



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 05-Feb-2019 | Report No: PIDISDSA26510



**BASIC INFORMATION**

**A. Basic Project Data**

Country Solomon Islands	Project ID P170283	Project Name Additional Financing to Rural Development Program II	Parent Project ID (if any) P149282
Parent Project Name Solomon Islands Rural Development Program II	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 15-Apr-2019	Estimated Board Date 27-Jun-2019
Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice	Financing Instrument Investment Project Financing	Borrower(s) Solomon Islands	Implementing Agency Ministry of Agriculture and Livestock Development, Ministry of Development Planning and Aid Coordination

Proposed Development Objective(s) Parent

The proposed development objective for the project is to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets.

Components

Community Infrastructure and Services  
Agriculture partnerships and support  
Program management

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	2.23
<b>Total Financing</b>	2.23
<b>of which IBRD/IDA</b>	2.24
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

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International Development Association (IDA)	2.23
IDA Credit	1.12
IDA Grant	1.12

Environmental Assessment Category

B-Partial Assessment

‘Have the Safeguards oversight and clearance function been transferred to the Practice Manager?’ No

Decision

Other Decision (as needed)

**B. Introduction and Context**

RDP II is the largest rural development investment in the Solomon Islands, and the only one with national coverage. To date, the Project has benefitted 66,642 people (11 percent of the population) through 123 completed sub-projects. In addition, linkages to markets are being strengthened for more than 7,000 people through 35 agribusiness partnerships currently under implementation. Under the disaster risk recovery activities 2,846 beneficiaries affected by the floods of April 2014 have received agriculture and livestock recovery assistance – exceeding the expected number of beneficiaries for this activity.

The Project was approved by the World Bank Board on November 21, 2014 and is scheduled to close on February 28, 2020. The Project was approved for a total of US\$46.9 million (including SDR6 million (US\$9 million equivalent) in IDA financing). However, based on prevailing exchange rates, the amount available for the Project is now US\$39.4 million. Project financing includes IDA - Financing Agreements IDA-55740 (Credit) and IDA-D0220 (Grant); parallel co-financing by IFAD C1360 (COFN); trust fund co-financing grants by the European Union (EU) TF-A5083 and Australian Department of Foreign Affairs and Trade (DFAT) TF-19256; and SIG counterpart financing. To date, the Project has disbursed 100 percent of the IDA financing and 80.26 percent of the trust fund financing (received in the trust fund account to date).

**Table 1. Summary of Parent Project Dates**

Project Number: P149282				
Co-Financiers/ Donors	Trust Fund/ Grant/ Credit Number	Approval Date	Effectiveness Date	Original Closing Date
DFAT	TF 19256	November 21, 2014	April 17, 2015	February 28, 2020
EU	TF A5083	May 14, 2017	September 29, 2017	August 28, 2019
IFAD	C1360 (COFN)	May 7, 2015	May 7, 2015	June 30, 2020

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IDA	Grant Number: D0220; Credit Number: 55740	November 21, 2014	February 27, 2015	February 28, 2020
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Overall Implementation Progress has been rated ‘Moderately Satisfactory’ for the past 12 months. The Project is making substantial progress and is on track to implement all planned activities provided timely financing is available. The Project Development Objective (PDO) rating was rated ‘Moderately Unsatisfactory’ between April 2017 and November 2018 primarily due to concerns about financing shortfalls. The PDO rating was upgraded to Moderately Satisfactory in November 2018 to reflect SIG’s reaffirmation of its intention to provide the remaining counterpart funding, which made it likely that the project would meet the revised PDO targets indicators in the Results Framework (following a restructuring in early 2018). Apart from a financing shortfall, the Project has been performing at satisfactory levels on all fronts within a low capacity and logistically challenging fragile and post-conflict environment.

Financial audits received to date have all been unqualified, and there are no outstanding financial audits for the Project. The project is rated ‘Moderately Satisfactory’ for overall safeguards.

**Rationale for Additional Financing**

The Project was restructured in January 2018 to address a financing gap of approximately US\$5.8 million dollars (approximately 12% of the original Project amount) caused by the depreciation of the relevant financing currencies (AUD, EUR, and SDR). The restructuring included reductions in the scope and target areas of some Project activities, as well as adjustments to the Results Framework. At the time of the restructure Government counterpart funding was still anticipated.

However, due to fiscal constraints the Solomon Islands Government’s (SIG) annual budget for 2018—approved in April 2018—did not include the counterpart allocation anticipated for the project. To date SIG has contributed SBD26.3 million in counterpart financing (53 percent of the original commitment), leaving a financial shortage of SBD23.7 million (approximately US\$3 million equivalent). In addition, the scope for utilizing EU co-financing, which only became available in May 2018 and closes in August 2019, is limited due to administrative complexities. This has further compounded the risks of a financial shortfall for the planned range of activities. These uncertainties and complexities have resulted in postponement of some activities meaning resources to make up the financing shortfall are urgently required to avoid further delays in undertaking these activities. Due to these delays an extension of the Project closing date is also required to allow enough time to complete all of the activities necessary to achieve the PDO (the extension of closing date will be applicable for sources of funding from IDA and EU).

SIG has indicated its intention to budget and transfer the remaining counterpart financing by early 2019. To date, the budget plan for 2019 by SIG (Care-taker Government at the time of decision) has shown an amount of SBD20 million (approximately USD2.5 million) allocated to the project. However, no funds have been transferred to the project. National elections held in April 2019 means that a new Government will be formed. As a consequence of the election cashflow delays are expected and these could further delay Project implementation and jeopardize achievement of the PDO.

In order to address the financing shortfall and also to deliver some of the activities that had been scaled down through the project restructuring of January 2018, SIG made an official request to the Bank for additional financing, as well as for an extension of the Project’s closing date by 12 months to February 28, 2021. The request resulted from the partial cancellation of IDA financing for the Solomon Islands Pacific Islands Regional Oceanscape Program (PROP, P151777), for

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which SIG requested the Bank reallocate the SDR 1.58 million (approximately USD2.23 million at the time of cancellation) of national IDA.

Therefore, the additional financing will allow the Project to finance the remaining round of support under Component 1 – Community Infrastructure and Services and Component 2 - Agriculture Partnerships and Support; and help to reduce the financing gap (if SIG funds fall through or the closing date of the EU grant is not extended). This AF and restructuring will also support extension of the project closing date by 12 months to allow enough time to complete project activities. There will be no change to the current PDO.

**C. Proposed Development Objective(s)**

The proposed development objective for the additional financing is the same for the parent project which is to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets.

**Original PDO**

The project development objective of the parent project is to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets.

**Current PDO**

The current PDO of the parent project is the same as the original PDO which is to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets.

**Key Results**

The Result Framework (RF) has been revised to reflect the new annual and end targets enabled by the AF and proposed extension.

**Table 2. Project Development Indicators**

Indicator	Unit		YR 3	Y4	Y5	Y6
			Feb 18	Feb 19	Feb 20	Feb 21 Revised targets
Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery)	Number	Target	40,000	90,000	110,000*	140,000
		Actual	44,188 (110%)	63,155 (70%)		
Of which female (beneficiaries)	Number	Target	20,000	45,000	55,000*	70,000
		Actual	22,190 (111%)	31,537 (70%)		
Male and female members of farming households engaged in productive partnerships with commercial enterprises	Number	Target	7,000	9,000	14,000	15,000
		Actual	6,695 (96%)	12,628 (79%)		

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			(3,560 male; 3,135 female)	(6,737 male; 5,891 female)		
Increase in volume of produce sold by households engaging in agribusiness partnerships	Percentage	Target	-	-	-	15**
		Actual	-	-	-	
Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding	Number	Target	2,500	-	2,500	2500
		Actual	2,846 (114%) (completed)			

**Notes:**

- \* Number reduced as cycle 6 has been delayed due to shortage and uncertainty of project funds
- \*\* This requires an end line household survey to determine the change after the partnership activities have been completed

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**D. Project Description**

The Project consists of three components: *Component 1* – Community Infrastructure and Services; *Component 2* – Agriculture Partnerships and Support; and *Component 3* – Program Management. The Project operates in all 172 rural wards of the country and provides subgrants comprising: (a) Community Development Grants; (b) Disaster Recovery Grants; (c) Agribusiness Partnership Grants; and (d) Agriculture Supplemental Equity Facility (ASEF) Grants.

The primary focus of the AF is to fill the financing gaps caused by the depreciation of various financing sources and delay in counterpart financing, no changes are expected for PDO, PDO indicators, nor will there be any new types of activities. The proposed changes include:

- a. Additional IDA financing of SDR 1.58 million (USD2.23 million) (50 percent grant and 50 percent credit) to fund the project activities, thus updating the total project amount to USD41.6 million (noting that this is still less than the original appraised project cost of USD46.9 million).
- b. Adjustments to the financing plan to reflect the actual IDA and RETF financing received taking into account the exchange rate fluctuations between project appraisal and the receipt of these sources of financing.
- c. Adjustments to the project costs to reflect the available financing.
- d. Extension of project’s closing date for 12 months, from February 28, 2020 to February 28, 2021 (for IDA as well as that of EU co-financing)
- e. Adjustments to the Results Framework to reflect changes in the scope and timing of project activities (amendments to the values for annual and end targets).



## E. Implementation

Implementation arrangements for the additional financing will follow that of the parent project. Overall program coordination and implementation responsibility would still be with the MDPAC, as currently under RDP II. A Project Steering Committee (PSC) will continue to provide project oversight, guidance and monitoring, and would be comprised of the Permanent Secretaries, or their delegates, from the Ministries of: Finance and Treasury; Agriculture and Livestock; Infrastructure Development; Provincial Government and Institutional Strengthening; Education and Human Resource Development; Health; Rural Development; Development Planning and Aide Coordination and Provincial Secretaries (representing participating provinces). The Permanent Secretary in MDPAC (Program Coordinator) will be assisted by a full time national Program Manager and a full time international Program Advisor responsible for the daily coordination of program activities, and: (i) for fiduciary aspects, finance and procurement specialists, (ii) coordinators and other support staff for component 1 (based in MDPAC) and Component 2 (based in MAL) and (iii) for additional cross-component implementation support, an M&E/MIS officer, and an environment officer. The Program Manager (reporting to the PS MDPAC) will coordinate implementation of program activities managed by the provincial governments and by MAL (as regards component 2).

Component 1 management and coordination at the provincial level would still be the responsibility of the Provincial Secretary assisted by a Provincial Team Leader, Finance Officer and Community Helpers operating at the ward and village level. These will all be national positions. Central Province activities will be managed from Guadalcanal, and due to the small number of community grants, the Renbel Province Team Leader will also be responsible for finance. The provincial government will continue to be responsible for activities in the province, through MOUs with MDPAC. Technical support would be engaged from line agency staff at provincial level (e.g. Environmental Health; Works; Agriculture; Home Affairs; Education). Management of Component 2 activities will be the responsibility of MAL. A Component 2 Manager will be responsible for coordinating all Component 2 activities and report directly to the Undersecretary, Technical of MAL. In addition to reporting directly to the PS MAL, the C2 Manager will work together with the RDP Program Manager and Program Advisor as an overall program management team. Two national consultants will be hired to support the partnership and training aspects of Component 2, two staff will be hired to provide M&E support, and MAL will assign a Program Assistant to support the C2MU team.

## F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The additional financing does not involve changes to the project location.

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 province has 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.



**G. Environmental and Social Safeguards Specialists on the Team**

Wolfhart Pohl, Environmental Specialist  
Ross James Butler, Social Specialist  
Marivi Amor Jucotan Ladia, Social Specialist  
Felix Peter Taaffe, Environmental Specialist  
Nathalie Suzanna Noella Staelens, Environmental Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	Yes	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	Yes	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The additional financing does not entail changes to project activities and will not trigger additional safeguards policies.





The project's Environmental and Social Management Framework does not require revision and will continue to be used for management of the project's environmental and social risks. Regarding the safeguards performance to date, the Project is compliant with social and environmental safeguards requirements. Land commitment letters are secured prior to construction to ensure the sustainability of subprojects. Each subproject has prepared social and environmental mitigation measures as part of the Technical Design Form. During the ESMF implementation, there have been several cases where enhanced oversight and support were required. The project team has satisfactorily addressed those cases with support and guidance from Bank team. Safeguards issues have related to staffing, monitoring and training and have therefore been addressed without revision of the ESMF.

Environmental impacts or issues associated with Component I and II subproject investments are not expected to be significant. They are expected to be temporary and can be mitigated. Likewise, social risks will continue to be minor, with small portions of land needing to be acquired for infrastructure subprojects and Indigenous Peoples to be engaged with during subproject preparation and implementation. The Environmental and Social Management Framework (ESMF) and Pest Management Plan (PMP) used for RDP II will continue to be applied, and incorporated into procedures within the Project Implementation Manual.

The potential impact of any subproject will depend on the nature, location and specific characteristics of the investment. In most cases, adverse environmental impacts are expected to be temporary and limited to the construction phase. They could include temporary disturbance of drains or streams, noise and dust during construction, small-scale vegetation loss, and pollution from inappropriate construction materials waste disposal.

Most adverse impacts will be highly localized (construction work site), temporary, and easily mitigated through appropriate siting of the sub-projects and good construction and operation practices. The subproject screening process described in the ESMF, and the use of standard construction practices and mitigation measures will ensure adequate mitigation of those risks.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: As with the parent Project, there are no long-term impacts anticipated due to the small scale and dispersed nature of the planned activities.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. To minimize adverse impacts, a screening process and standard mitigation practices has been established in RDP II and will continue to be used in the additional financing. The screening process will include considerations for alternative subprojects and/or alternative siting as appropriate. The procedures to be followed are included in the ESMF. The project promotes good agricultural practices, including disaster and climate resilience.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The project aims to address social and environmental issues through the planning and subproject selection process for each Component. Guidelines for environmental assessment, including screening for forests and natural habitats issues, of proposed subprojects and activities managed by the communities and the private sector agribusiness partners have been developed and they are integrated in the planning, selection, appraisal, monitoring and audit at the time of project completion.

With regards to Component 2, OP 4.09 the Pest Management Plan (PMP) which was implemented under RDP I has been revised and included in the ESMF.



Indigenous Peoples: OP/BP 4.10 is also triggered for the additional financing. However, since virtually all of the beneficiaries of the project are rural Solomon Islanders who are living on their ancestral lands and are indigenous (as defined by the policy), the project documentation itself constitutes the Indigenous Peoples Plan (IPP). Relevant aspects include:

- (a) Free, prior and informed consultations during preparation: As with RDP II, community consultations will be conducted in all participating provinces in local languages, with separate discussions with vulnerable groups (such as women and youth).
- (b) Free, prior and informed consultations during implementation: Under RDP II, activities under both Components of the project are demand-driven and have to follow a rigorous process of identification, appraisal and approval. This will be followed under the additional financing; Consultations will be systematically carried out as part of the project design, and decision-making structures at the community level include representatives of traditional authorities, women, youth and churches. The project will include a comprehensive set of communication activities, with the use of various media to increase outreach (local radio talk-talks, village-based facilitators, NGOs, pamphlets explaining safeguards policies and project mechanisms, etc.) at all stages. This also includes complaint mechanisms and independent monitoring of project activities and processes.

Involuntary Resettlement: Like the parent Project, this policy is also not triggered as the additional financing does not finance any activity that requires involuntary resettlement, and any “new” land acquisition is done only on a voluntary basis. The “Land Commitment Letter” will continue to be obtained and used as the main mode of land acquisition. However, it must be noted that the experience of RDP II with regard to such is that the process of consultation that takes place in accomplishing the Land Commitment Letter makes land acquisition successful more than the document itself. With the Borrower having learned from past experience with RDP I and II on land acquisition, it is expected that very minimal issues will be encountered, if at all.

Physical Cultural Resources: The objective of OP/BP 4.11, Physical Cultural Resources, is to avoid, or mitigate, adverse impacts on cultural resources from development projects that the World Bank finances. Cultural property includes monuments, structures, works of art, or sites of significance, and are defined as sites and structures having archaeological, historical, architectural, or religious significance, and natural sites with cultural values. This includes cemeteries, graveyards and graves. The project poses limited risks of damaging cultural property since sub-projects are identified by the communities themselves who are most likely aware of their own cultural property in the area of operation. The Safeguard Screening, Monitoring and Audit Form, which is included in the PIM, includes questions that assist the community in determining what to do if cultural property is identified. While there have yet to be any “chance find” (when project activities discover unanticipated cultural artifacts) events during the parent project, a simple set of procedures have been incorporated into the PIM, and provided in the ESMF Supplement, in case such events should occur during the construction of sub-projects during the period of additional financing.

The borrower has demonstrated an effective ability to manage environmental and social safeguards under RDP I and II. 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. 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.



5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Key stakeholders of the additional financing will still be rural Solomon Islanders who are residents of the villages in the wards and provinces covered by the project, specifically farming communities, with respect to Component II. In addition to individual farmers and their associations and farmer groups, stakeholders include agribusiness dealers, national research and extension service providers, national and local institutions. To reiterate, the ESMF for the original project remains valid for the AF activities and therefore requires no changes, and will continue to be used. The document will not be re-disclosed. The ESMF was last disclosed on 24 August 2014.

Community consultations are an integral part of the selection and appraisal of subproject activities in RDP II and this will be carried over in the additional financing. Project beneficiaries will participate through public consultation meetings and discussions of local development priorities, representation in ward development committees and provincial development councils, and representation in the Subproject Implementation Committees (SICs). No subproject will be selected that does not flow from this planning process. This includes the social and environmental information, training and the screening process described in detail in the ESMF. Village-based facilitators (Community-Helpers) are trained on the project's environmental and social guidelines. Since environmental and social criteria will be fully integrated throughout the planning, selection and appraisal process, stakeholder participation and information disclosure will be assured at every stage of project implementation.

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**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
<b>20 August 2014</b>	<b>20 August 2014</b>	<b>N.A.</b>

"In country" Disclosure  
15 August 2014

**Indigenous Peoples Development Plan/Framework**

Date of receipt by the Bank	Date of submission for disclosure
<b>20 August 2014</b>	<b>20 August 2014</b>

"In country" Disclosure  
15 August 2014



**Pest Management Plan**

Was the document disclosed prior to appraisal?

Yes

Date of receipt by the Bank

**20 August 2014**

Date of submission for disclosure

**20 August 2018**

**"In country" Disclosure**

15 August 2014

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

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**APPROVAL**

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**Approved By**

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