistance from men during early discussions around the REP triggered follow-on consultations with youth and women's groups¹⁸ to inform the design of targeting mechanisms for these groups (outlined in paragraph 13).

¹⁵ UNHABITAT, 2012. *Solomon Islands: Honiara Urban Profile; Auki Urban Profile, Gizo Urban Profile.*

¹⁶ As reported in the 6th Annual Survey (2017), 94 percent of beneficiaries reported that access to their work was improved while 92 percent agreed that the infrastructure did improve access to services and markets.

¹⁷ REP Quarterly Progress Report for end September 2017.

¹⁸ Consultations were held with women's groups during preparation and during the preparation of the Social Assessment; and the Community Consultation Framework, to be applied during implementation, includes separate consultations with women, men and youth.



- (iv) **Ensuring rapid and early output delivery.** REP was successful in providing a rapid delivery of investment funds at the community level by adopting simplified planning, budgeting, implementation, and disbursement procedures. Typically, Community Driven Development (CDD) programs require communities to procure and hire external contractors to design sub-projects, which significantly increases the cost and complexity of sub-projects. However, with REP, procurement is handled by the PMU and technical assistance is provided to the community for all sub-project designs. Community groups are subsequently contracted to implement the works and paid through community grants. Subprojects are then implemented within three to four months, as opposed to 12 to 18-months.¹⁹ While continuing with this approach, CAUSE will seek to coordinate with other community programs operating in the same space to avoid a duplication of activities/sub-projects.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

24. **Building on the REP structure already in place, the project will be jointly implemented by MID and HCC in partnership with GPA, MGA and WPA.** HCC and MID will therefore be responsible overall for the planning, management, and monitoring performance of all activities. Each agency will maintain a PMU, aligned to the Works Division of HCC; and Transport Infrastructure Management Services Department of MID, which will be responsible for their respective Component activities. However, the PMUs will be co-located in Honiara, and staff and resources will be shared according to workload and skill needs. Small PIUs, essentially satellite offices to the PMU office in Honiara, will be setup to support project delivery in Malaita and Western Provinces (Auki and Gizo). For project activities to be implemented in Guadalcanal, Malaita and Western, HCC, MID and relevant Provincial Authorities will enter into a Participation Agreement (PA), which summarizes the implementation arrangements and responsibilities of each party. The finalization of the PA was a condition of negotiations.

25. **HCC and MID are responsible for the performance of their relevant components and subcomponents.** However, funds and resources will need to be shared amongst the implementing agencies and provinces. Technical Coordination Committee (TCC) with members from the PMUs, PIUs, and Provincial technical staff, will meet regularly, coordinating planning, works and services, community engagement, safeguards compliance, budgeting, and monitoring activities. GPG, MPG and WPG will coordinate with HCC, MID and their respective town councils (where established) when selecting and implementing subprojects. A Project Steering Committee (PSC) will oversee overall performance of the project. The PSC members will include the Permanent Secretaries of MoFT, MID, MPGIS, MDPAC, MHA, MWYCFA and the HCC City Clerk (or their respective designates). The PSC Chair will be rotated between the Permanent Secretaries for MID and the HCC City Clerk, but may include MPGIS after a year or so. The TCC will coordinate activities between the project teams, implementing agencies, and the participating Provincial Authorities. Most aspects of the projects will be coordinated and developed through the TCC including hiring of staff, work plans and budgets, community awareness, compliance with safeguard procedures and monitoring of activities. The TCC will consist of the two (HCC and MID) Project Managers, the PMU's Finance and Procurement Officers, the Provincial Secretaries (PSs), Town Clerks and Senior Works Officers resident in the Provinces. Additional technical or Provincial Government planning staff may be invited (depending on the meeting agenda). The arrangements for the PIUs, TCC and PSC will be set out in the POM. The adoption of a POM satisfactory to

¹⁹ One of the lessons from Rural Development Program was that, while communities preferred to undertake their own procurement, it was costly and slow, and could not be completed within one year as originally planned. Communities also reported that they needed assistance with planning, technical design, procurement, and supervision of civil works.



IDA will be a condition of disbursement for Works and Community Grants. The establishment of the TCC and the PMUs as well as the recruitment and maintenance of the Senior Works and Community Liaison Officers at the provincial level to support project delivery in Malaita and Western provinces, among others, are the essential arrangements for the effective and timely start-up and implementation of the project.

B. Results Monitoring and Evaluation

26. **The Monitoring and Evaluation (M&E) plan is based on the key indicators and targets set out for each project component in the Results Framework.** Some of the data will be collected by the PMUs and PIUs as part of regular project management. The data collected will be entered in an improved Management Information System (MIS). Three annual surveys will be conducted, starting in year two, to measure additional qualitative impacts, such as feedback from beneficiaries, households, and communities on whether/how they have benefited from the project investments, among other areas, including the ISDT. A bridging survey may be piloted at the end of year one.

C. Sustainability

27. **CAUSE will also adopt key changes (from REP) to increase the sustainability of project outputs and outcomes as well as operational and economic impact.** They include:

- a. Increasing the overall proportion of the project's investments in access and transport infrastructure to align with urban planning priorities and tourism investments. As a proportion of the project's overall costs, investment activities represent almost 80 percent of the project's overall costs. The remaining costs are attributed to training and project management;
- b. Prioritizing the types of infrastructure sub-projects based on the potential to strengthen the network connectivity of roads and footpaths in alignment with SIG's National Transport Plan (NTP). The NTP could provide an additional vehicle for funding access infrastructure and maintenance in the future;
- c. Transitioning the management of labor, from time based to task based contracts to increase productivity per unit of cost, and offering repeat contracts for community groups intending to start their own contracting businesses, to ensure more cost-efficient service delivery, improve prospects for bidding on such maintenance contracts, and promote more sustainable opportunities for participation in the local economy;
- d. Strengthening the delivery of solid waste management services by working with relevant agencies in Honiara and project partners at provincial level to integrate back-end services²⁰ such as the management of waste, including transportation and landfilling services;
- e. Introducing electronic banking for contractors and beneficiaries to promote financial inclusion and strengthening the project's internal controls.²¹ This has the added benefit of protecting beneficiary incomes (particularly for women), promoting savings and ensuring that the payroll can be implemented on time; and
- f. Introducing training referrals for beneficiaries and piloting partnerships with local training organizations to provide further literacy training and training for community groups to ensure more sustainable outcomes.

D. Role of Partners

²⁰ Back-end services refers to management of waste after collection, including transportation and landfilling operations.

²¹ Introducing electronic banking will also help protect beneficiaries' income (particularly for women), promote savings, and ensure payments can be made quickly.



28. **Guadalcanal, Malaita, and Western Provinces will be key partners on the project.** They will work closely with the PMU and PIUs, be members of the Technical Coordination Committee, and provide physical and counterpart resources to assist the project teams supervise activities. The working relationship between the Implementing Agencies and the Provinces, and their respective responsibilities, is described in a Participation Agreement. CAUSE will participate in the Land and Urban Management Sector Coordination Group, comprised of various government and development partner agencies working on urban issues, to ensure alignment on urban management issues; support community access infrastructure priorities specified in the NTP; coordinate with MPGIS and other relevant ministries through the PSC; and may also collaborate with the Solomon Islands National University (SINU) and LDA on some aspects of the ISDT. The major banking partner will be the Bank of South Pacific (BSP).

29. **The project will also coordinate with other partners, including donors, who are involved in urban infrastructure and services.** Coordination is required to avoid duplication, exchange information, and transfer knowledge and experience. Where appropriate, CAUSE will link with other back-end services being implemented by others (e.g. organization, compaction and improved landfill waste management services in Provinces funded by JICA). Other sector coordination partners include NZAID on institutional development, DFAT on transport infrastructure and maintenance as well as RDP II, and CRISP. The project will aim to share work plans and discuss and disseminate results widely.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

30. **The overall Risk Rating is Moderate.** Despite low institutional capacity, REP through its PMUs have delivered steady results in an increasingly effective manner over the last eight years. Four successive Additional Financing operations, carried out between 2013 and 2016, have successfully tested the risk mitigation measures. Keeping central control of all elements of delivery under the joint PMU, especially procurement and finances, is critical to ensuring good implementation progress. Other community-based projects such as RDP II and CRISP are increasingly moving to this model. The project has evolved and adapted to changed conditions by adjusting and introducing new implementation methods at each phase. The main sustainability risk thus far is that REP offers only short-term employment through subprojects, although to many people. With the change in project design, and the move to output-based contracts rather than time-based contracts, this is no longer a substantial risk as this will increase cost and organizational efficiencies for both the implementing agencies managing the work; and community groups will be given repeat contracts, enabling them to build the experience and capacity to bid on such contracts that may be made available by the town councils in the future. However, with the addition of two provinces in the project design, new risks are:

- Building institutional and technical capacity at the sub-national level to support implementation and ensure sustainability (at community level, remoteness, transport, and communication remain challenges);
- Managing variance or disparity in target groups needs for urban services across different provinces.

31. To address institutional capacity and implementation risks at subnational level, CAUSE will apply lessons from the pilot between HCC and Guadalcanal Province. Examples include:

- Implementing a Participation Agreement, which will allow the Implementing Agencies to provide financial management and procurement support to the provinces under Components 1 and 3, directly contracting and



supervising activities through the PMU;

- Ensuring sufficient resources are allocated for a well-functioning TCC to smooth coordination between Honiara and the provinces;
- Undertaking early communications to ensure that communities in Honiara and the provinces are made aware of the project's objectives, benefits and procedures;
- Using a centralized procurement model, combined with the provision of technical assistance, as under REP; and
- Limiting the scope of investment activities in Western and Malaita Provinces to Components 1 and 3, which would substantially reduce the complexity of implementation.

32. In addition:

- MID already has in place a national network providing technical support to the provinces for design and implementation of sub-projects under Component 2; and
- The Honiara-based joint project office will provide regular supervision, training, and support on planning, technical design, and procurement of works and services. PIUs will be setup to support project delivery in Western and Malaita Provinces. CAUSE will use standard construction designs and service delivery models piloted and tested under REP.

33. To address sustainability and variance risks, CAUSE will:

- Implement services and sub-projects through local community groups and contractors. Repeat contracts and follow-up training for community groups interested in setting up their own businesses would be offered through the project. This would help to improve their prospects for bidding on such contracts in the future. In addition, the provision of training referrals for beneficiaries, to be established through partnerships with training and higher learning institutions, would provide another pathway for sustainability; and the provision of basic numeracy and literacy training, for the most vulnerable individuals requiring such support, through the pilot with the LDA;
- Work with MID through the NTP to core priorities in road maintenance and repair and identify additional resources from the regular budget and NTF, which could be used to co-finance the access infrastructure and routine road maintenance work; and
- Undertake vulnerability and screening assessments to clarify target group demands for urban services. The screening, applied in all project locations, will consider community needs and expected benefits to target groups. The project will avoid a 'one-size-fits-all' approach or try delivering everything, everywhere. Activities and delivery pace will be tailored to locations.

34. **In addition, an associated risk is exposure of urban areas to the effects of climate change and geophysical hazards, including storm surge, flooding, and tropical cyclones, amongst others.** IDA's Climate and Disaster Risks Screening Tool has been used to determine the exposure of the project's physical works, and where non-physical components can modulate the climate change and geophysical-related risks. The project has moderate overall exposure, largely due to the prevalence of various natural disaster risk in the country (flooding, drought, landslide, earthquake, tsunami) and exposure to climate change risks (sea level rise, increased flooding and storm surge). SIG currently manages disaster risk through the Ministry of Environment, Climate Change, Disaster Management, and Meteorology (MECDM) and have prepared a National Adaptation Program of Action (NAPA). While not the primary objective of the project, project activities will address several of the priorities set by the NAPA, including improved waste management, coastal



protection, and infrastructure development to mitigate the climate change and geophysical risks. During subproject identification, the percentage of beneficiaries in areas vulnerable to flooding, landslide and other hazards will be monitored as part of the Vulnerability Screening Assessment. The criteria for inclusion in the Vulnerability Screening Tool and related procedures will also be discussed and developed with MECDM. Under the road maintenance and repair works (Component 2), roads will include those that have been damaged by severe weather events and no longer functioning, including improved drainage capacity, and where suitable, upgrading pavement to all-weather access.

VI. APPRAISAL SUMMARY

A. Economic and Financial (if applicable) Analysis

35. **The project activities will result in economic benefits from: (i) Improved infrastructure, which will provide increased access to markets and services and safety for commuters; (ii) Increased short-term employment and improved future employment prospects for project participants; (iii) Improved beneficiary and contractor capacity to deliver infrastructure and services through the ISDT and contractor training; and (iv) Potential spillovers from reduced poverty and improved social cohesion.** A comparison of expected costs and benefits over the life-time of the project indicates Components 1 and 2 will generate an economic internal rate of return of 8.6 percent, after adjusting for tax revenues and the net transfer to labor provided by the project. Overall, the project is expected to generate 210,900 labor days providing short-term employment for 4,780 people, transferring conservatively estimated benefits of USD 392,000 to CAUSE beneficiaries. The increase in incomes will have multiplier effects on the rest of the economy as it is spent, adding conservatively estimated benefits of USD 980,000.

36. Specifically, for the 4.3 km of upgraded roads, benefits include lower recurrent maintenance costs over time with a present value (PV) of USD 274,000, a reduction in travel times (PV USD 847,000), and lower vehicle operating costs (PV USD \$ 601,000). Benefits from maintaining 24 km of roads, likely be left unmaintained without CAUSE, are estimated to have a PV of US\$ 3.2 million. While difficult to quantify, the time savings derived from community infrastructure (such as footpaths and the maintenance of public buildings) are estimated to have a PV of US\$ 4.9 million. The benefits of increased employment and improved future employment prospects for project participants is expected to yield a PV of US\$ 2.6 million. Additional social benefits, which are not possible to quantify with currently available data, but should nevertheless be considered, include: (i) better health outcomes from increased waste-management activities; (ii) better health and education outcomes from improved access; and (ii) greater social cohesion and stability as well as increased safety due to reduced accidents and injury.

B. Technical

37. **The predecessor project (REP) has demonstrated that public works activities can serve as an effective safety-net for poor and vulnerable segments of society.** IDA concludes this same approach would be appropriate and relevant for CAUSE. The main technical features of the project are: (i) application of the *Vulnerability Screening Tool*, used in REP, to aid geographic prioritizing of poorer communities when identifying eligible subprojects; (ii) organizing and delivering community-based access infrastructure, waste management, and works that fall under the authority of HCC, GPG, MPG, WPG, and their respective Town Councils; (iii) applying appropriate labor-based technology for road maintenance, repair and improvements, which are prioritized under SIG's NTP; and (iv) providing basic competency and work place training for individuals, community groups, and contractors. The ISDT builds on the REP's PET. Such training is effective in:



registering and processing beneficiaries; facilitating their transition to the project's labor-based activities; and providing access to other support services such as counseling, and referrals to employers and other social service intermediaries. The implementation mechanisms for each of these three areas have been tested and refined during REP. Standard designs, specifications, drawings, Bill of Quantities (BoQs), and construction methods will be used for transport infrastructure. Community Liaison Officers, Works Officers, Skilled Tradesmen, and Trainers will support the project technically. The HCC and MID Project Managers/Engineers will oversee and certify the completion of works activities. A technical audit could be included in the Mid-Term Review (MTR) to review and assess the quality of community investments.

C. Financial Management

38. **The financial management assessment was carried out in accordance with the “Principles Based Financial Management Practice Manual” issued by the Board on March 1, 2010.** The manual states “...with respect to projects financed by the Bank, the grantee is required to maintain appropriate implementation arrangements which include—accounting, financial reporting, and auditing systems—adequate to ensure they can provide the Bank with accurate and timely information regarding the project resources and expenditures.” Overall, the financial management arrangements satisfy the financial management requirements of the World Bank's Investment Project Financing Bank Policy. The financial management risk of the project is considered *Moderate* based on using the financial management arrangements in place for REP. Additional actions have been agreed to help mitigate residual risks associated with the scale up of the project under CAUSE. They include: (i) recruitment of administrative/finance officers in the PIUs to manage the provincial imprest accounts; (ii) recruitment of a Payroll/Admin Clerk in the PMU for at least 12 months to facilitate the additional workload to enter beneficiary bank account data into the electronic payments system; and (iii) where possible, paying for province-based activities from the Designated Accounts (DAs). In addition, regular implementation support will be provided by IDA's Financial Management Specialist.

D. Procurement

39. **A procurement assessment focusing on the Implementing Agencies' existing capacity, experience, and practices for managing procurement was carried out in accordance with the World Bank's Procurement Regulations for Investment Project Financing (IPF) Borrowers, July 2016; and IDA's Mandatory Direct Payment Pilot (DPP) will be applied to the project.** The project counterparts, HCC and MID, through their respective PMUs, have eight years of experience in implementing REP. Procurement under the REP has been *Satisfactory*. The REP-PMUs currently share a dedicated Procurement Officer. However, given the scale-up of the project under CAUSE, procurement capacity within the PMU will be strengthened. The project will finance minors works contracts, goods, and consultants' positions for HCC and MID PMUs. A detailed procurement plan for the first 18 months of the project was prepared based on the analysis contained in the Simplified Project Procurement Strategy for Development (PPSD). Disbursements of remunerations in foreign currency under the two (2) consulting contracts for international individual consultants procured through direct selection, as set out in the procurement plan, will be made through Direct Payment method. Additional procurement support will be provided by IDA's Procurement Specialist.

E. Social (including Safeguards)

40. **The project's overall social impact is expected to be positive.** A Social Assessment was conducted in August 2017 to: (i) Provide a description of the social and environmental context in which the project will operate in and form the baseline conditions for the project; (ii) Analyze the expected social impacts and potential risks for the project; and (iii)



Provide guidance and recommendations to be adopted in the project design, implementation arrangements and Environmental and Social Management Guidelines (ESMG). Overall, social conditions are similar to those under REP. The main economic and social challenges relate to geographic and economic isolation, high unemployment, low education, and rapid and unplanned urbanization leading to poor urban services. This has resulted in high levels of poverty, particularly amongst unemployed women and young people. However, some differences are noted. In Auki, Gizo, and Munda, populations tend to be less diverse than in Honiara and areas of Guadalcanal Province. Like Honiara, Noro has a diverse, shifting, and rapidly growing, but smaller population.

41. The Social Assessment identified a few institutional, social, and environmental risks that will require mitigation.

The main social risks relate to (i) ineffective inclusion/elite capture; (ii) unfulfilled expectations; (iii) social diversity/inequality between participants; (iv) possible disputes; and (v) health and safety and gender-based concerns in work places. Recommendations to mitigate these risks involve:

- a. Adopting clear and active community consultation and engagement processes to enhance equitable and optimal benefits to the target groups. Strategies include ensuring that the project's selection criteria, priorities, processes, rules, and expectations are clearly stated and widely communicated so that there is a common understanding of project requirements;
- b. Linking into existing government and social processes, ensuring the project's inception processes are comprehensive, and communities are kept well informed of the project's processes and progress; and
- c. Ensuring the project is gender informed and maximizes the inclusion of youth and the urban poor.

42. An assessment of the project's preparation and safeguards instruments was found to be compliant with IDA's safeguards policies.

The ESGM builds on the REP-ESMG and is informed by the Social Assessment, which was carried out in September and updated in October 2017. A public consultation on the ESGM and Social Assessment was held on October 13, 2017 in the REP office in Honiara. The consultation was used to: (i) Validate the Social Assessment findings and recommendations; (ii) Generate support for the project and acknowledgement of its positive social impacts; and (iii) Emphasize cultural sensitivity and Indigenous Peoples context.

43. The project triggers OP4.10 Indigenous Peoples (IPs), OP4.11 Physical Cultural Resources and OP4.12 Involuntary Resettlement.

As most project beneficiaries are IPs, the main elements of an IP Policy Framework or IP Plan (free, prior, and informed consultation, leading to broad community support), have been embedded in the project design. Key elements of the project design, including the Consultation Framework and Grievance Redress Mechanism (GRM), comply with OP4.10. As part of the project's communication plan contained in the Consultation Framework and GRM, the key elements of a citizen engagement strategy include: (i) The disclosure of important project related information by the implementing agencies on public information boards and on their websites; (ii) Consultations with the key stakeholders, especially with the community leaders, during planning, design, and implementation of sub-project activities; (iii) Upgrading the GRM used under REP; and (iv) engaging with relevant stakeholders, including women, civil society organizations and local bodies in project implementation, monitoring and evaluation. OP4.11 has been triggered as a precautionary measure for where physical or cultural resources are encountered. For most types of subproject this is considered unlikely as little or no excavation will be required. However, planning measures will be included in subprojects' environmental assessment and ESMP as necessary (see below). In accordance with OP4.12, a Land/Asset Acquisition Policy Framework was prepared and included in the ESGM to address potential minor impacts of civil works that will be implemented within SIG's existing right-of-way. The ESGM requires that land acquisition screening be undertaken for all sub-projects, and corresponding management measures will be reflected in the ESMP if required. The project will not finance subprojects that result in the physical relocation of project-affected persons. Any potential



displacement impacts will be limited to acquisition of strips of land and damages to crops, structures, and other assets. IDA will prior review the first subproject that involves land acquisition under Sub-Component 1a and 2b as specified in the ESMG.

F. Environment (including Safeguards)

44. **The project, classified as Environmental Category “B”, will trigger OP4.01 Environmental Assessment and OP4.04 Natural Habitats.** The updated ESMG, as informed by the Social Assessment, represents the Environmental Assessment required for Category “B” projects. The project is expected to have minimal environmental impacts, with physical works largely consisting of small-scale infrastructure in urban areas. As under REP, the range of subprojects will involve small, localized construction practices, and works will be in anthropogenically altered urban areas not requiring clearing of vegetation. Some road subprojects will be on the outskirts of the urban area but located in the existing roadway. Each subproject will require an environmental assessment and an Environment and Social Management Plan (ESMP), to manage potential impacts. These will be assessed on a subproject basis, but are expected to be limited to localized and temporary construction-related impacts, such as sedimentation, waste management, and erosion. IDA will prior review the first ESMPs for Sub-Component 1a. and Sub-Component 1b, as specified in the ESMG.

45. **OP4.04 has been triggered as a precaution for where subprojects, such as road improvements, may infringe on coastal or terrestrial areas that support natural habitats.** The project will be located in the urban areas of Honiara, Auki, Gizo, Noro and Munda on developed land that does not contain critical natural habitats. If the subproject’s environmental assessment indicates natural habitats will be affected, the ESMP will include appropriate mitigation measures.

46. **Risks relating to climate change and geophysical hazards are assessed as *Moderate*.** IDA’s Climate and Disaster Risks Screening Tool has been used to determine the exposure of the project’s physical works, and where non-physical components can modulate the climate change and geophysical-related risks. The project has moderate exposure, largely due to the prevalence of various natural disaster risk in the country (flooding, drought, landslide, earthquake, and tsunami) and exposure to climate change risks (sea level rise, increased flooding, and storm surge). The location of the Solomon Islands on the Ring of Fire, as well it’s tropical climate, exposure to South Pacific tropical cyclones, and collection of urban areas in coastal areas, results in generally high exposure across the archipelago. The project design includes measures to plan for and mitigate the climate change and geophysical risks. During subproject identification, the percentage of beneficiaries in areas vulnerable to flooding, landslide, and other hazards will be monitored as part of the Vulnerability Screening Assessment. Under Component 2 roads will include those that have been damaged by severe weather events and no longer functioning, including improved drainage capacity and, where suitable, upgrading to all-weather access.

G. Other Safeguard Policies (if applicable)

47. No other safeguard policies are triggered for this project.

H. World Bank Grievance Redress

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/en/projects-operations/products-and-services/grievance-redress-service>.

For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Solomon Islands

Community Access and Urban Services Enhancement Project

Project Development Objectives

To improve basic infrastructure and services for vulnerable urban populations in targeted urban centers of the Recipient

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Households in project areas benefiting from improved access to infrastructure, services or markets		Number	0.00	15000.00	Annual	Annual Follow-Up Survey.	Implemented by external firm. Survey questionnaire to be designed by IDA.
Description:							
Name: Individuals from project areas reporting		Number	0.00	84000.00			



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
improved access to infrastructure, services or markets					Annual	Annual Follow-Up Survey.	Implemented by external firm. Survey questionnaire to be designed by IDA.
Youth (aged between 16 and 29 years) from project areas reporting improved access to infrastructure, services or markets		Percentage	0.00	50.00	Annual	Annual Follow-Up Survey	Implemented by external firm. Survey questionnaire to be designed by IDA.
Women from project areas reporting improved access to infrastructure, services or markets		Percentage	0.00	50.00	Annual	Annual Follow-Up Survey	Implemented by external firm. Survey questionnaire to be designed by IDA.
Description:							



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Beneficiaries of job-focused interventions	✓	Number	0.00	5300.00	Quarterly	MIS/Quarterly Progress Report	HCC & MID
Beneficiaries of job-focused interventions - Female	✓	Number	0.00	2650.00	Quarterly	MIS/Quarterly Progress Report	HCC & MID
Description:							
Name: Youth that are engaged in works or training activities		Percentage	0.00	50.00	Quarterly	MIS/Quarterly Progress Report	HCC & MID
Description:							
Name: Beneficiaries from poor communities ranked as "highest priority" in the		Percentage	0.00	60.00			



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
vulnerability index					Baseline assessment at the beginning of the project	Vulnerability Screening Tool	HCC & MID

Description:

Name: Beneficiaries reporting that project investments reflected their needs		Percentage	0.00	70.00	Annual	Annual Follow-Up Survey	Implemented by external firm. Survey questionnaire to be designed by IDA.
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Description:

Participation & Civic Engagement Core Sector Indicator.

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
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Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Community access infrastructure constructed		Number	0.00	136.00	Quarterly	MIS/Quarterly Progress Report	HCC & MID
Description:							
Name: Community members reporting that the infrastructure improved pedestrian safety		Percentage	0.00	80.00	Annual	Annual Follow-Up Survey	Implemented by external firm. Survey questionnaire to be designed by IDA.
Description:							
Name: Number of labor days generated (under Components 1 & 2)		Number	0.00	209000.00	Annual	MIS/Quarterly Progress Report	HCC & MID



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Of which youth		Percentage	0.00	50.00	Quarterly	MIS/Quarterly Progress Report	HCC & MID
Of which women		Percentage	0.00	50.00	Quarterly	MID/Quarterly Progress Report	HCC & MID
Description:							
Name: New bank accounts opened or reactivated as result of the project		Number	0.00	2700.00			
New bank accounts opened or reactivated as result of the project by women		Percentage	0.00	50.00	Quarterly	MIS/Quarterly Progress Report	HCC & MID
Description:							



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Volume of waste collected		Cubic Meter(m3)	0.00	19400.00	Quarterly	MIS/Quarterly Progress Report	HCC
Description:							
Name: Length of roads maintained		Kilometers	0.00	82.50	Quarterly	MIS/Quarterly Progress Report	MID
Description:							
Name: Length of roads rehabilitated or improved to climate resilient standards		Kilometers	0.00	8.66	Quarterly	MIS/Quarterly Progress Report	MID
Description:							



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Individuals trained under the ISDT		Number	0.00	5300.00	Quarterly	MIS/Quarterly Progress Report	HCC
Of which youth		Percentage	0.00	50.00	Quarterly	MIS/Quarterly Progress Report	HCC
Of which women		Percentage	0.00	50.00			
Description:							
Name: Contractors' staff trained		Number	0.00	224.00	Quarterly	MIS/Quarterly Progress Report	HCC & MID
Description:							
Name: Trainees that accessed the pre and post		Number	0.00	1500.00			



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
ISDT support services, including further training, counseling and referral services					Quarterly	MIS/Quarterly Progress Report	HCC
Trainees that received additional literacy training through pilot		Number	0.00	250.00	Quarterly	MIS/Quarterly Progress Report	HCC
Women accessing literacy training through the pilot		Percentage	0.00	30.00	Quarterly	MIS/Quarterly Progress Report	HCC
Women accessing counseling services		Percentage	0.00	30.00	Quarterly	MIS/Quarterly Progress Report	HCC
Description:							
Name: Trainees that expressed satisfaction with		Percentage	0.00	80.00			



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
knowledge and skills received from ISDT					Quarterly	MIS/Quarterly Progress Report (ISDT Exist Survey)	HCC
Description:							
Name: Trainees that are assessed as successfully completing the training		Percentage	0.00	80.00	Quarterly	MIS/Quarterly Progress Report (ISDT Exit Survey)	HCC
Description:							
Name: Grievances resolved within three months		Percentage	0.00	100.00	Quarterly	MIS/Quarterly Progress Report (Grievance Redress Form)	HCC & MID
Description:							



Target Values

Project Development Objective Indicators

Indicator Name	End Target
Households in project areas benefiting from improved access to infrastructure, services or markets	15000.00
Individuals from project areas reporting improved access to infrastructure, services or markets	84000.00
Youth (aged between 16 and 29 years) from project areas reporting improved access to infrastructure, services or markets	50.00
Women from project areas reporting improved access to infrastructure, services or markets	50.00
Beneficiaries of job-focused interventions	5300.00
Beneficiaries of job-focused interventions - Female	2650.00
Youth that are engaged in works or training activities	50.00
Beneficiaries from poor communities ranked as “highest priority” in the vulnerability index	60.00
Beneficiaries reporting that project investments reflected their needs	70.00

Intermediate Results Indicators

Indicator Name	End Target
Community access infrastructure constructed	136.00



Indicator Name	End Target
Community members reporting that the infrastructure improved pedestrian safety	80.00
Number of labor days generated (under Components 1 & 2)	209000.00
Of which youth	50.00
Of which women	50.00
New bank accounts opened or reactivated as result of the project	2700.00
New bank accounts opened or reactivated as result of the project by women	50.00
Volume of waste collected	19400.00
Length of roads maintained	82.50
Length of roads rehabilitated or improved to climate resilient standards	8.66
Individuals trained under the ISDT	5300.00
Of which youth	50.00
Of which women	50.00
Contractors' staff trained	224.00
Trainees that accessed the pre and post ISDT support services, including further training, counseling and referral services	1500.00
Trainees that received additional literacy training through pilot	250.00



Indicator Name	End Target
Women accessing literacy training through the pilot	30.00
Women accessing counseling services	30.00
Trainees that expressed satisfaction with knowledge and skills received from ISDT	80.00
Trainees that are assessed as successfully completing the training	80.00
Grievances resolved within three months	100.00



ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY : Solomon Islands

Community Access & Urban Services Enhancement Project

1. **CAUSE consists of four components:** Component 1—Urban Works and Services; Component 2—Road Maintenance and Repair; Component 3—Infrastructure and Service Delivery Training; and Component 4—Project Management. HCC and MID will lead implementation of these components and jointly house the PMUs.

Maintenance and rehabilitation of roads and maritime infrastructure are listed as top priorities in the SIG/MID Medium-Term Transport Action Plan for 2017—2021. The plan also lists urban roads, footpaths, and footbridges as priority investments. Whilst the SIG National Transport Fund is earmarked for the urban road works, no funding source is identified for the urban footpaths and footbridges. To this end, transport infrastructure, especially pedestrian access, is identified as a key development need in the urban development plans for Auki, Gizo town, Noro, and Honiara. Connectivity between the main transport networks and residential areas is essential to allow people to be part of the local economy, and to provide safe access to socio-economic services and markets. Waste management, market facilities and the development of tourism are also listed as priority activities. The project therefore seeks to improve small scale infrastructure and service delivery through community engagement both these priority sectors, focusing on the provision of basic skills and short-term employment for vulnerable groups. At the same time, the project will assist local governments, as already done with HCC and MID under REP, to improve their community-based labor and organizational management as well as increase the transparency and efficiency of waste collection and road improvement and maintenance work. The project allows for investment in infrastructure and services that otherwise would not be done. The four components are described in more detail below.

Component 1: Urban Works and Services

2. **This component will be implemented by HCC in association with GPG, MPG and WPG, to support urban development and service priorities identified in their Local Development Plans.** Activities include employing community groups and contractors, through community grants and contracts, to build critical access infrastructure and provide waste management services. There will be two subcomponents.

3. **Subcomponent 1a: Community Access Infrastructure** will improve community access and the connectivity of transport links to basic social and economic services. Improved pedestrian infrastructure, connected to critical transport links will provide vulnerable communities with year-round, safe access to socio-economic services and facilities. Beautification of town areas will complement SIG's investments in tourism.

4. **Subcomponent 1b: Community-Based Waste Management Services** will improve solid waste management services for urban residents, raise awareness through communications, and provide targeted communities with employment opportunities in the sector. It will also help strengthen social cohesion by mobilizing community groups. Activities will help develop trust and engagement between communities and local government authorities on services delivered. Activities include: (i) collection, recycling, and increasing awareness about waste; and (ii) ensuring garbage collection integrates with other, back-end services supported by the provincial authorities. Community groups engaged under task-based contracts will cover defined geographic areas and tasks. The waste management services will be tailored to the needs of each urban center depending its specific physical and social-economic environment.



Component 2: Road Maintenance and Repair

5. This component will be implemented by MID in association with GPG. It supports transport development priorities identified in the NTP across the feeder and lower-tier road networks in Honiara and selected urban areas of Guadalcanal Province. Despite the lower benefit-cost ratio compared to Component 1, investments in road maintenance and rehabilitation continues to be an important as feeder roads connect to the main roads and other basic social and economic services. In addition, while the work will mostly entail small to medium sized contractors carrying out civil works contracts covering road maintenance, improvements, the use of community grants will also be considered. There will be two subcomponents.

6. **Subcomponent 2a: Community-Based Road Maintenance** will repair and maintain the short-linked roads in Honiara and Guadalcanal urban areas, between residential areas and the main paved roads. Repairs and maintenance help vulnerable urban communities in areas where immediate attention is required. The purpose of routine maintenance is to prolong the life-span of the road with minor repairs of potholes and ruts in the road surface and shoulders, spot re-graveling, and clearing drainage systems of obstructions. Small contractors will be used under contracts of 12-months duration. Eighteen annual contracts are envisaged, covering approximately 70 km of road in Honiara and ten kilometers in Guadalcanal Province.

7. **Subcomponent 2b: Community-Based Road Improvement and Rehabilitation** will reinstate critical access for vulnerable urban communities to tertiary and secondary road sections that have been damaged by severe weather events and are no longer in maintainable condition. Safe and reliable access, and connectivity to the main transport network, is a prerequisite for people to participate in the local economy and to access basic socio-economic services. The subcomponent includes spot improvement of damaged road sections, which will ensure year-round access and to make the road climate resilient for the future. The work involves improving and upgrading the road pavement and drainage systems, including constructing culverts and side drains. The sub-component will provide employment opportunities for contractors and community groups through four spot improvement and climate strengthening contracts, and two larger, road rehabilitation and upgrading contracts. Using safe work practices, appropriate technology, equipment, and materials will ensure quality and durability of constructed infrastructure.

Project Locations and Potential Subproject Investments

8. **Honiara**—has 12 Wards, with a conservatively estimated population of 85,000 in 2017. The 2015 Honiara Local Area Planning Scheme states the rapidly growing areas around Honiara are not serviced by adequate infrastructure, and land is scarce for housing development. Informal squatter settlements are growing rapidly. Some of the settlements are being built on road reserves, flood plains, or steep slopes.

9. REP has been effective in addressing the growing need for infrastructure development, illustrated by the high number of community requests to improve access, and the popularity of community group work in cleaning and maintenance activities. With the Local Planning Scheme identifying land use and designated development areas, donor organizations and government, including the HCC, are making a concerted effort to address the development needs of the City. E.g., JICA is supporting improvements in the main road infrastructure to improve traffic flow across town by increasing the capacity of the main roundabouts, widening the road, providing bus lanes, and constructing a new double lane bridge connecting the road to the east.

10. Under Component 1, HCC will be responsible for public works to improve public access and amenity, waste management services and beautification. These subprojects will be implemented through 480 community group



contracts, which will also help generate employment. Under Component 2, MID will be responsible for improving the connectivity between the communities through improved pedestrian access and main road networks. Road improvements will focus on appropriate climate resilient interventions and cost-effective maintenance. Table 1 presents the planned project activities for Honiara:

Table 1: Planned Project Activities for Honiara

<i>Component 1a - Honiara</i>	Sub-projects / Contracts	Total Length
<i>Jacob's Ladders</i>	33	5379 m
<i>Footpaths and sidewalks (m)</i>	5	1600 m
<i>Footbridges</i>	10	200 m
<i>School improvement paths</i>	10	1000 m
<i>Public space improvements</i>	1	
<i>Beautification / landscaping</i>	15	
<i>Component 1b- Honiara</i>	Sub-projects / Contracts	Total Length
<i>Main drain cleaning and excavation</i>	16	8000 m
<i>Waste collection and cleaning</i>	448	
<i>Component 2a - Honiara</i>	Sub-projects / Contracts	Total Length
<i>Road maintenance contracts (12 months)</i>	18	70.5 km
<i>Component 2b - Honiara*</i>	Sub-projects / Contracts	Total Length
<i>Climate resilient spot improvement / drains</i>	4	3000 m
<i>Road rehabilitation / upgrading</i>	2	1330 m

*This shows the estimated lengths of spot improvement of bottlenecks, which will improve access of the total road link.

11. **Guadalcanal Province (GP)**—has a population of approximately 100,000 people. Although only 16.3 percent of the population are classified as urban dwellers, the urban growth rate is estimated at 16 percent. The Henderson Local Area Planning Scheme is under preparation. GP has prepared a three-year rolling development plan (2016–2019). Potential subprojects under CAUSE, including beautification, providing access, and connecting urban Guale people to the road network and Honiara City, will enhance development. As in Honiara, access of communities to the road network is hampered by the absence of safe pedestrian infrastructure. Potentially, 2 km of footpath and Jacob’s Ladders, could be built by the project. Secondary markets, on the east and west sides of Honiara city, are needed. Other potential infrastructure investments may include beautification, improvement of public spaces, road drainage, school access, footbridges, and paths. The provincial government further prioritize waste collection. Table 2 presents the planned subproject investments for Guadalcanal:

Table 2: Planned Project Activities for Guadalcanal

<i>Component 1a – Guadalcanal Urban</i>	Sub-projects / Contracts	Total Length
<i>Jacob's Ladders</i>	1	163 m
<i>Footpaths and sidewalks (m)</i>	7	1300 m
<i>Footbridges</i>	1	20m
<i>School improvement paths</i>	2	200 m
<i>Public space improvements</i>	1	
<i>Beautification / landscaping</i>	5	



<i>Component 1b- Guadalcanal Urban</i>	Sub-projects / Contracts	Total Length
<i>Main drain cleaning and excavation</i>	16	8000 m
<i>Waste collection and cleaning</i>	160	
<i>Component 2a - Guadalcanal Urban</i>	Sub-projects / Contracts	Total Length
<i>Road maintenance contracts (12 months)</i>	3	12 km

12. **Auki**—is the provincial headquarters for Malaita Province and has a population of 7,900 (estimate 2017) growing at 11.6 percent per annum. Auki serves as the main economic link between Honiara and the rural villages in the highlands of Malaita. It has become the third largest town after Honiara and Gizo. Auki town consists of four traditional villages, and several scattered pockets of informal settlements, poorly served with water, garbage collection, sanitation, and power. Provision of basic urban services is a major challenge, and public transport infrastructure also needs improvement. The MPG does not have a policy to manage the growth of informal settlements, and is unable to meet the increasing demand for basic urban services because it is poorly equipped and under resourced.

13. In Auki township, the Japanese Government has funded construction of a new wharf and market. The market is well organized, and is clean. Public bins are used and emptied, public toilets are clean, but collection and processing waste beyond the market is not in place. Overall, Auki township suffers from lack of effective planning as demonstrated by poor roadside parking, drainage, and the rising growth of scattered pockets of informal houses. The feeder roads (in principle, maintained using labor-based contracts) are now in such poor condition that machine-based operations will be needed to reinstate these roads. Various feeder roads outside MID’s responsibility are noted as priority road links. These include the link between Lilisana and Malo communities, and internal roads, approximate 3 km in length in total. In Fulikaumai community, a footpath and Jacob’s ladder are needed to connect communities to the main road, and footbridges are needed to connect communities across the river. Priority interventions proposed under CAUSE include footpaths, Jacob’s Ladders, bridges, school improvements, waste collection, drainage cleaning, and road maintenance. Table 3 shows the planned subproject investments for Auki; and Figure A1.1. depicts subproject examples in Honiara, Guadalcanal, and Auki.

Table 3: Planned Project Activities for Auki

<i>Component 1a – Auki</i>	Sub-projects / Contracts	Total Length
<i>Jacob's Ladders</i>	6	978 m
<i>Footpaths and sidewalks (m)</i>	4	639 m
<i>Footbridges</i>	3	60 m
<i>School improvement paths</i>	3	300 m
<i>Public space improvements</i>	1	
<i>Beautification / landscaping</i>	2	
<i>Component 1b – Auki</i>	Sub-projects / Contracts	Total Length
<i>Main drain cleaning and excavation</i>	16	8000 m
<i>Waste collection and cleaning</i>	39	



Figure A1.1. Subproject Examples in Honiara, Guadalcanal, and Auki

Below: Potential footpath investments



Above: Potential improvements for road crossings (ramps) and footbridges



Above: Potential improvements to develop sidewalks, footpaths, and public parking lots

14. **Gizo**—is the provincial headquarters for Western Province located approximately 370km from Honiara. It has a population of 5,580 (estimate 2017), growing 12 percent per annum. It is estimated a further 3,000 people migrate into town during the week. Gizo is a major tourist destination in the country. However, despite its favorable economic condition, Gizo still experiences high rates of poverty reflected in the rapid growth of sub-standard housing. About 25 percent of Gizo’s population reside in four informal settlements and pockets of temporary housing located on crown land. Informal settlements are situated on vulnerable locations such as steep slopes and swampy areas. The residents of these settlements lack water supply, sanitation, solid waste management, health services, power, security, and security of land tenure. Steep hills and slippery paths make access difficult.



15. The Gizo Local Area Planning Scheme has been finalized and submitted to parliament for approval. However, due to budget constraints, MID has been unable to pay ongoing labor-based (LB) road maintenance contracts (2015–2018) on a regular basis, and is now close to a year behind. Contractors have ceased operations. There are four contractors engaged, and there are approximately 20 registered LB contractors in Gizo. In general, the roads are in such a state of disrepair they can no longer be maintained using LB operations. It is expected the main ‘D-road’ in Gizo will be sealed and provided with improved line drainage and cross drainage.²² However, this sealing project is delayed, and the road continues to deteriorate since construction in 2012. The Australian Government is proposing to upgrade and relocate the local main market. The market will provide shelters for vendors. Provision for access and waste management collection under CAUSE could enhance access to and around the new market. However, waste management in Gizo needs significant assistance and improvement. While JICA assisted in fencing the dumpsite, other aspects of the waste management, such as street-cleaning and collection of rubbish to be brought to the dumpsite, are in a poor state. Table 4 shows subprojects investments planned; and Figure A1.2. depicts subproject examples for Gizo.

Table 2: Planned Project Activities for Gizo

<i>Component 1a – Gizo</i>	Sub-projects / Contracts	Total Length
<i>Jacob's Ladders</i>	7	1,141 m
<i>Footpaths and sidewalks (m)</i>	1	300 m
<i>Footbridges</i>	1	20 m
<i>School improvement paths</i>	2	300 m
<i>Public space improvements</i>	1	
<i>Beautification / landscaping</i>	2	
<i>Retaining wall</i>	1	80 m
<i>Component 1b – Gizo</i>	Sub-projects / Contracts	Total Length
<i>Waste collection and cleaning</i>	120	

Figure A1.2. Subproject Examples in Gizo



Above: Potential cleaning operations around the main market and main dumpsite

16. **Noro**—has a population of 4,980 (2017). However, some estimate the population closer to 6,000. Unemployment is high, and squatter settlements are forming in and around the town, especially around the SolTuna

²² Sealing will be arranged by MID using double bituminous surface treatment (DBST) technology.



cannery. The Noro Town Council recently approved the updated “Three Years Development Plan: Policy Objectives, Target Projects and, Programs and Activities for 2017–2019.” The plan outlines priorities in waste management and infrastructure. In addition to what the CAUSE may contribute in back-end services in waste management, the town requires substantial capital investment, some of which may not fall within the scope of the project. JICA is preparing to develop a new dumpsite, and the Council is planning an intensive awareness campaign to educate and encourage people to stop littering. The project could potentially support the campaign.

17. Planned subprojects investments could include a market with a loading ramp, a jetty, 10 rubbish collection structures, billboards, concrete footpaths to provide improved access to schools and health centers, school improvements and beautification. Apart from the ongoing MID responsibilities, there is scope for up to a further 17 km of road improvements, and two Jacob’s Ladders. Figure A1.3. depicts subproject examples in Noro.

Figure A1.3. Subproject examples in Noro



Above: Tuna cannery and surrounding settlement



Left: School –drainage improvement and footpaths



Left: Noro market.

18. **Munda**—is the largest settlement in New Georgia in the Western Province, consists of several villages. Its



estimated population is 2,070 (2017). NZAID funded upgrading the Munda airstrip as a fallback landing site for international flights to Honiara. NZAID also supported upgrading the road between Munda and Noro. The Munda Town Council wishes to improve approximately 400m of feeder roads within Munda, and undertake beautification across town, to support tourism and resident’s needs. Table 5 shows planned subprojects for Noro and Munda. Table 5 shows subprojects investments planned for Noro and Munda; and Figure A1.4. depicts subproject examples for Munda.

Table 5: Planned Project Activities for Noro & Munda

<i>Component 1a – Noro and Munda</i>	Sub-projects / Contracts	Total Length
<i>Jacob's Ladders</i>	2	70 m
<i>Footpaths and sidewalks (m)</i>	4	800 m
<i>Footbridges</i>	1	20 m
<i>School improvement paths</i>	1	100 m
<i>Public space improvements</i>	1	
<i>Beautification / landscaping</i>	1	
<i>Component 1b – Noro and Munda</i>	Sub-projects / Contracts	Total Length
<i>Waste collection and cleaning</i>	40	

Figure A1.4. Subproject examples in Munda



Left: Potential to improve internal roads

Community Socialization and Agreements

19. **Similar to REP, communities will be made aware of the project’s benefits, participation process, eligibility criteria for community-based subprojects, and subproject proposal evaluation process.** The awareness will clarify the obligations of communities in formulating proposals that meet the eligibility criteria. Work groups and communities will need to execute a Memorandum of Understanding (MoU) or Community Agreement specifying their commitment and responsibilities. A template will be provided in the POM. The MoU will detail minimum wage rates (for daily rate activities), task rates, voluntary provision of land and materials, participation in training, etc.

Subproject Identification, Screening, and Prioritization

20. **Communities will submit subproject proposals and subprojects will be screened for estimated labor content, potential impacts on communities, and specific impacts on women and youth.** Subprojects will also be assessed for environmental impacts, and effects of natural hazards. To ensure the legitimacy of the work group and activity, an MoU will be signed and endorsed by the relevant Ward Councilor before work commences.



21. Under CAUSE, the consultation and screening process of high priority communities, identified through the Vulnerability Screening Tool, which will include additional eligibility criteria. The additional criteria will guide selecting the type of access infrastructure subprojects to be financed under Subcomponent 1a. The weighted criteria may also be used to further rank subproject proposals.²³

22. For the roadworks implemented by MID under REP, roads were selected provided they were: (i) specified in the 2017–2021 Medium Term Transport Action Plan (MTTAP) of the SIG 2017 National Transport Plan (NTP); and (ii) deemed suitable using a labor-based maintenance approach. Under Component 2 of CAUSE, additional eligibility criteria may apply, examples of which are given in Table 6.

Table 6: Screening/Ranking Criteria Examples

	Criteria	Decision
1	In the NTP	Allow only roads that are included in the MTTAP/NTP
2	Current Level of Access	Exclude roads that already provide reliable all-year-round access for four-wheeled motor vehicles
3	In Other Plans	Exclude roads which already have investment funding earmarked for improvement through other funding sources
4	Connectivity	Exclude roads that connect to a higher-level link that does not provide all-year-round four-wheeled motor vehicle access,
5	No Development Potential	Exclude roads with no evident development justification (economic, social) for improvement
6	Adverse Environmental Impacts	Exclude roads whose improvement could have significant adverse environmental impact; increased erosion risk etc.
8	Adverse Hydrological Impact	Exclude roads which would negatively impact the surface water patterns and would require excessive investments to climate proof the road
9	Existing Resettlement Issues	Exclude roads serving areas where there are existing resettlement issues, customary land disputes, etc.
10	Prioritization	(i) Roads that provide the only form of access for vulnerable communities; (ii) Maintainable roads over reconstruction of roads; (iii) Roads that serve as the only connection links between residential areas and the main network; and (iv) Roads of equal function by cost per beneficiary household

Workplans and Cost Estimates

23. Workplans for all project locations for the first 18 months of operations have been prepared. The Implementation Agencies have developed a framework of activities, subject to further review once the project is effective. A summary of estimated costs and labor outcomes for investment activities by location is given in Table A1.2. Workplans will be updated on a rolling basis taking account of community priorities and eligibility requirements, and submitted to the Bank for review each year. Table 7 estimates community grant and works investment costs (incl. contingencies) and labor outcomes by location. Costs exclude PMU and PIU management and supervision costs.

Table 7: Community Grant and Investment Costs by Location and Estimated Labor Days and Trainee Numbers

²³ For example, where more than one subproject is proposed in an area, factors to consider may include: (i) estimated cost; (ii) population; (iii) access to basic services; (iv) risk and vulnerability to climate hazards; (v) safety and effort of travel; and (vi) connectivity between communities and the main road network.



Location	Investment costs (USD'000)			Prop'n	Labor Days		No. of Trainees
	Comp 1	Comp 2	Total		Comp 1	Comp 2	
Honiara City	1,800	3,281	5,081	67%	94,800	31,040	3,000
Guadalcanal	400	246	646	9%	31,300	3,456	800
Malaita	625	-	625	8%	18,768	-	450
Western	1,216	-	1,216	16%	31,566	-	1,050
Totals	4,041	3,527	7,568	100%	172,163	34,496	5,300
					210,929		

Note: The total number of labor days have been rounded down to 210,000 in the Results Framework.

Component 3: Infrastructure and Service Delivery Training (ISDT)

24. **ISDT will provide basic life and job-readiness skills to develop knowledge and capacity of individuals from targeted urban centers and contractors to participate and access project benefits as well as pursue further socio-economic opportunities beyond the project.** The skills training will build on REP’s successful Pre-employment Training (PET). The training will emphasize skills practice delivered through a seven-day course in a class room. In addition, the REP contractors training helped build a task force with capacity to carry out small-scale road improvement and rehabilitation works implemented by MID. ISDT will continue to provide such training for small contractors, building industry knowledge and capacity for urban infrastructure improvements and services. CAUSE will direct training to: (a) works contractors; and (b) community groups. The latter will start from year 2 to support selected community groups take up task-based contracts for urban services.

ISDT Curriculum, Pedagogy, and Management

25. **ISDT Training for individuals will be delivered in modules over a period of seven days.** The curriculum will cover: (i) social and environmental development; (ii) seeking economic opportunities; and (ii) project works and procedures. The ISDT course content is summarized in Table 8. A curriculum review and design workshop will be held with the REP trainers to build on the existing knowledge and training resources.

Table 8. Skills Training Content

Module No.	Module Name	Submodules/Content
1	Social and Environmental issues for Development	<ul style="list-style-type: none"> • Health, Personal Hygiene and Nutrition • Social Inclusion and Gender Equality • Leadership and Social Harmony • Environmental Awareness and Community Action.
2	Seeking Economic Opportunities	<ul style="list-style-type: none"> • Numeracy skills • Bank Accounts • Managing Money • Preparing for employment.
3	Project Works and Procedures	<ul style="list-style-type: none"> • Introduction to CAUSE – Objectives and Targeting • Urban roads, Access Infrastructure and Services works (Components 1 & 2). • Work Place Safety and Use of Tools • Social and Environmental Standards • Community Group Works and Payment Procedures • Social Accountability/Complaints Handling.

26. **Contractors and Community Group Training**—Building on the current REP curriculum, the training will



cover: (i) bid preparation, including technical advice on volumetric costing; (ii) supervision for contractors and staff to increase quality of works; and, (iii) fiduciary training on completion of required compliance documents and billing processes. Using a skills progression approach, the training for community groups aims to increase prospects for community groups to become contractors for task-based work. The curriculum for community groups (in years two and beyond) will focus on (a) organizing community groups for contracting works and tasks; (b) supervision and monitoring; (c) record- and book-keeping; and (d) reporting.

27. **Pedagogy**—ISDT will use adult learning methods. Trainers’ competencies will include preparing and updating lesson plans and handouts, feedback and communication skills, coaching and mentoring skills, and participatory workshop facilitation skills. Skills practice in a classroom setting will be important. The ISDT will establish norms for trainers' skills to ensure effective teaching-learning methods, implemented consistently across training activities and locations. A Training of Trainers (ToT) workshop will be held at the outset to prepare trainers for the ISDT. Features of the ISDT training include:

- (i) **Trainers Manual:** A Trainers’ Manual will be prepared as guidelines for the modular learning packages used for skills training. A specialist consultant will prepare the manual assisted by the lead trainers who managed training delivery under REP. The ToT workshop will prepare the trainers to use the Manual effectively and build trainers’ competencies.
- (ii) **Participatory Workshop:** Trainers will use a participatory workshop approach to build confidence and promote participation among trainees (women and men) to provide a positive learning environment. In the workshop, diverse individual and group work activities and practice sessions will be used to develop skills and maximise the learning by the trainees. Skills such as facilitation, effective communication, equal opportunity for learning through individual and group practice sessions, summarising, feedback and recapitulations abilities will also be covered.
- (iii) **Counselling:** Many PET trainees under REP used the counselling opportunities provided. The main issues that surfaced were: inability to keep up with the training; domestic violence; and personal relationship issues. Counselling often helped prevent trainees in the first category from dropping out and, in several cases of domestic violence, the project could refer trainees to the appropriate services, sometimes to the extent of accompanying them. CAUSE will develop counselling guidelines outlining steps for the type of issues and scope of counselling services. The counselling services will be provided by a Counsellor and trainers in cooperation with the Community Liaison Officers.
- (iv) **Coaching, Referral and Support Services:** Under REP, trainers provided coaching and mentoring support during for trainees with different levels of literacy, gender and interest to pursue further learning opportunities and other social services. Under REP, coaching was also provided supporting employment applications, including preparing CVs, cover and reference letters. CAUSE will continue to provide this service, expanding the role of the full-time trainers to provide support in provinces. More focussed coaching, training and employment information, and linkage support will be provided each fortnight. An event will be held every six months to help participants obtain information about other training and employment opportunities. CAUSE will also introduce pre-training literacy development support as a pilot for participants in selected vulnerable communities. This will be done by linking with existing literacy development activities in the area to improve the subsequent participation and learning achievement of the individuals in the Skills Training.



- (v) **On the Job Training:** Both the HCC and MID works team under REP provided On-the-Job Training (OJT) for community laborers and contractor' teams as part of before and during undertaking works. Some of the good practices included an introduction on subproject design, specifications, organization of works, and quality and compliance. Issues identified were discussed, and training was reinforced, during monthly meetings as the works progressed. CAUSE will continue to provide this support through the HCC and MID works teams. During the OJT, trainees will acquire further practical, workplace, and marketable skills in: mixing and laying concrete, laying bricks and pavers, drainage, simple road maintenance, and landscaping. They will also gain knowledge in work-site practices, safety in construction, and using specifications.

28. **Training Delivery**—ISDT will target 5,300 people through individual course groups (see Table A1.2 for the geographical spread), each course involving 24–32 trainees.²⁴ Courses will be delivered by seven trainers operating in two groups. Trainers in Group 1 will cover Honiara and Guadalcanal, and Group 2 will cover the other provincial locations. Two trainers will teach each course group. Course trainee numbers will increase in years 2 and 3 to match an expected increase in subprojects delivered under Components 1 and 2. Classroom-based ISDT is expected to finish by the middle of year 4. However, some OJT may continue. Contractor and community groups will receive training in groups of 20 participants on average. MID and HCC technical/works team members will be the trainers, and prepare training materials. Existing HCC premises will be used for the ISDT skills training for HCC and Guadalcanal trainees. The local governments will find suitable places for classroom-based learning in Malaita and Western Provinces.

29. **Monitoring**—ISDT will collect data to monitor progress and results. Monitoring will include: (a) socio-economic survey of trainees upon registration; (b) pre-and-post training surveys using questionnaires; (c) trainers' course feedback; (d) in-training monitoring (observation); (e) Works Officers' feedback on group performance (use of skills); and (f) an annual survey of a sample number of trainees that will be conducted by an external firm.²⁵ The data collected will be entered in the MIS for analysis and reporting.

Component 4: Project Management

30. **Project Management will finance project management support, including safeguards oversight, M&E, audits, communications and media support for the project overall, and specifically around the waste management services to increase awareness, short-term technical help, training, financial management and procurement, and provision of goods, and operating costs.** As implementing agencies, HCC and MID are responsible for the performance of their relevant components and subcomponents. However, funds and resources will need to be shared amongst the implementing agencies and provinces. To ensure that project activities are aligned with local development priorities, a Technical Coordination Committee (TCC) comprised of the PMUs and PIUs will meet regularly, coordinating planning, works and services, community engagement, safeguards compliance, budgeting, and monitoring activities. The GPG, MPG and WPG will coordinate with HCC, and MID, and the provincial town councils (where established) when selecting and implementing subprojects. In addition, a Project Steering Committee (PSC) will oversee overall performance of the project. The PSC will promote high-level coordination between the agencies involved in the project, provide policy guidance, and give feedback on work plans and budgets. The PSC will include representatives from the Ministries of Finance and Treasury (MoFT), Planning and Development Coordination (MDPAC), Provincial Government and Institutional Strengthening (MPGIS), Infrastructure Development (MID), Home

²⁴ The average group size will be 28 people based having four working groups of equal sizes for skills practice sessions, and trainers supporting no more than two groups simultaneously.

²⁵ Though the project will conduct Annual Evaluation Surveys from the end of year 2; the ISDT will be surveyed during the 3rd and 4th quarters of CAUSE to collect and report on year 1 training.



Affairs (MHA), Women, Youth and Childrens' Affairs MWYCA, and HCC. Meeting on a semi-annual basis, the PSC Chair will alternate between the Permanent Secretary for MID and the HCC City Clerk. Terms of Reference for the PSC and TCC will be finalized and documented in the Project Operations Manual (POM) as conditions of disbursement for the works contracts and sub-grant categories.

31. **Electronic Banking—CAUSE will adopt an electronic banking system for payments to participants.** In addition to operational efficiency and transparency, such services will introduce beneficiaries to bank accounts and savings habits. The integration of electronic payments with MIS and accounting systems will yield significant advantages in generating and managing project information automatically. Implementation will require a secure payroll processing system capable of interfacing with the electronic payments software of the selected banking partner. This will be based on the MIS and payroll software developed for the Urban Youth Employment Project (UYEP) in Port Moresby, adapted to CAUSE requirements. Payments to other entities such as contractors may also be recorded in the system, provided they maintain accounts at the same bank.

32. **Banking Partner—Bank South Pacific (BSP) is now the only bank to provide services in Western and Malaita Provinces (in addition to Honiara), making it the only viable banking partner in CAUSE project areas.** It is also the banking partner of the UYEP project in Port Moresby, maintaining its commitment to provide services to project participants. BSP has confirmed its interest in partnership with CAUSE.²⁶ BSP banking services and technologies are suitable for electronic banking. They include: bank accounts that attract no service fees subject to a minimum balance of SBD 20; services to open bank accounts in the field; mobile phone banking services; and a system for automated electronic payments, known as "Disk Pay". In terms of identification, BSP will accept a letter from certain designated entities such as a pastor, lawyer, or village chief, in lieu of a birth certificate; and accept a letter from CAUSE management as the letter from an employer. BSP will provide financial services awareness material, possibly contributing to that aspect of the ISDT course.

²⁶ Confirmed with executives in Honiara and the Provinces, including the Country Manager, during project preparation.



ANNEX 2: IMPLEMENTATION ARRANGEMENTS

COUNTRY : Solomon Islands
Community Access & Urban Services Enhancement Project

Project Institutional and Implementation Arrangements

1. Implementing Agencies—The Ministry of Infrastructure Development (MID) and the Honiara City Council (HCC) will be implementing agencies responsible overall for planning, management, and monitoring performance of all activities. Each agency will have its own Project Management Unit (PMU) responsible for its respective activities. However, the PMUs will be co-located in Honiara, and staff and resources will be shared according to workload and skill needs. The PMUs will be responsible for: (i) supporting HCC and MID on procurement, financial management, safeguards, communications and media, reporting and monitoring and evaluation under the respective parts of the project; (ii) providing technical assistance to Community Groups on sub-project designs; and (iii) overseeing the operations implementation of the project at the provincial level. Small, Project Implementation Units (PIUs), essentially satellite offices to the PMU office in Honiara, will be setup to support project delivery in Malaita and Western Provinces (Auki, Gizo, and possibly Noro covering sub-projects in Noro and Munda). The PIUs will be responsible for providing supervision and logistical support, community outreach, local level monitoring and maintaining petty cash. Figure A2.1 schematically shows the institutional and implementation arrangements.

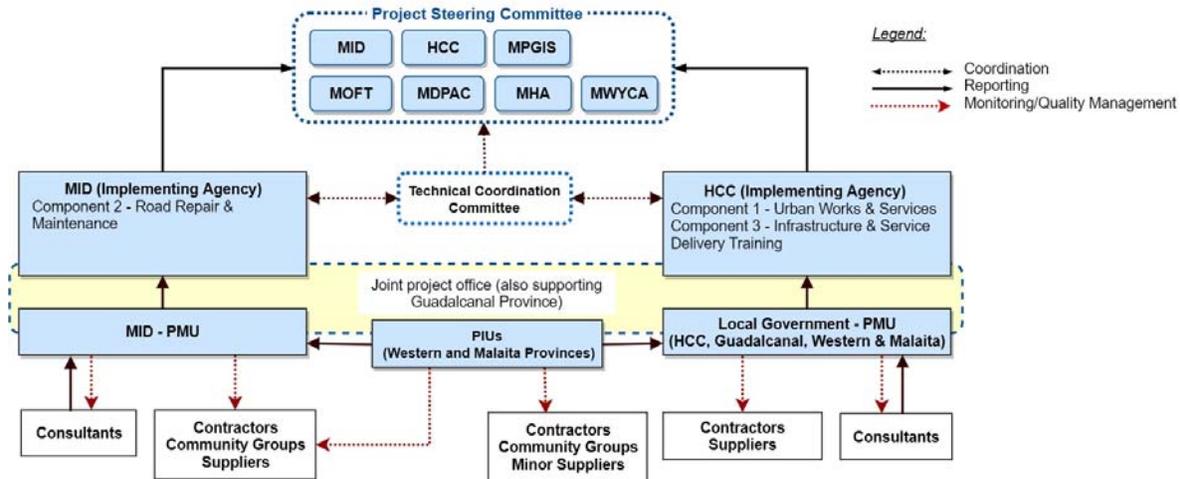


Figure 2.1. Institutional and Implementation Arrangements.

2. Technical Coordination Committee (TCC)—A TCC will be created to coordinate activities between the project teams, implementing agencies, and the participating Provincial Governments. Most aspects of the projects will be coordinated through the TCC including hiring of staff, works activities, community awareness, compliance with safeguard procedures, budgeting, and monitoring of activities. In Malaita and Western Provinces, the PMU and PIU staff will also coordinate their activities, and select sub-projects, in association with the respective town councils (where established) and Provincial Government officials, relevant MID regional offices, and, in the case of Guadalcanal Province, HCC.



3. **Project Steering Committee (PSC)**—A PSC will oversee overall performance of the project, facilitating coordination between agencies, providing advice and guidance on annual work plans and budgets, and setting policy (e.g. wage rate increases). The PSC members will be the Permanent Secretaries of MoFT, MID, MPGIS, MDPAC, MHA, and the HCC City Clerk (or their respective designates). The PSC Chair will be rotated between the Permanent Secretaries for MID and the HCC City Clerk, but may include MPGIS after a year or so.

4. The establishment of the TCC and the PMUs within the HCC and MID as well as the recruitment and maintenance of Senior Works and Community Liaison Officers at the provincial level to support project delivery in Malaita and Western provinces, among others, are on the project’s critical path to successful implementation. The detailed arrangements for the PMUs, PIUs, TCC and PSC will be set out in the Project Operations Manual (POM). The adoption of a POM satisfactory to the Association will be a condition of disbursement for Works and Community Grants.

5. **Component 1: Urban Works and Services:** involving two sub-components – (1A) *Community Access Infrastructure* and (1B) *Waste Management and Cleaning* – will be implemented by HCC through its Works Division following the same arrangements per the REP. The project will finance additional technical capacity within HCC to plan, design, procure, and supervise the urban works and services. Staff based in the PMU will also provide procurement and financial support under this sub-component to meet the World Bank’s fiduciary requirements. Reporting to the HCC Director of Works, a Project Manager will be appointed who will also oversee operation of the Provincial PIUs. Community Liaison Officers, works coordinators, leading hands (e.g. carpenters and masons), and an engineer, will support the HCC Project Manager. The Provincial PIUs will typically include a PIU Works Coordinator supported by a Community Liaison Officer, and Administration/Finance Officers, and a Leading Hand. The exact staffing in PIUs will be adjusted according to needs. Although a typical PIU is shown led by a Works Coordinator, other members may be appointed the led based on merit. Provision is included in the budget to hire short-term Technical Assistance if required (e.g. specialized design, development of standards). Figure A2.2 schematically shows the implementation arrangements under HCC.

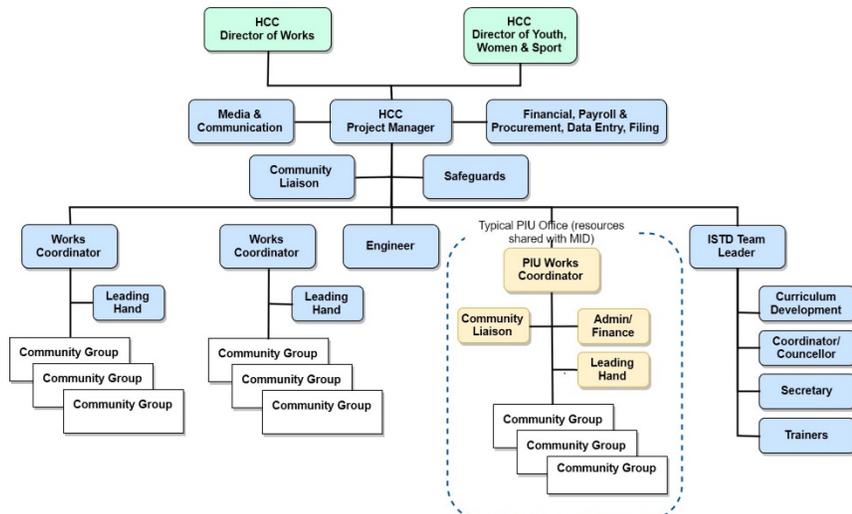


Figure 2.2. Implementation Arrangements under HCC.

6. **Component 2: Road Maintenance and Repair:** involving two sub-components – (2A) *Community-Based*



Road Maintenance; and (2B) Community-Based Road Improvement and Rehabilitation – will be implemented by MID through the Department of Transport Infrastructure Management Services (TIMS). As for HCC, the project will finance additional technical capacity with MID to plan, design, procure, and supervise works contracts to upgrade and maintain roads. PMU staff will provide procurement and financial support. Reporting to the Technical Undersecretary, a Project Manager/Works Engineer will be appointed with procurement and financial support, and technical support in the form of community liaison staff and works supervisors. Staff in the Provincial PIUs will be shared with HCC to oversee MID’s works operations in Western and Malaita Provinces. As for HCC, short-term Technical Assistance can be hired, if required. Works contractors will be hired through shopping (ITQ) procedures. The works contracts will typically be labor only in which materials will be procured directly by the PMU. Specialized plant such as vibrating rollers, not usually available through small, local contractors, may also be purchased and used by operators hired and trained by the PMU to ensure appropriate quality control. Following similar procedures to HCC, the use of Community grants will also be considered during implementation. Figure A2.3 schematically shows the implementation arrangements under MID.

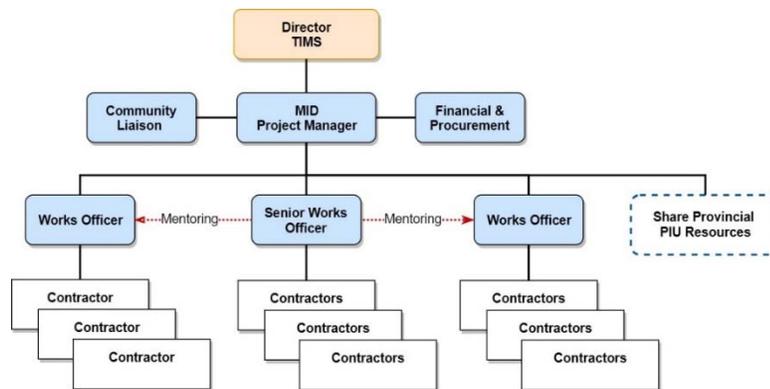


Figure A2.3. Implementation Arrangements under MID

7. **Component 3: Infrastructure and Service Delivery Training (ISDT).** The model for training delivery will be to appoint an ISDT Team Leader supported a Secretary, a short-term Curriculum Development Specialist, a Counsellor, up to seven full- and part-time trainers²⁷ and a counsellor.²⁸ Training will be delivered in Honiara and the target provincial towns. Most of the REP training content and materials will be reused. However, some new content (and oversight) will be introduced by MID based on experience from REP, especially focused on contractors and community groups aiming to become contractors (e.g. commercial management, quality control, planning, and so on). Working closely with CLOs, works teams, and finance teams, the ISDT team will plan training and prepare workplans quarterly. The TCC will regularly review and approve training activities. Implementation arrangements for the ISDT is shown in Fig. A2.4.

8. **Component 4: Project Management.** Finalization of the Participation Agreement is an important prior to the commencement of implementation activities. As indicated, the establishment of the PMUs, TCC and recruitment and maintenance of the Senior Works and Community Liaison Officers at the provincial level to support project delivery in Malaita and Western provinces, are on the project’s critical path to successful implementation. An Annual

²⁷ A firm-led delivery model was initially used in REP, but this proved to be too expensive and less effective.

²⁸ The counselor will be based in Honiara to manage support services in Honiara. The provincial CLOs in will provide these services assisted by the provincial trainers.



Work Plan and Budget will be required for submission by no later than November 30 of each calendar year. The adoption of a POM satisfactory to the Association will be a condition of disbursement for Works and Community Grants.

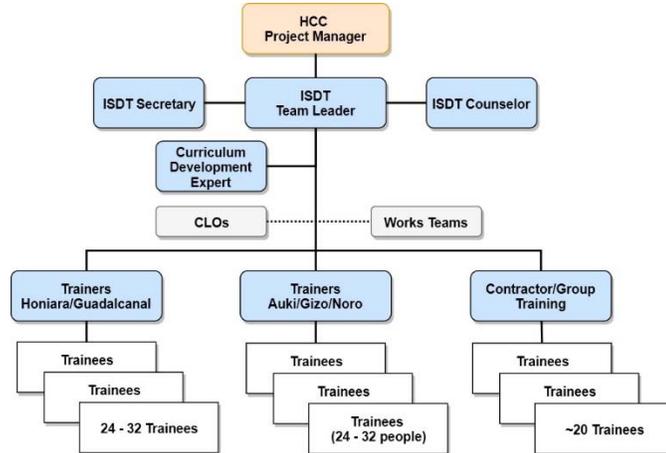


Figure 2.4. ISDT Implementation Arrangements

Financial Management

9. The Financial Management (FM) assessment was carried out in accordance with the “Principles Based Financial Management Practice Manual” issued by the Board on March 1, 2010; and the assessed FM risk of the project is *Moderate* based on the arrangements that are in place for REP. Under the Manual, the grantee is required to maintain appropriate implementation arrangements—including accounting, financial reporting, and auditing systems—adequate to ensure they can provide the Bank with accurate and timely information regarding the project resources and expenditures. Overall, the financial management arrangements satisfy the financial management requirements of the Investment Project Financing Bank Policy. The REP PMU has implemented REP’s FM implementation requirements since 2009. The PMU staff included one MID Senior Finance Officer, one HCC Finance Officer, and two Project Managers (representing each of the Implementing Agencies). The PMU has gained considerable experience, over the past eight years of REP implementation. REP has achieved *Satisfactory* financial management ratings, and unqualified independent external audit opinions for the life of the project. CAUSE will continue this PMU model, and retain the existing finance staff where possible. This will mitigate many of the inherent Implementing Agency capacity risks. As for REP, the FM requirements for the components implemented by HCC and MID will be managed by the PMU.

10. **Accounting and Staffing Arrangements**—The project accounts will be maintained on the MYOB accounting package used for REP. Separate companies will be created on MYOB for HCC and MID implemented activities. Two Finance Officers with accounting qualifications will be responsible for maintaining the project accounts. Expanding the project into provinces will increase the FM workload as all beneficiaries will be required to have bank accounts and receive payments for labor via these personal accounts. To handle the additional workload of entering beneficiary bank account data into the electronic payments system, the PMU will hire a Payroll/Admin Clerk for at least 12 months. Finance/Admin Officers will also be employed in Gizo and Auki to manage provincial imprest accounts. Some additional support to the Finance Officers in filing and general administration tasks will be provide by PMU



administration staff. It is envisaged this will be adequate resources for the FM requirements of this project.

11. **Budget Arrangements**—While the budget will be overseen by the Implementing Agencies, the project budget will be prepared and monitored by the PMU which has experience in managing the REP budget. An initial, total project budget has been prepared aligned with information in the procurement plan. A more detailed annual budget will be developed from the overall budget and monitored on a quarterly basis.

12. **Internal Controls**— The REP Financial Manual, which covers specific Bank FM requirements, will be adopted, and updated, as the CAUSE FM manual. Where possible, internal control procedures will be consistent with the Solomon Islands Government procedures under the Public Financial Management Act (2013) and accompanying Financial Instructions, which are generally sound. As with REP, authorization and payment processes will be clearly segregated. Expansion of project activities into provinces will mean cash security risks will increase. Consequently, as a new project implement control, all beneficiaries will need bank accounts and receive payments for labor via these personal accounts.

13. **Flow of Funds**—Funds will flow from the WB to the Central Bank of the Solomon Islands (CBSI) then to the agreed commercial bank opened by the PMU. HCC and MID will use one bank account (Designated Account) for their respective activities. With project activities occurring in Western, Guadalcanal, and Malaita Provinces, project funds will be needed for administrative and technical support in the provincial areas. However, the FM assessment shows the Provincial Governments currently do not have the resources or capacity to provide assurance of compliance with the required FM practices required by the Bank for this project. To manage this fiduciary risk, where possible, accounts for provincial-based activities will be centrally paid from the Designated Account (DA). For incidental incremental operating costs in the provinces which cannot be easily paid from the DA, imprest bank accounts will be established in Gizo and Auki. As part of their role in administering the imprest account, the Provincial Finance/Admin Officers will be required to produce regular bank reconciliations for the imprest bank account. These reconciliations will be reviewed and signed-off by the Provincial Government representative/nominee and sent to the PMU for review. The Finance/Admin Officers will also acquit back to the PMU funds received in the province. Figure 2.5 illustrates funds flow arrangements under CAUSE.

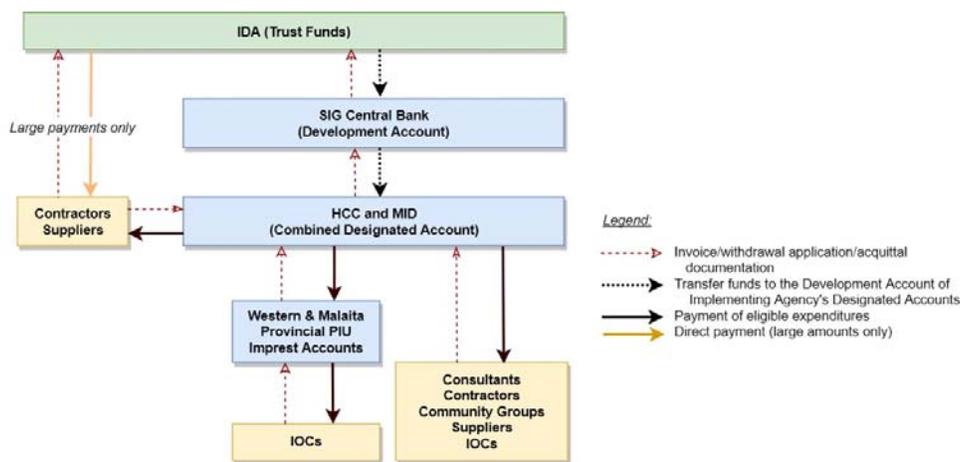


Figure 2.5. Funds Flow Arrangements Under CAUSE



14. **Financial Reporting Arrangements**—The PMU will prepare on behalf of the implementing agencies two quarterly Interim Financial Reports (IFR), one for HCC activities and one for MID activities. The IFRs will be due to be received by the Bank within 45 days after the end of the reporting period. The reporting format will need to be acceptable to the Bank after discussions with the PMU, and must include project commitments, and income and expenditure for the reporting period, year to date and cumulative figures.

15. **External Audit Arrangements**—The project accounts will be audited annually. As the financial statements will be a consolidation of the activities from both implementing agencies, only one audit will be required each year. The Auditor-General’s Office (AGO), has advised the Bank that currently, due to their limited number of staff, the AGO is unable to undertake World Bank financed project audits. Until the AGO has the required staff levels to undertake project audits, the Implementing Agencies will need to ensure the PMU hires a private audit firm to conduct annual audits. The auditors will be required to provide a detailed management letter containing their assessment of the internal controls, accounting system, and compliance with financial covenants in the Legal Agreement. The cost of the audit can be paid from project funds. The final audit report must be submitted within six months after the project closing date.

16. **Supervision Plan**—An FM implementation review field mission will be conducted at least once a year, with additional missions early in implementation to ensure all World Bank FM requirements are met. Also, the FM team will conduct a desk review of the quarterly IFRs and the audited annual project financial statements.

Disbursements

17. **Disbursement arrangements will allow CAUSE to use the following methods: (i) Advances into and replenishment of Designated Accounts; (ii) Direct Payment from the grant/TF account; and (iii) Reimbursement. The project will also be subject to IDA’s Mandatory Direct Payment Pilot.** It is expected direct payments will only be used for payment on large contracts requiring payment in foreign currency (e.g. international technical and financial advisors). Project funds for MID and HCC will be disbursed into the Solomon Islands Central Bank and then transferred into a commercial operating account in Solomon Island dollars (the “Designated Account” or DA). On establishing the DA, the Bank will write to the Accountant General requesting a Standard Instruction to enable funds to be transferred automatically from the Central Bank to the project’s operational account. The DA will be operated on an advance basis and the initial advance will be made through the completion of a Withdrawal Application. Subsequent replenishments will be made through submission of withdrawal applications providing details on the use of funds previously advanced, based on Statements of Expenditures. Financing for the project by the Bank will be at 100 percent, inclusive of taxes, and there will be two disbursement categories for this project: (i) Goods, non-consulting services, consulting services, training and incremental operating costs; and (ii) Works for the Project and Community grants as outlined in Table 1 below. Disbursements for category (2) is subject to the preparation and adoption of a Project Operations Manual.

Table 1. Disbursement Categories, Financing Allocated and Percentage of Expenditures to be Financed

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project	5,240,000	100%



(2) Works for the Project and Community Grants	5,160,000	100% of amounts disbursed
TOTAL AMOUNT	10,400,000	

Procurement

18. **Procurement will follow the World Bank’s “Procurement Regulations for IPF Borrowers” dated July 2016 and the provisions of the legal agreements; be undertaken by HCC (Components 1 and 3), and MID (Component 2) as Implementing Agencies. The project will also be subject to IDA’s Mandatory Direct Payment Pilot.** HCC and MID will be jointly responsible for procurement under Component 4. During project preparation, IDA assessed the capacity of these Implementing Agencies and the procurement risks. Procurement risks were identified, and mitigation measures agreed, per Table 2.

19. **Procurement Supervision**—In addition to prior review of procurement transactions (where required), at least one World Bank procurement mission will be undertaken each year to support procurement. Procurement post reviews will be done annually.

20. **Procurement Plan**—From the PPSD, HCC and MID have prepared a procurement plan that will be published in the World Bank STEP web portal. The procurement plan will be updated annually in agreement with IDA, or more frequently if needed. A summary procurement plan is outlined in Table 3 (all amounts are in USD). Disbursements of remunerations in foreign currency under the two (2) consulting contracts for international individual consultants procured through direct selection, as set out in the procurement plan, will be made through Direct Payment method.

Table 2. Procurement Risks, Mitigations, and Risk Owners

Risk	Mitigation Measures	Risk Owners
Few qualified suppliers and contractors causing <ul style="list-style-type: none"> limited competition poor security of supply at a good price 	<ul style="list-style-type: none"> Conduct training to increase number of qualified suppliers/contractors and minimize bid failures due to erroneous, unresponsive, and/or uncompetitive pricing. Increase publicity to encourage greater participation and interest from the market. Strengthen supervision by PMU and PIUs. Offer medium and long-term contracts (eight months to one year) on works contracts (MID). Offer extended-date ITQ contracts for goods, 12–18 months, with variations added over time at fixed prices to incentivize suppliers with larger contract sizes. Build reserves of materials and stocks (HCC). 	Shared between the project (PIU) and the suppliers (market).
Suppliers and contractors view the project as a “nuisance” or “exploitable” customer.	<ul style="list-style-type: none"> Communicate potential medium to long-term prospects under the project. Maintain excellent track-record in efficiency and promptness in servicing commitment to suppliers and contractors (e.g. quickly processing payments). Use of direct payment facility for suppliers of one-off major purchases (e.g. vehicles). 	Shared between the project (PMU) and suppliers.
Low productivity/inefficiency on community infrastructure subproject due to: <ul style="list-style-type: none"> minimal specification 	<ul style="list-style-type: none"> Careful supervision by works officers. Design incentives to improve productivity. Strengthen cost controls. 	PMU and PIUs



Risk	Mitigation Measures	Risk Owners
<ul style="list-style-type: none"> unplanned additional works or inadequate subproject budgets 		
Limited supply capacity for both works and goods	<ul style="list-style-type: none"> Good planning—able to anticipate requirements well in advance and according to set schedule. Appropriate packaging. 	PMU
Natural Disasters	<ul style="list-style-type: none"> Contingency planning; purchase reserve materials available from stockroom. Design of works factor in climate resilient elements. 	PMU and PIUs
Capacity: <ul style="list-style-type: none"> weak procurement capacity of [new] staff learning new procurement systems (e.g. STEP) 	<ul style="list-style-type: none"> Procurement teams within the PMU fully staffed with two International Managers and Procurement Officers; Add procurement/financial/administration capacity in PIUs with coaching support from the PMU. Train staff to increase capacity and raise morale. Participate in procurement clinics organized by IDA and regular implementation support, as needed. 	PMU and World Bank
Project beneficiaries having inadequate knowledge to manage/maintenance asset.	Besides regular M&E, build and/or transfer of knowledge so communities can maintain and operate infrastructure provided (i.e. physical assets) and processes (e.g. waste collection)	PMU and communities
Contract/supplier variations	Market research/consultation during contract design to identify risks	PMU



Project Information: Solomon Islands Government CAUSE (P162320)							
Implementing Agencies: Honiara City Council and Ministry of Infrastructure Development							
Description (Value cannot exceed 250 Characters)	Reference No. (Value cannot exceed 40 Characters)	Procurement Category	Procurement Method	Estimated Amount (Must be greater than zero, and a positive number; no points or commas)	Bank Financed % (Can not be greater than 100%)	Review Type	Planned Start Date (Must be in YYYY/MM/DD format)
HONIARA CITY COUNCIL: Component 1 : Urban Works and Services							
Goods Contracts							
Vehicle: Pick-up truck (4 units): Auki=1 and Honiara=3	HCC-GO-01	GO	RFQ	120000.00	100	post	2018/04/02
Office Computers & Printers	HCC-GO-02	GO	RFQ	25000.00	100	post	2018/04/09
Office Equipment & Furniture	HCC-GO-03	GO	RFQ	10000.00	100	post	2018/04/09
Safety Equipment, clothing, and tools	HCC-GO-04	GO	RFQ	20000.00	100	post	2018/05/14
Timber, Cement, Rebar, and other materials (Hon/Guadalcanal)	HCC-GO-05	GO	RFQ	145094.00	100	post	2018/07/16
Timber, Cement, Rebar, and other materials (Western/Malaita)	HCC-GO-06	GO	RFQ	145338.00	100	post	2019/02/11
Consulting Services							
1 – PW Engineer – Proj. Mgr. (Int'l) – HCC	HCC-CS-01-DPP	CS	CDS	405000.00	100	prior	2018/04/16
2 - Works Coordinators (Honiara) – HCC	HCC-CS-02	CS	CDS	50400.00	100	post	2018/04/16
2 – Community Liaison Officers (Honiara) – HCC	HCC-CS-03	CS	CDS	50400.00	100	post	2018/04/16
3 – Resident Works Supervisors (PIU) – HCC	HCC-CS-04	CS	INDV	197580.00	100	post	2018/05/14
3 – Community Liaison Officers (PIU) – HCC	HCC-CS-05	CS	INDV	94200.00	100	post	2018/05/14
3 - Admin/Proc Officers (PIU) – HCC	HCC-CS-06	CS	INDV	50280.00	100	post	2018/05/14
1 – Engineer (National) - HCC	HCC-CS-07	CS	INDV	161682.00	100	post	2018/05/14
MINISTRY OF INFRASTRUCTURE DEVELOPMENT: Component 2 : Road Repair and Maintenance							
Works Contracts 2a. Road Maintenance							
Maintenance of X1 Hon. Rd. (3.5 km)	MID-CW-RM.HON.01	CW	RFQ	82894.00	100	post	2018/06/18
Maintenance of X2 Hon. Rd. (4 km)	MID-CW-RM.HON.02	CW	RFQ	94736.00	100	post	2018/07/16
Maintenance of X3 Hon. Rd. (4 km)	MID-CW-RM.HON.03	CW	RFQ	94736.00	100	post	2018/08/13
Maintenance of X4 Hon. Rd. (4 km)	MID-CW-RM.HON.04	CW	RFQ	94736.00	100	post	2018/08/13
Maintenance of X5 Hon. Rd. (4 km)	MID-CW-RM.HON.05	CW	RFQ	94736.00	100	post	2018/10/08
Maintenance of X6 Hon. Rd. (4 km)	MID-CW-RM.HON.06	CW	RFQ	94736.00	100	post	2018/10/08
Maintenance of X1 Guadalcanal Rd. (4 km)	MID-CW-RM.GP.01	CW	RFQ	94736.00	100	post	2018/06/18
Works Contracts 2b. Road Improvement & Rehabilitation							
Climate Resilient Spot Improvement-Drains, X7 Honiara Road	MID-CW-RR.HON.01	CW	RFQ	114450.00	100	post	2019/02/11
Road Rehab-Upgrading, X8 Honiara Road	MID-CW-RR.HON.02	CW	RFQ	361228.00	100	post	2019/04/08
Goods Contracts							
Compaction Eqpt. (HCC, Guadalcanal) – 1 unit	MID-GO-01	GO	RFQ	25000.00	100	post	2018/06/04
Compaction Eqpt. (Auki, Gizo) – 2 units	MID-GO-02	GO	RFQ	50000.00	100	post	2019/03/04
Vehicle: Pick-Up Truck (3 units): Gizo – 1; Honiara - 2	MID-GO-03	GO	RFQ	75000.00	100	post	2018/11/12
Safety Eqpt & Tools - MID	MID-GO-04	GO	RFQ	20000.00	100	post	2018/06/11
Survey-Soil Testing Eqpt – MID	MID-GO-05	GO	RFQ	20000.00	100	post	2018/07/09
Computing, Office Eqpt, Furniture - MID	MID-GO-06	GO	RFQ	30000.00	100	post	2018/04/16
Consulting Services							
Works Engineer (International) – MID	MID-CS-01-DPP	CS	CDS	405000.00	100	prior	2018/04/16
Senior Works Officer – MID	MID-CS-02	CS	CDS	46080.00	100	post	2018/04/16
Works Supervisor – MID	MID-CS-03	CS	CDS	25200.00	100	post	2018/04/16
Community Liaison Officer – MID	MID-CS-04	CS	CDS	25200.00	100	post	2018/04/16
Engineer – MID	MID-CS-05	CS	INDV	84000.00	100	post	2018/04/16
Component 3 : Infrastructure & Service Delivery Training							
Consulting Services							
PET Team Leader	HCC-CS-08	CS	CDS	97680.00	100	post	2018/04/23
Social Service Coach / Counsellor	HCC-CS-09	CS	CDS	25080.00	100	post	2018/04/23
Curriculum Development Expert (International)	HCC-CS-10	CS	INDV	37500.00	100	post	2018/04/23
Trainers – Life Skills (3 existing)	HCC-CS-11	CS	CDS	77682.00	100	post	2018/04/23
Trainers – Life Skills (4 new)	HCC-CS-12	CS	INDV	94160.00	100	post	2018/06/11
Component 4 : Project Management							
Goods Contracts							
MIS Hardware Resources	HCC-GO-07	GO	RFQ	13000.00	100	post	2018/05/31
Consulting Services							
Waste Mgt Community Group Training	HCC-NC-01	NC	CDS	23400.00	100	post	2018/09/17
Baseline, Tracer, Annual Surveys (M&E)	HCC-NC-02	NC	CQS	43750.00	100	post	2018/05/07
Audit Services – FY2018	HCC-NC-03	NC	CQS	12000.00	100	post	2019/04/01
Deputy Project Manager/Finance Officer	HCC-CS-13	CS	CDS	84000.00	100	post	2018/04/16
Sr. Finance Officer	MID-CS-06	CS	CDS	45600.00	100	post	2018/04/16
Accounting Clerk	HCC-CS-14	CS	CDS	31200.00	100	post	2018/04/16
Procurement Officer (2 No.) – MID & HCC	HCC-CS-15	CS	INDV	67200.00	100	post	2018/04/16
Data Entry Operator	HCC-CS-16	CS	CDS	13680.00	100	post	2018/04/16
Filing Clerk	HCC-CS-17	CS	CDS	13200.00	100	post	2018/04/16
Payroll Clerk	HCC-CS-18	CS	INDV	13680.00	100	post	2018/04/16
Safeguards Specialist	HCC-CS-19	CS	INDV	45600.00	100	post	2018/04/16
Media & Communications Specialist	HCC-CS-20	CS	INDV	45600.00	100	post	2018/04/16
MIS Software/e-Banking Systems TA	HCC-CS-21	CS	INDV	62500.00	100	post	2018/05/14



Environmental and Social (including safeguards)

21. **The Implementing Agencies have extensive experience with World Bank safeguards through the REP, in which safeguard implementation has been assessed as satisfactory to the Bank.** The project's Environmental and Social Management Guideline sets out the procedures for screening potential sub-projects and provides technical guidance on mitigating impacts for eligible activities. The PMU's Project Managers supported by relevant Works Officers are responsible for overseeing safeguards planning, identification of risks, risk mitigation measures and implementation. Procedures will build on those already in place under REP, and documented in the POM. The project will also provide training and technical support as needed.

Monitoring and Evaluation

22. **The M&E plan is based on the key indicators and targets set out for each project component in the Results Framework.** Much of the data will be collected by the PMUs and PIUs as part of regular project management and supervision. Monitoring will be a regular function of project management and the data collected will be entered in the Management Information System (MIS). Three annual surveys will be conducted, starting in year two, to measure additional qualitative impacts, such as feedback from beneficiaries, households, and communities on whether/how they have benefited from the project investments including the ISDT. A smaller pilot survey will be initiated at the end of year one.

23. **Five key results indicators relating to the PDO are included in the Results Framework.** Three relate to meeting target numbers of beneficiaries and will be monitored quarterly by the PMU through the MIS. Two relate to beneficiary assessments of whether they directly benefited from improved infrastructure and services and whether investments reflected their needs. They will be monitored through the annual evaluation surveys, which will be conducted by an external firm. The key intermediate results indicators each for Components 1, 2 and 3 will be monitored quarterly by the PMU through the MIS and an annual Evaluation Survey. For the ISDT, additional information will be collected through exit reports and trainee assessment tests. In addition to the indicators in the results framework, additional KPIs covering the ISDT will be tracked through the annual evaluation survey for informational purposes. These include assessments of trainees who report that they applied the knowledge and skills learned in subsequent work, trainees who obtained subsequent employment, and those who reported that the project was useful in helping them find subsequent training or employment.

24. **An external firm will be contracted to carry out the pilot at the end of year one and three annual evaluation surveys during implementation of the project, commencing in year two of the project.** The PMU will contract and oversee the conduct of the surveys. The methodology adopted will be the same as for the beneficiary and community surveys conducted for REP. They will include impact assessment of both the infrastructure and services and ISDT, utilizing data and exit reports, as included in the MIS. It is anticipated that external analytical assistance of survey design and results will be provided by the Bank, as under the REP.

25. **REP MIS in Microsoft Access has operated throughout the project.** It was designed for the REP works processes and information requirements, and has continued to serve those needs adequately. Its weakness is the lack of support for managing works contracts (REP-MID) and electronic payments which requires a secure payroll management system. The PNG UYEP MIS is built on open-source technologies (MySQL and PHP) and can be adapted for use in CAUSE. It will provide a more robust, scalable, multi-user system than the current Access technology and may also be accessed over the Internet. A schematic view of the system is given in Fig. 2.6.

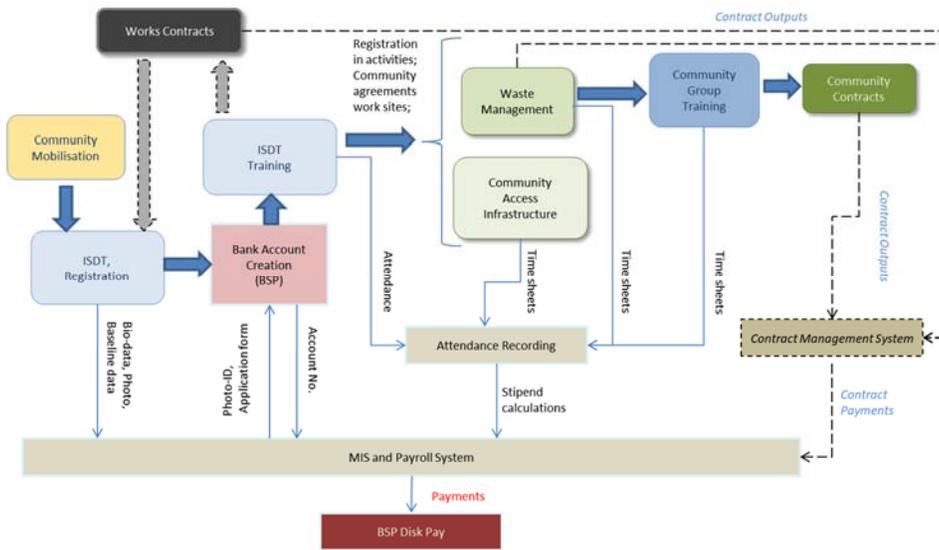


Figure 2.6. Integration of Proposed MIS and CAUSE Activities

26. **Staffing for MIS and IT**—Introduction and implementation of the enhanced MIS will require inputs from a software consultant for the necessary modifications to software. The data-entry operator will also require training in operating and managing the new system. It is proposed that this position be upgraded to MIS-Assistant, but no new positions are proposed. Training will be a combination of selected short courses, training provided by the UYEP MIS Coordinator, and implementation training by the software consultant during the initial implementation. Training of PMU and provincial (PIU) staff on data entry related to operations will be carried out. While a full-time IT support role is not envisaged, engaging a local consultant is recommended to work alongside the international consultant during the implementation phase. Implementing software changes, installation, linking with BSP processes, testing and familiarization at the PMU, will require three to four months. Training PMU and PIU staff, setup at remote locations, and initial implementation, will require a further month. Training the PMU MIS-Assistant, and familiarizing operational staff with the MIS procedures and options, must take place before making changes achieve the best impact.

27. **A Mid-Term Review (MTR) will be carried out within 24 months after commencement**, to assess: (i) implementation progress; (ii) achievement of overall objectives and intermediate subcomponent results; and (iii) make recommendations for any implementation adjustments.

Role of Partners (if applicable)

28. **The Guadalcanal, Malaita, and Western Provincial Governments will support key aspects of the project in the provinces.** They will accommodate the PIUs and find suitable venues for community group and contractor training.²⁹ Provincial counterparts will be members of the TCC, closely involved in identifying, approving, and committing subprojects. The relationship between and responsibilities of the provinces and the Implementing Agencies has been described in a Participation Agreement and the POM.

ANNEX 3: IMPLEMENTATION SUPPORT PLAN

²⁹ The incremental costs of using these facilities will be covered by the project.



COUNTRY : Solomon Islands
Community Access & Urban Services Enhancement Project

Strategy and Approach for Implementation Support

1. **The implementation support strategy proposed for CAUSE has been developed based on the project's requirements and risk profile.** While the overall risk rating is "Moderate", Institutional Capacity for Implementation and Sustainability is identified as a "Substantial" risk. Despite low institutional capacity, the forerunner to CAUSE (REP) has, through its PMU, delivered steady results effectively over its lifetime. The Additional Financing operations, carried out between 2013 and 2016, have helped test and consolidate these risk mitigation measures, which includes maintaining central control of key aspects of the operation such as procurement, finances and coordinated planning of activities. These aspects of the design will be retained under CAUSE. The main implementation risk stems from the expansion to two additional provinces and the inclusion of more than one project location in Western Province (Gizo, Noro and Munda). The main issues anticipated are the challenges of transport and communications to these remote locations. The design includes some local project management capacity (PIUs), including technical supervision capacity in the remote locations, supported by strong oversight and management from the Honiara-based PMU. Given the costs of transport, however, it will be necessary to ensure that supervision as well as certain activities such as the training activities (ISDT) are carefully planned and managed.

2. The design retains HCC and MID as joint implementing agencies, potentially drawing upon MID's national reach to provide technical support to activities in the provinces where possible. Based on lessons drawn from the pilot activities in Guadalcanal Province undertaken under REP, CAUSE has implemented a Participation Agreement to allow HCC to provide financial management and procurement support to the provinces under Components 1 and 3, through the PMU. The Project Operations Manual (POM) will be updated to reflect these enhancements and to consolidate the procedures that were progressively strengthened during REP implementation.

Implementation Support Plan and Resource Requirements

3. The IDA task team, primarily based in Sydney will provide support for the day-to-day operations of the project, providing regular advice and guidance on technical matters as well as procurement and financial management to HCC, MID and the Provinces. The Honiara country office will also provide a local point of contact and liaison as it has done with REP. The task team includes consultants to provide additional specialized support on technical issues and to review technical documents. Formal implementation support missions will be conducted semi-annually, with additional technical missions being undertaken at key points in the implementation. Given the challenges posed by inclusion of remote locations, the various missions will be planned in a coordinated manner, to maximize geographical coverage.

4. Consistent with the anticipated risks, emphasis will be placed on the following areas:

- (i) **Technical Inputs.** The PMU has demonstrated skills and capacity in planning, design and execution of works similar to those included in CAUSE, during the implementation of REP. This PMU has also worked closely with IDA technical experts during that time. The retention of many key staff in the PMU as well as Bank experts, will reduce the risks posed by the additional complexities of the CAUSE design. While the type of works will not be significantly different, there will be challenges associated with transport (including



materials and equipment) and supervision. Close attention will therefore be paid to centralized planning of works, to manage logistics costs and implementation schedule. There will also be additional challenges with respect to M&E, due to the inclusion of remote locations. Technical assistance will be provided, to help the PMU enhance its current MIS to cover the new requirements, plan and analyze the M&E surveys and strengthen gender outcomes.

- (ii) **Fiduciary Requirements.** The PMU will retain the Finance and Procurement officers from REP, as well as the MYOB accounting package. Additional training and ongoing support will be provided by the Bank’s financial management specialist and the procurement specialist to help the team develop appropriate procedures to manage the additional sites. Supervision will be carried out semi-annually as part of the project supervision plan.
- (iii) **Social and Environmental Safeguards.** The bank will ensure that social and environmental safeguards expertise is made available to the project to ensure that the Bank’s policies are followed. Here too, there will be emphasis on identifying and managing potential issues that may arise due to local conditions in the remote locations.

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First twelve months	Team Leadership	Task Team Leader		
	ISDT Curriculum	Training Specialist (Sp)		
	Procurement Training	Procurement Sp.		
	FM Supervision	Financial Sp.		
	Environmental Training	Environmental Sp.	US\$120,000 per annum	
	Review of Bid Documents and Engineering Services	Engineer		
	Gender and Community Engagement	Social/Gender Sp.		
	Survey Design	M&E Sp.		
	MIS Databased Design	ICT/MIS Sp.		
	Team Support	Team Assistant		
12-48 months	Team Leadership	Task Team Leader		
	ISDT Curriculum	Training Specialist (Sp)		
	Procurement Training	Procurement Sp.	US\$100,000 per	
	FM Supervision	Financial Sp.		



	Environmental Training	Environmental Sp.	annum
	Review of Bid Documents and Engineering Services	Engineer	
	Gender and Community Engagement	Social/Gender Sp.	
	Survey Design	M&E Sp.	
	MIS Databased Design	ICT/MIS Sp.	
	Team Support	Team Assistant	
Other	ICR	Evaluations Sp.	US5,000

Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task Team Leader	48	8	Based in the region
FM Specialist Sp.	4	8	Based in the region
Procurement Sp.	4	8	Based in the region
Training Specialist	18	6	Based in the region
Engineering Sp.	16	5	Based in the region
ICT/MIS Sp.	16	4	Based in the region
M&E Sp.	20	4	Based in the region
Social Safeguards Sp.	4	2	Based in the region
Environmental Sp.	4	2	Based in the region
Gender Sp.	4	2	Based in the region

Partners

Name	Institution/Country	Role
David Anderson	Bank of South Pacific	Manager



ANNEX 4: BASIS OF ECONOMIC ANALYSIS

COUNTRY : Solomon Islands
Community Access and Urban Services Enhancement Project

Estimated Beneficiary Population and Household Numbers

1. Estimated population—Using population estimates as at 2017, the total population in CAUSE project areas will operate (Honiara City, peri-urban Guadalcanal, Auki, Gizo, Noro, and Munda) is estimated as 132,000 (see Table 1). In practice, the population will continue to grow, so figures based on 2017 numbers will be conservative over the life of the project.

Table 1 Estimated Populations in CAUSE Project Areas

Table with 5 columns: Location, Province, Population from 2009 census, Avg. growth rates (SI National Statistics), and Estimated 2017 population. Rows include Honiara City, Honiara peri-urban area, Auki, Gizo, Munda, and Noro.

2. Estimated area and population benefiting from roads maintenance—CAUSE will maintain roads in Honiara and the Honiara peri-urban area. Road maintenance will not be done in Auki, Gizo, Noro, or Munda. Of the 105 km of tertiary roads in Honiara City, an estimated 30 percent will be maintained. While the maintenance length is 71 km, this includes repeated maintenance on some sections, and is not included in the 30 percent quoted above. The proportion of roads that will be maintained in peri-urban areas of Honiara is not yet known, but will likely be very small. Therefore, conservatively, 25,360 people live in areas in Honiara serviced by maintained roads. However, assuming half the members of a household use these roads, and estimate 12,680 people will benefit from road maintenance.

3. Estimated area and population benefiting from access subprojects—In Honiara, the 76 planned subprojects will cover 50 percent of the inhabited area. Therefore, 50 percent of the population will benefit from the pedestrian access infrastructure. A further 15 percent will benefit from road upgrade works. In the Honiara peri-urban area, Auki, Gizo, Noro, and Munda, an estimated 60 percent of the population will benefit from access subprojects. Multiplying these percentages by the estimated population in each area yields the total number of individuals (83,870) and households (15,250) that will benefit from CAUSE access subprojects (see Table 2).



Table 2. Estimated Population and Household Beneficiary Numbers in Cause Project Areas

Location	% road maintenance area	No. access sub-projects	% sub-project areas covered	Total % of area impacted	Total population	Beneficiary population	Beneficiary Households
Honiara	30%	76	50%	65%	84,553	54,960	9,990
Honiara peri urban	0%	15	60%	60%	16,506	9,900	1,800
Auki	0%	16	60%	60%	12,283	7,370	1,340
Gizo	0%	15	60%	60%	8,782	5,270	960
Noro	0%	11	60%	60%	3,256	1,950	355
Munda	0%		60%	60%	7,372	4,420	805
Totals						83,870	15,250

Note: Three road maintenance contracts are envisaged for Guadalcanal. However, the area to be covered is combined with Honiara.

Economic Analysis Assumptions

4. The following assumptions are made in the economic analysis:
 - (i) Annual economic costs: total project cost less tax, less net transfer to labor.
 - (ii) Benefits of maintenance savings of better roads: Maintenance costs without upgrading per km per year, less maintenance costs of upgraded roads per year per km, times km of roads repaired and maintained.
 - (iii) Costs of maintenance of better roads: cost of road maintenance and repair, plus cost of road improvement and upgrading, less tax, less net transfer to labor under MID works.
 - (iv) Benefits of time-savings of upgraded roads: value of time saved among wage-earning adult beneficiaries (not limited to those living in the immediate area), plus value of time saved among non-wage-earning adult beneficiaries (not limited to those living in the immediate area) – here it is assumed that the value of time of wage-earning adults is SBD 3.00 per hour, and the value of time of non-wage-earning adults is assumed to be half of that.
 - (v) Benefits of time-savings from footpaths and community access infrastructure: value of time saved among wage-earning adult beneficiaries in the immediate area, plus value of time saved among non-wage-earning adult beneficiaries in the immediate area. Time saved per person per week is derived from the latest community survey—at 1.6 hours per week. The value time of money is assumed to be the same as above.
 - (vi) Total benefits derived from the ISDT: annual benefits of wage premium, plus annual benefits of increased employment. For the outer years, this is increased in line with GDP per capita growth [9].
 - (vii) Annual benefits of wage premium: number of beneficiaries already employed, times the assumed wage premium on original wage after ISDT/CAUSE work experience – here the number of existing wage earners was derived from the previous community survey, and the wage premium is based on REP and is assumed at 12 percent.
 - (viii) Annual benefits of increased employment: number of additional jobs, times the difference between the value of wages of new jobs and the time value of non-wage-earning adults – here the number of new jobs post ISDT/CAUSE is derived from the latest beneficiary survey (6 percent) applied to the total pool of beneficiaries (laborers).
 - (ix) Benefits derived from a reduction in vehicle operating costs: Cost savings per vehicle-km from road improvement, plus cost savings per vehicle-km from road upgrading – here it is assumed that maintained



roads are improved from unpaved very poor to unpaved very good. Upgraded roads are improved from unpaved very poor to paved good. The number of vehicle-km is assumed at 20 for both kinds of roads.

- (x) Net benefits derived from cost savings derived from upgrading: difference between upgrading 4.3km of roads during the project period compared to no-project scenario.
- (xi) Time horizon: the time horizon for the infrastructure component of the project (i.e. the life-span of physical assets) has been adjusted and is conservatively projected at 20 years. The time horizon for the labor component (i.e. wage premium after ISDT/CAUSE and increase in additional employment after ISDT/CAUSE) is derived from the average age of beneficiaries (35 years) and the national retirement age (55 years) and is 20 years.

5. The economic analysis will be updated prior to the project's Mid-Term Review.