

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: RES23126

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING
OF THE
RURAL DEVELOPMENT PROGRAM II

IDA GRANT-D0220 AND IDA CREDIT-55740
November 21, 2014

TO THE

SOLOMON ISLANDS

APRIL 5, 2016

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE
EAST ASIA AND PACIFIC REGION

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

ABBREVIATIONS AND ACRONYMS

ASEF	Agriculture Supplemental Equity Facility
CAS	Country Assistance Strategy
CDD	Community Driven Development
CDG	Community Development Grant
CH	Community Helper
CPF	Country Partnership Framework
DRG	Disaster Recovery Grant
EA	Environmental Assessment
EOI	Expression of Interest
IDA	International Development Association
IP	Implementation Progress
M&E	Monitoring and Evaluation
PAR	Participatory Adaptive Research
PDO	Project Development Objective
TCH	Technical Community Helper

Regional Vice President:	Xiaoqing Yu
Country Director:	Franz Drees-Gross
Senior Global Practice Director:	Ede Jorge Ijjasz-Vasquez
Practice Manager/Manager:	Bassam Ramadan
Task Team Leader:	Kosuke Anan

SOLOMON ISLANDS
RURAL DEVELOPMENT PROGRAM II

CONTENTS

A.	SUMMARY	7
B.	PROJECT STATUS	7
C.	PROPOSED CHANGES	7

DATA SHEET

Solomon Islands

Solomon Islands Rural Development Program II (P149282)

EAST ASIA AND PACIFIC

Social, Urban, Rural and Resilience Global Practice

Report No: RES23126

Basic Information									
Project ID:	P149282	Lending Instrument:	Investment Project Financing						
Regional Vice President:	Xiaoqing Yu	Original EA Category:	Partial Assessment (B)						
Country Director:	Franz R. Drees-Gross	Current EA Category:	Partial Assessment (B)						
Senior Global Practice Director:	Ede Jorge Ijjasz-Vasquez	Original Approval Date:	21-Nov-2014						
Practice Manager/Manager:	Bassam Ramadan	Current Closing Date:	28-Feb-2020						
Team Leader(s):	Kosuke Anan								
Borrower:									
		Ministry of Finance and Treasury							
Responsible Agency:									
		Ministry of Development Planning and Aid Coordination							
Restructuring Type									
Form Type:	Short Form	Decision Authority:	CD Decision						
Restructuring Level:	Level 2								
Financing (as of 06-Apr-2016)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P149282	COFN-C1360	Effective	07-May-2015	07-May-2015	07-May-2015	07-Nov-2020	30-Jun-2020		
P149282	IDA-55740	Effective	21-Nov-2014	29-Jan-2015	27-Feb-2015	28-Feb-2020	28-Feb-2020		
P149282	IDA-D0220	Effective	21-Nov-2014	29-Jan-2015	27-Feb-2015	28-Feb-2020	28-Feb-2020		
P149282	TF-19256	Effective	21-Nov-2014	17-Apr-2015	17-Apr-2015	28-Feb-2020	28-Feb-2020		
Disbursements (in Millions)									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P149282	COFN-C1360	Effective	USD	4.30	4.30	0.00	0.00	4.31	

P149282	IDA-55740	Effective	USD	5.00	5.00	0.00	0.00	4.60	
P149282	IDA-D0220	Effective	USD	4.00	4.00	0.00	3.23	0.53	81
P149282	TF-19256	Effective	USD	9.00	9.00	0.00	2.09	6.91	23

Policy Waivers

Does the project depart from the CAS/CPF in content or in other significant respects?	Yes []	No [X]
---	---------	----------

Does the project require any policy waiver(s)?	Yes []	No [X]
--	---------	----------

A. Summary of Proposed Changes

This restructuring proposes to change the financing percentage of the (i) Community Development Grant, (ii) Disaster Recovery Grant and (iii) ASEF Grant to read as "100% of the amount disbursed". The remaining eligible project expenditures, including the Agribusiness Partnership Grant, will remain at "100% of eligible expenses". The modifications proposed under this restructuring will not change the Project Development Objective (PDO). No new activities are being proposed. There is no escalation of the safeguard rating, and no additional safeguards policies are triggered.

B. Project Status

The Project was approved on 21 November 2014, signed on 29 January 2015, and became effective on 27 February 2015. The project is generally on track to meeting its development objectives by the closing date of February 28, 2020. Training activities have been conducted as planned to community helpers (CHs) and technical community helpers (TCHs) who are now facilitating the preparation of Community Development Grant (CDG) and Disaster Recovery Grant (DRG) subprojects. CDG subproject preparation processes have been completed in most wards, and are expected to be completed in the remaining wards by February 2016. Technical designs of DRG subprojects are being finalized for all eligible communities that were affected by the April 2014 flash floods, and the implementation of all DRG subprojects is expected to commence by February 2016. These subprojects are expected to improve basic infrastructure and services in rural areas. Agribusiness partnerships sub-component has received 130 expressions of interest (EOIs), and 27 were invited to submit full proposals. Full proposals have been received by 17 applicants to date, and agribusiness partnerships are expected to roll out in early 2016. Participatory adaptive research (PAR) on cocoa production is under implementation in 16 sites (two each in eight provinces), and are demonstrating significant yield increases. PAR will be extended to further 16 sites in 2016. Commercialization support for farmer groups is also expected to begin in 2016 as planned, involving up to 30 groups with a least one from each province. These activities are aimed at strengthening the linkages between smallholder farming households and markets. Under the agriculture and livestock disaster recovery subcomponent, the needs of over 400 affected farmers have been identified, and assistance will be provided throughout 2016. As of March 2016, the Project has a satisfactory rating in progress towards achievement of PDO, overall implementation progress (IP), financial management, project management, counterpart funding, procurement, and M&E.

C. Proposed Changes

The Project will provide sub-grants, comprising (i) Community Development Grant, (ii) Disaster Recovery Grant, (iii) Agriculture Supplemental Equity Facility (ASEF) Grant, and (iv) Agribusiness Partnership Grant. Bank disbursement using community driven development (CDD) approach will apply to (i) Community Development Grant, (ii) Disaster Recovery Grant, and (iii) ASEF Grant, and as such, expenditures will be recognized for the Bank's disbursement purposes once Bank funds for these three (3) types of grants reach the hands of the ultimate beneficiaries.

Accordingly, this restructuring proposes to change the financing percentage of the (i) Community Development Grant, (ii) Disaster Recovery Grant, and (iii) ASEF Grant to read as "100% of the amount disbursed". The remaining eligible project expenditures, including the Agribusiness Partnership Grant, will remain at "100% of eligible expenses".

SOLOMON ISLANDS: RURAL DEVELOPMENT PROGRAM II (P149282)
RESTRUCTURING PAPER

A. SUMMARY

1. This restructuring proposes to change the financing percentage of the (i) Community Development Grant, (ii) Disaster Recovery Grant, and (iii) ASEF Grant to read as "100% of the amount disbursed". The remaining eligible project expenditures, including the Agribusiness Partnership Grant, will remain at "100% of eligible expenses". The modifications proposed under this restructuring will not change the Project Development Objective (PDO). No new activities are being proposed. There is no escalation of the safeguard rating, and no additional safeguards policies are triggered.

B. PROJECT STATUS

2. The Project was approved on 21 November 2014, signed on 29 January 2015, and became effective on 27 February 2015. The project is generally on track to meeting its development objectives by the closing date of February 28, 2020. Training activities have been conducted as planned to community helpers (CHs) and technical community helpers (TCHs) who are now facilitating the preparation of Community Development Grant (CDG) and Disaster Recovery Grant (DRG) subprojects. CDG subproject preparation processes have been completed in most wards, and are expected to be completed in the remaining wards by February 2016. Technical designs of DRG subprojects are being finalized for all eligible communities that were affected by the April 2014 flash floods, and the implementation of all DRG subprojects is expected to commence by February 2016. These subprojects are expected to improve basic infrastructure and services in rural areas. Agribusiness partnerships sub-component has received 130 expressions of interest (EOIs), and 27 were invited to submit full proposals. Full proposals have been received by 17 applicants to date, and agribusiness partnerships are expected to roll out in early 2016. Participatory adaptive research (PAR) on cocoa production is under implementation in 16 sites (two each in eight provinces), and are demonstrating significant yield increases. PAR will be extended to further 16 sites in 2016. Commercialization support for farmer groups is also expected to begin in 2016 as planned, involving up to 30 groups with a least one from each province. These activities are aimed at strengthening the linkages between smallholder farming households and markets. Under the agriculture and livestock disaster recovery subcomponent, the needs of over 400 affected farmers have been identified, and assistance will be provided throughout 2016. As of March 2016, the Project has a satisfactory rating in progress towards achievement of PDO, overall implementation progress (IP), financial management, project management, counterpart funding, procurement, and M&E.

C. PROPOSED CHANGES

3. The Project will provide sub-grants, comprising (i) Community Development Grant, (ii) Disaster Recovery Grant, (iii) Agriculture Supplemental Equity Facility (ASEF) Grant, and (iv) Agribusiness Partnership Grant. Bank disbursement using community driven development (CDD) approach will apply to (i) Community Development Grant, (ii) Disaster Recovery Grant, and (iii) ASEF Grant, and as such, expenditures will be recognized for the Bank's disbursement purposes once Bank funds for these three (3) types of grants reach the hands of the ultimate beneficiaries.

4. Accordingly, this restructuring proposes to change the financing percentage of the (i) Community Development Grant, (ii) Disaster Recovery Grant, and (iii) ASEF Grant to read as "100% of the amount disbursed". The remaining eligible project expenditures, including the Agribusiness Partnership Grant, will remain at "100% of eligible expenses".