

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC8207

Date ISDS Prepared/Updated: 21-May-2014

Date ISDS Approved/Disclosed: 23-May-2014

I. BASIC INFORMATION

A. Basic Project Data

Country:	Solomon Islands	Project ID:	P149282
Project Name:	Solomon Islands Rural Development Program II (P149282)		
Task Team Leader:	Erik Caldwell Johnson		
Estimated Appraisal Date:	18-Aug-2014	Estimated Board Date:	20-Nov-2014
Managing Unit:	EASNS	Lending Instrument:	Investment Project Financing
Sector(s):	Other social services (40%), General agriculture, fishing and forestry sector (25%), General public administration sector (20%), Agricultural extension and research (15%)		
Theme(s):	Rural services and infrastructure (40%), Rural markets (30%), Rural policies and institutions (20%), Participation and civic engagement (10%)		
Financing (In USD Million)			
Total Project Cost:	35.00	Total Bank Financing:	5.00
Financing Gap:	0.00		
Financing Source		Amount	
BORROWER/RECIPIENT		5.00	
International Development Association (IDA)		2.50	
IDA Grant		2.50	
AUSTRALIA Australian Agency for International Development		12.00	
EC European Development Fund (EDF)		9.00	
International Fund for Agriculture Development		4.00	
Total		35.00	
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The proposed development objective for the project is to improve access to basic services in rural areas and the production and productivity of farmers.

C. Project Description

Component 1 – Community Infrastructure and Services (US\$20.7 million). The first phase of RDP (2008-2014) developed and established an effective mechanism for delivering priority social and economic infrastructure to improve rural communities' access to small-scale infrastructure and basic services. The Project was progressively scaled up to cover eight of nine provinces. RDP II would be further expanded to reach all rural wards in the country, including in Renbell Province (the one province not covered by RDP I), and consolidate and institutionalize the CDD approach. The Project would retain the mechanisms developed and refined under RDP I, and introduce design changes based on implementation lessons and evaluation findings. The following would be the key features of RDP II, including modifications:

- Two grant cycles of 24 months each to allow for longer sub-project completion periods than under the current phase of RDP. Adjustments to grant size to ensure that each ward receives a sufficient allocation, while adjusting for population size and remoteness.
- New output-based approach to grant disbursement to eliminate the need for the costly and time-consuming transport of all sub-project documentation to Honiara.
- A smaller number of more highly trained and incentivized Community Helpers (CHs), including a new cadre of Technical CHs that will be recruited and trained in the design and construction of small-scale infrastructure, closely based on a curriculum and approach successfully applied in CDD programs in Indonesia and Timor Leste.
- CHs to collect and help to collate village and ward level data to support the integration of planning for the use of Provincial Capacity Development Funds and Constituency Development Funds.
- A Social Accountability Pilot to test a participatory tool that would assess the quality of service delivery, focusing initially on health and early childhood facilities. Depending upon the results of this pilot, use of the tool may be scaled up over the course of the project.
- A new, web-based Management Information System (MIS) to collect data from the field and upload it into a central database where it can be monitored by provincial and national project management and viewed publically to enhance awareness of project activities.

Component 2 – Agriculture Partnerships and Support (US\$ 10.0 million). This component would aim to increase household income through increases in production and productivity in cocoa, coconut and other agriculture enterprises. The design of this component is entirely different from the agriculture activities under RDP, except for the use of supplemental equity funds which would be restricted to agriculture under RDP II. It will include two linked sub-components.

Agriculture Partnership Financing would comprise an “Agriculture Partnership Grants Facility (APGF)” that will provide grants to enterprises that partner with smallholders, processors and/or traders; and an “Agriculture Supplemental Equity Facility (ASEF)” that will provide equity to enterprises that partner with commercial banks to improve production in a value chain. This Grants Facility will co-finance activities with the private sector which benefit smallholder farmers such as training in improved farming techniques, processing and business management and investments in improved planting material and crop diversification. It would draw heavily from the experience of Papua New Guinea in its on-going implementation of the Productive Partnerships in Agriculture

Project (PPAP) which focuses on cocoa and coffee. The Equity Facility would utilize the same operational procedures and commercial banking partnerships as the Supplemental Equity Facility (SEF) operated under RDP I. The ASEF would assist businesses to access commercial credit for activities such as capital investments, bridge finance for cash-flow, or as collateral leverage to access finance and expand the size of an investment. The Ministry of Agriculture and Livestock would manage the two facilities, but the central project team in MDPAC would be responsible for financial management (disbursement and acquittal) of these funds.

Agriculture Partnership Support and Capacity Building would be aimed at building on the institutional strengthening of MAL begun under RDP I and increase its ability to facilitate private sector investment in the agricultural sector for the benefit of rural communities. As the private sector's desire to provide improved farmer services is not matched by the required capacity, MAL would provide training, mentoring and even seconded support to private sector firms engaged in partnerships. Specific activities would include "Regulation and Monitoring" activities that would improve the quality of processed cocoa and coconut products; "Action Research and Development" activities that will disseminate techniques for improving productivity and production of cocoa and coconuts; and "Industry Coordination" activities that will enhance public-private dialogue particularly for cocoa and coconuts.

Component 3 – Program Management (US\$ 4.3 million). Most of the management activities and associated costs that are specific to each component would be managed within those components. The main functions that would remain under this overarching component would include: Program Manager, Finance Manager, Procurement Officer, M&E/MIS Officer, and Environmental Officer. The only new TOR/position would be M&E Officer, with some minor modifications made to other positions. In addition, vehicles and office equipment would be purchased to update or replace deteriorating goods purchased at the beginning of RDP I in 2008.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented in the 9 provinces including: Makira, Isabel, Guadalcanal, Central, Choiseul, Malaita, Western, Temotu and Rennell and Belona. Choiseul and Temotu are small provinces with a population of approximately 20,000 each and Rennell and Belona have a combined population of approximately 3,000; all four island groups are remote from the capital city, Honiara; while Malaita is the most populated province (population approximately 120,000) and centrally located, and Western province has a population of approximately 60,000.

E. Borrowers Institutional Capacity for Safeguard Policies

The borrower has demonstrated an effective ability to manage environmental and social safeguards under RDP I. A qualified safeguard specialist is in the Project Coordination Unit who is responsible for screening and resolving safeguard issues both prior to a sub-project being included in the program and during sub-project implementation. The need for enhanced personnel will be reviewed during preparation. Through RDP I, the Ministry of Agriculture and Livestock has built its capacity to regulate agriculture-related environmental safeguards, including the formation and regular convening of a Pesticide Registration Advisory Committee (PRAC) to regulate the use of pesticides. Periodic training will be conducted for safeguard and other project staff as well as for funding recipients under Components 1 and 2.

F. Environmental and Social Safeguards Specialists on the Team

Ly Thi Dieu Vu (EASNS)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	The type and scale of physical investments under RDP II will be similar to those implemented in RDP. Under component 1, the potential negative environmental and social impacts related to development of small-scale infrastructure are mostly at small scale, short term and manageable. Under Component II, potential negative impacts associated supports provided to agricultural sector would be the main concerns, particularly when pesticide is supplied to cocoa and coffee growers, under component 2. An Environmental and Social Management Framework (ESMF) was prepared in 2007 and has been being implemented in RDP. As the design of RDP II is very similar to that of RDP, the existing ESMF will be reviewed and updated taking into account the lessons learnt from RDP implementation for application for RDP II. If the Project supports the purchase of pesticides or leads to increase use of pesticides, a pest management plan will be prepared as part of the updated ESMF.
Natural Habitats OP/BP 4.04	Yes	RDP II will be implemented in 9 provinces with various types of small-scale infrastructure. Environmental screening introduced in the ESMF ensures project siting avoids critical habitats, and negative potential impacts on other natural habitats such as streams, lakes etc. will be mitigated.
Forests OP/BP 4.36	No	The size of sub-project sites will be very small and located within existing communities, deforestation for infrastructure development will not happen in RDP II. Component II mainly involving support on farming techniques with the aims of improving productivity of existing plantations rather than expanding the existing cultivation areas. Therefore, the activities under Component II of RDP II are not envisaged to affect forest, forest health and forest-dependent communities.
Pest Management OP 4.09	Yes	Under Component 2, grant recipients may purchase chemicals for enhancing cocoa,

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		<p>coconut or other crop production. The Pesticide Registration Advisory Committee (PRAC), which advises the Registrar, will continue to be used to control pesticide imports, distribution, sale and use. Enforcement of the regulation is the responsibility of the Ministry of Agriculture and Livestock. The ESMF will include a Pest Management Plan to ensure safety for human and the environment associated with the transport, storage, handling and disposals of agricultural chemicals including packaging materials.</p>
Physical Cultural Resources OP/ BP 4.11	Yes	<p>Project siting will avoid known physical cultural resources such as temples, structures of spiritual values to communities, objects and structures having high landscape values etc. Chance Find Procedures will be included in the updated ESMF to address the cases where objects are found during ground excavation.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>The investments under RDP II, will be carried out in 9 provinces in which Indigenous Peoples are the overwhelming majority of project beneficiaries as known for Solomon Islands. Therefore, a separate Indigenous Peoples Plan is not required, but provisions responding to the policy will be incorporated into overall project design. This is the same approach to that adopted under RDP I.</p> <p>The ESMF and Project Implementation Manual currently being used for RDP I will continue to be applied, including an inclusive, participatory community needs assessment process, screening criteria, and forms to document broad community support and consensus on priority sub-projects. Community consultations will be facilitated and documented by suitably qualified personnel in the Project Management Unit. Ongoing monitoring and community consultations by such personnel will assess whether broad community support is maintained during implementation.</p> <p>Each sub-project will be identified and driven by the recipient community which will ensure that Free, Prior and Informed Consultation will be built into each sub-project conception and</p>

		development and that the subproject will provide benefits that are culturally appropriate to the people. In addition to the agreed criteria in the ESMF, the community driven nature of the sub-projects will further serve to ensure compliance with OP/BP 4.10.
Involuntary Resettlement OP/BP 4.12	No	The sub-projects are identified and driven by the recipient communities. Screening criteria including undisputed access to land for the purposes of executing the sub-project are prerequisites to inclusion of sub-project in the program. Land to be used for subproject construction will be voluntarily donated and the process will follow provisions of the Final Draft PIC Voluntary Land Donation Protocol that includes the required and appropriate supporting documentation. No involuntary resettlement as a result of the project is anticipated. Component 2 activities will not include the conversion of land for the purpose of agricultural use.
Safety of Dams OP/BP 4.37	No	The Project will not finance construction or rehabilitation of any dam. The project is also not dependent on any existing dam or dam under construction.
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-Jul-2014

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

May – July 2014

IV. APPROVALS

Task Team Leader:	Name: Erik Caldwell Johnson	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Josefo Tuyor (RSA)	Date: 22-May-2014
Sector Manager:	Name: Michel Kerf (SM)	Date: 23-May-2014

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.