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**IMPLEMENTATION COMPLETION AND RESULTS REPORT**  
COFN-C1360, IDA-55740, IDA-D0220, IDA-D5110, TF-A5083, TF-19256

ON AN

INTERNATIONAL DEVELOPMENT ASSOCIATION CREDIT

IN THE AMOUNT OF SDR 3.3 MILLION  
(US\$4.99 MILLION EQUIVALENT)

INCLUDING SDR 2 MILLION  
(US\$2.5 MILLION EQUIVALENT)  
IN CRISIS RESPONSE WINDOW RESOURCES

AND GRANTS

IN THE AMOUNT OF SDR 2.7 MILLION AND SDR 1.7 MILLION  
(US\$4 MILLION AND US\$2.20 MILLION EQUIVALENT, RESPECTIVELY)

INCLUDING SDR 1.095 MILLION  
(US\$1.5 MILLION EQUIVALENT)  
IN CRISIS RESPONSE WINDOW RESOURCES

AND A MULTIDONOR TRUST FUND GRANT  
IN THE AMOUNT OF US\$10.53 MILLION

AND A TRUST FUND GRANT  
IN THE AMOUNT OF US\$10.50 MILLION

TO THE

SOLOMON ISLANDS

FOR THE

SOLOMON ISLANDS RURAL DEVELOPMENT PROGRAM II (P149282)

November 4, 2022

Social Sustainability and Inclusion Global Practice  
East Asia and Pacific Region

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**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective February 7, 2022)

Currency Unit = Special Drawing Rights (SDR),  
Solomon Islands Dollar (SBD)

SDR 0.71 = US\$1

US\$1.40 = SDR 1

SBD 8.01 = US\$1

US\$0.12 = SBD 1

**FISCAL YEAR**

January 1 – December 31

**ABBREVIATIONS AND ACRONYMS**

AF	Additional Financing
ASEF	Agriculture Supplemental Equity Facility
CDD	Community-Driven Development
CPF	Country Partnership Framework
CRB	Coconut Rhinoceros Beetle
DFAT	Australian Department of Foreign Affairs and Trade
EFA	Economic and Financial Analysis
EIRR	Economic Internal Rate of Return
ESMF	Environmental and Social Management Framework
EU	European Union
FCV	Fragility, Conflict, and Violence
GDP	Gross Domestic Product
ICR	Implementation Completion and Results Report
IFAD	International Fund for Agricultural Development
IP	Indigenous People
IPP	Indigenous Peoples Plan
IRI	Intermediate Result Indicator
IRR	Internal Rate of Return
ISM	Implementation Support Mission
ISR	Implementation Status and Results Report
M&E	Monitoring and Evaluation
MAL	Ministry of Agriculture and Livestock
MDPAC	Ministry for Development Partnerships and Aid Coordination
MIS	Management Information System
MNPDC	Ministry of National Planning and Development Coordination
MoU	Memorandum of Understanding
MP	Member of Parliament
MPA	Member of Provincial Assembly

MPGIS	Ministry of Provincial Government and Institutional Strengthening
MTDP	Medium-Term Development Plan
MTR	Midterm Review
NDS	National Development Strategy
NPV	Net Present Value
O&M	Operation and Maintenance
OMC	O&M Committee
PAD	Project Appraisal Document
PAR	Participatory Action Research
PCR	Project Completion Report
PDO	Project Development Objective
PMU	Project Management Unit
POM	Project Operations Manual
PPO	Provincial Project Office
RDPI	Rural Development Program
RDPII	Rural Development Program II
RF	Results Framework
SIC	Subproject Implementation Committee
SIG	Solomon Islands Government
TTL	Task Team Leader
WDC	Ward Development Committee

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**DATA SHEET**

**BASIC INFORMATION**

**Product Information**

Project ID	Project Name
P149282	Solomon Islands Rural Development Program II
Country	Financing Instrument
Solomon Islands	Investment Project Financing
Original EA Category	Revised EA Category
Partial Assessment (B)	Partial Assessment (B)

**Organizations**

Borrower	Implementing Agency
Solomon Islands	Ministry of Agriculture and Livestock Development, Ministry of National Planning and Development Coordination

**Project Development Objective (PDO)**

Original PDO

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.

Revised PDO

The objective of the Project is to assist the Recipient to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets.



**FINANCING**

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
<b>World Bank Financing</b>			
TF-19256	10,500,000	10,499,805	10,499,805
IDA-D0220	4,000,000	4,000,000	3,751,650
IDA-55740	5,000,000	4,989,990	4,565,996
TF-A5083	10,555,856	10,527,657	10,527,657
IDA-D5110	2,200,000	2,200,000	2,435,235
<b>Total</b>	<b>32,255,856</b>	<b>32,217,452</b>	<b>31,780,343</b>
<b>Non-World Bank Financing</b>			
Borrower/Recipient	9,500,000	6,092,000	6,515,895
International Fund for Agriculture Development	4,600,000	3,940,000	3,940,000
<b>Total</b>	<b>14,100,000</b>	<b>10,032,000</b>	<b>10,455,895</b>
<b>Total Project Cost</b>	<b>46,355,856</b>	<b>42,249,452</b>	<b>42,236,237</b>

**KEY DATES**

Approval	Effectiveness	MTR Review	Original Closing	Actual Closing
21-Nov-2014	27-Feb-2015	28-Aug-2017	28-Feb-2020	07-Feb-2022

**RESTRUCTURING AND/OR ADDITIONAL FINANCING**

Date(s)	Amount Disbursed (US\$M)	Key Revisions
03-Feb-2016	4.51	Other Change(s)
14-Apr-2016	5.31	
15-Jun-2017	14.63	Change in Financing Plan Other Change(s)
25-Jan-2018	15.78	Change in Results Framework
11-Aug-2019	22.13	Change in Loan Closing Date(s)
12-Feb-2020	23.85	Additional Financing
01-Feb-2021	28.25	Change in Loan Closing Date(s)

**KEY RATINGS**

<b>Outcome</b>	<b>Bank Performance</b>	<b>M&amp;E Quality</b>
Moderately Satisfactory	Moderately Satisfactory	Modest

**RATINGS OF PROJECT PERFORMANCE IN ISRs**

<b>No.</b>	<b>Date ISR Archived</b>	<b>DO Rating</b>	<b>IP Rating</b>	<b>Actual Disbursements (US\$M)</b>
01	05-Jun-2015	Satisfactory	Satisfactory	2.08
02	21-Jan-2016	Satisfactory	Satisfactory	4.51
03	05-Oct-2016	Satisfactory	Moderately Satisfactory	10.99
04	11-Apr-2017	Moderately Unsatisfactory	Moderately Unsatisfactory	15.41
05	12-Nov-2017	Moderately Unsatisfactory	Moderately Satisfactory	18.84
06	19-Apr-2018	Moderately Unsatisfactory	Moderately Satisfactory	21.60
07	08-Nov-2018	Moderately Satisfactory	Moderately Satisfactory	22.85
08	10-Jun-2019	Moderately Satisfactory	Moderately Satisfactory	25.13
09	16-Dec-2019	Moderately Satisfactory	Moderately Satisfactory	27.73
10	13-Jun-2020	Moderately Satisfactory	Moderately Satisfactory	30.29
11	03-Dec-2020	Moderately Satisfactory	Moderately Satisfactory	31.79
12	28-Jun-2021	Moderately Satisfactory	Moderately Satisfactory	35.64
13	04-Oct-2021	Satisfactory	Satisfactory	35.54



**SECTORS AND THEMES**

**Sectors**

Major Sector/Sector (%)

**Agriculture, Fishing and Forestry 22**

Public Administration - Agriculture, Fishing & Forestry 9

Other Agriculture, Fishing and Forestry 13

**Public Administration 18**

Sub-National Government 18

**Social Protection 35**

Social Protection 35

**Industry, Trade and Services 25**

Agricultural markets, commercialization and agri-business 25

**Themes**

Major Theme/ Theme (Level 2)/ Theme (Level 3) (%)

**Private Sector Development 100**

Jobs 100

**Finance 1**

Finance for Development 1

Disaster Risk Finance 1





<b>Social Development and Protection</b>	<b>129</b>
Social Inclusion	29
Indigenous People and Ethnic Minorities	3
Other Excluded Groups	3
Participation and Civic Engagement	23
Fragility, Conflict and Violence	100

<b>Urban and Rural Development</b>	<b>68</b>
Rural Development	65
Rural Markets	25
Rural Infrastructure and service delivery	40
Disaster Risk Management	3
Disaster Response and Recovery	1
Disaster Risk Reduction	1
Disaster Preparedness	1

**ADM STAFF**

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## I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

### A. CONTEXT AT APPRAISAL

#### Context

1. **Country context.** The Solomon Islands is an archipelago of 997 islands spread over 1.34 million km<sup>2</sup> of ocean—an area 46 times the country’s land area of 29,900 km<sup>2</sup>. The country lies in the Pacific ‘Ring of Fire’ and within the cyclone belt, making it highly vulnerable to natural disasters such as earthquakes, tsunamis, floods, and droughts. At the time of appraisal of the Solomon Islands Rural Development Program II (P149282), it was among the top 20 countries with the highest economic risk exposure to geological, hydrological, and climatic hazards. The population of approximately 550,000 was dispersed across 90 inhabited islands and had among the lowest population densities (18 persons/km<sup>2</sup>) and urbanization rates (17 percent) in the world. Roughly 80 percent of the population lived in rural areas.

2. **Sectoral context.** The 1998–2003 civil unrest, referred to as the Tensions, was catalyzed by land disputes in Guadalcanal (where the capital, Honiara, is located) between indigenous Guale and Malaitan migrants and was exacerbated by inequitable local-center relations, unequal resource distribution, and poor or nonexistent service delivery. The Tensions resulted in a 24 percent drop in gross domestic product (GDP) during this period, the cessation of state functions in Guadalcanal, and the weakening of state functions in other provinces: civil servant salaries were unpaid for years. This added to the formidable challenges to rural development already posed by the country’s geography. This impact was still apparent at the time of appraisal in 2014: access to health, education, improved water sources, electricity, and markets remained unequally distributed throughout the country, with a particular disconnect between smallholder farming households and centrally located markets, further exacerbated by a lack of transportation infrastructure.<sup>1</sup>

3. The April 2014 Guadalcanal floods were a further concern. Three days of heavy rain in North-Central Guadalcanal caused the Mataniko and Lungga Rivers to burst their banks. Twenty-two people were killed and 12,000 initially displaced, with extensive damage to roads, bridges, and water supplies. Farms were ruined and livestock killed. The floods caused damages estimated at SBD 787.3 million (US\$107.8 million), equivalent to 9.2 percent of GDP.<sup>2</sup> Additional support to help communities recover livelihoods and restore damaged infrastructure was a pressing need.

4. **Government strategies and rationale for World Bank involvement.** At the time of appraisal, most postconflict rural development funds were channeled by the Solomon Islands Government (SIG) to the provinces through Constituency Development Funds controlled by Members of Parliament that lacked basic accountability mechanisms. In 2007, these factors fueled the demand of SIG counterparts, including provincial authorities, for a project that would improve rural infrastructure, services, and access to markets. This led to the World Bank-financed Rural Development Program (RDPI, 2007–2014, P089297),

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<sup>1</sup> The country had 1,183 km of roads, with 90 percent of those roads located in Guadalcanal and Malaita. Most new roads were constructed by loggers to island interiors with few settlements.

<sup>2</sup> Government of Solomon Islands and Global Facility for Disaster Reduction and Recovery. 2014. *Solomon Islands: Rapid Assessment of the Macro and Sectoral Impacts of Flash Floods in the Solomon Islands, April 2014*. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/21818>.



supporting community-selected small-scale infrastructure, improvements to health and education infrastructure, and access to markets. Communities valued RDPI: a 2013 survey found a doubling of household satisfaction with access to village infrastructure, and 94 percent of households felt that RDPI investments reflected their needs.

5. The Rural Development Program II (RDPII) aimed to continue the success of RDPI by improving infrastructure and services in additional rural areas and further improving links between smallholder farmers and markets, as well as assist flood-affected communities in Guadalcanal. Launched in 2014, the project supported the SIG's National Development Strategy (NDS) 2011–2020 and its objective to alleviate poverty and provide social and economic opportunities and benefits to Solomon Islanders by building rural infrastructure, enhancing agricultural productivity, and increasing the access of communities to both markets and services while ensuring community participation in the selection and ownership of project activities. RDPII also intended to contribute to the NDS objective to effectively manage and protect the environment and ecosystems and protect Solomon Islanders from natural disasters by addressing weaknesses in disaster recovery and the resilience of Guadalcanal communities to flooding and other disasters. RDPII further supported the aim of the SIG Medium-Term Development Plan (MTDP) 2014–2018 to establish and set up mechanisms to maintain infrastructure in rural and remote communities.

6. **Higher-level objectives to which the project contributed.** RDPII contributed to the World Bank Solomon Islands Country Partnership Strategy for the period FY2013–2017 (Report No. 76349) theme 'Strengthening Economic Resilience'. In terms of outcome (iv) 'Increased productivity in key cash crops (cocoa and coconut) while maintaining food security', the project provided agricultural commercialization services and linked farmers to agribusinesses and markets, in cocoa and coconut in particular, while also supporting home garden activities which played a joint food security and livelihood role. In terms of outcome (viii) 'greater resilience of rural communities to climate change, natural hazards, and catastrophic disasters', the project provided support to Guadalcanal communities affected by the 2014 floods through more resilient infrastructure that would withstand future disasters, while also building disaster-resilient subprojects (such as water, solar panels, cyclone shelters) in other provinces. It also contributed to outcome (x) 'capacity for collective action and increased access to services for rural communities', through community-driven infrastructure and services' subprojects.

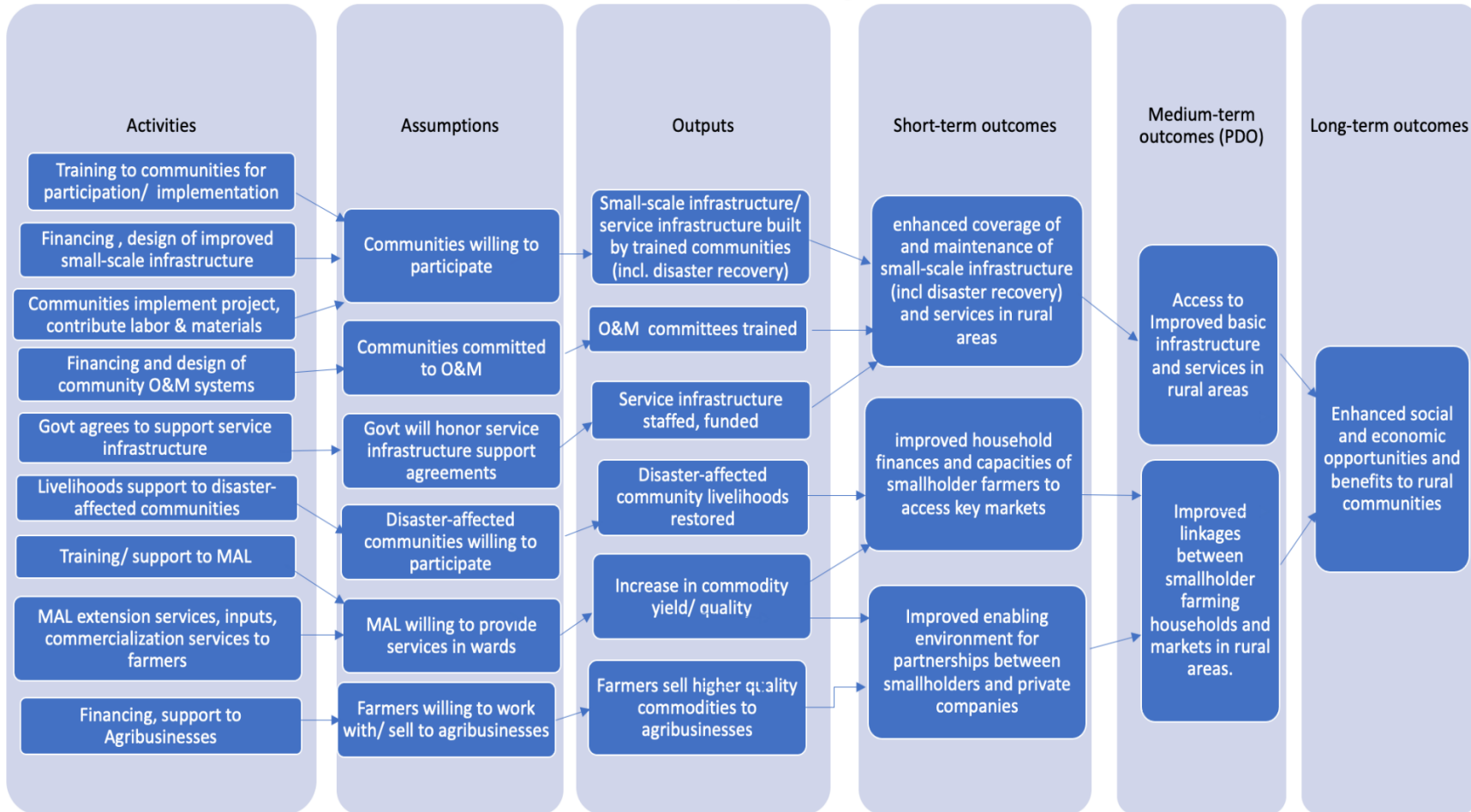
### Theory of Change (Results Chain)

7. The Theory of Change illustrated in Figure 1 is based on the project description and the stated Project Development Objective (PDO) in the Project Appraisal Document (PAD, Report No. PAD1074). It conceptualizes the ways in which the project's key activities, outputs, and short-term outcomes were to contribute to the achievement of the PDO and longer-term outcomes, as well as the key underlying assumptions made at appraisal.



**Figure 1. RDPII Theory of Change**

**RDPII Theory of Change**



*Note:* O&M = Operation and maintenance; MAL = Ministry of Agriculture and Livestock.

Basic infrastructure and services were considered part of a single medium-term outcome as can be inferred from the indicators used to jointly measure them, their grouping under a single component, and discussions with the World Bank project preparation team.



### **Project Development Objectives (PDOs)**

8. The original PDO according to the Financing Agreement was to assist the recipient to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets.<sup>3</sup>

9. 'Rural Areas', for the purposes of the project PDO, are all 174 wards in the country. The country's towns, defined as any area governed by a City Council and not a Ward Council, were excluded from the project. These included Honiara, Auki, Munda, and Gizo. 'Improved', for the purposes of the project PDO, is defined as the provision of necessary infrastructure as articulated by communities, including service infrastructure (namely health and education). Such infrastructure would be accessible to the majority of the community selecting the subproject. 'Eligible communities' is defined by communities who participated in all steps in the project Community-Driven Development (CDD) process and who do not reside in areas governed by City Councils.<sup>4</sup>

### **Key Expected Outcomes and Outcome Indicators**

10. The achievement of the PDO was to be measured through the following PDO-level Indicators:

- (a) Access to improved basic infrastructure and services in rural areas
  - Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery)
    - Of which female
- (b) Strengthened linkages between smallholder farming households and markets
  - Male and female members of farming households engaged in productive partnerships with commercial enterprises
  - Increase in sales for farmers engaged in partnerships

11. The fourth PDO-level indicator was to measure livelihoods recovery of disaster-affected populations as follows:

- Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding

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<sup>3</sup> The PDO stated in the PAD was "to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets." The PDO was amended as part of a 2020 Additional Financing (AF) to the project (Report No. 3280) to ensure consistency between the Legal Agreements and the PAD.

<sup>4</sup> The definitions reflect the World Bank's and counterparts' common understanding of the project. They were not explicitly articulated in the PAD.



## Components

12. The project financed three components:

- (a) **Component 1: Community Infrastructure and Services (original allocation: US\$21.52 million;<sup>5</sup> actual cost: US\$23.5 million).** This component was to finance Community Development Grants to eligible communities in rural areas to implement public infrastructure and services' subprojects using a CDD approach, including water, education, health, electrification, and other community-selected projects; activities to build the capacity of communities for the identification, design, and implementation of the subprojects, including the hiring of community helpers and facilitators; a pilot social accountability activity aimed at evaluating the quality of existing community services; Disaster Recovery Grants to eligible communities to implement disaster recovery subprojects with a focus on repairing or rebuilding flood-damaged community infrastructure in Guadalcanal Province; and activities designed to strengthen the capacity of the Provincial Project Offices (PPOs) for overseeing the implementation of this component at the provincial level.
- (b) **Component 2: Agriculture Partnerships and Support (original allocation: US\$18.81 million; actual cost: US\$10.93 million).** This component was to finance Agribusiness Partnership Grants to selected partnerships between smallholder farmers and commercial enterprises linked to markets in Honiara and other towns to implement agribusiness partnership subprojects, including financing of the purchase of processing equipment;<sup>6</sup> Agriculture Supplemental Equity Facility (ASEF) Grants to participating small and medium enterprises to supplement loans from participating commercial banks to implement ASEF subprojects; technical assistance and training activities to build the capacity of MAL to deliver extension services and facilitate commodity industry coordination, especially between companies involved in coconut and cocoa; training of farmer groups in value-added processes; adaptive research to improve cocoa quality; acquisition of agriculture and livestock assets and infrastructure for Guadalcanal Province communities; development of training materials on climate- and disaster-resilient farming practices and the provision of associated training to farmers in Guadalcanal and other provinces; and the establishment of a dedicated Agribusiness Management Unit to facilitate the implementation of this component.
- (c) **Component 3: Program Management (original allocation: US\$6.57 million; actual cost: US\$7.17 million).** This component was to finance activities designed to establish a Project Management Unit (PMU) to manage Component 1 activities directly while overseeing Component 2, as well as strengthen the capacity of the Ministry for Development Partnerships and Aid Coordination (MDPAC)<sup>7</sup> for overall project management, including financial management, procurement, monitoring and evaluation (M&E), and social and environmental safeguards.

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<sup>5</sup> Amounts in this section include all financial sources (credit, grants, and counterpart funding).

<sup>6</sup> Investments included ngali nut dryers, ngali nut extraction processing facilities, outboard motors, trucks, direct micro expellers for virgin coconut oil processing, coconut oil mills, cocoa fermenting and drying equipment, etc..

<sup>7</sup> MPDAC was later renamed the Ministry for National Planning and Development Coordination (MNPDC).



## **B. SIGNIFICANT CHANGES DURING IMPLEMENTATION**

13. The project underwent six Level 2 restructurings, in February 2016, April 2016, June 2017, January 2018, August 2019, and February 2021. In March 2020, an Additional Financing (AF) was processed. Changes included adjustments to PDO indicator and intermediate result indicator (IRI) targets, adjustments to the financing plan, adjustments to the project costs, amendments to the Legal Agreement, revision of procurement arrangements, revision of a legal covenant, and minor editorial updates to the PDO.

### **Revised PDOs and Outcome Targets**

14. The January 2018 restructuring revised several outcome targets:

- (a) The target for ‘Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery)’ was reduced from 262,850 to 140,000 (a 47 percent reduction), but the target was later increased to 155,000 in the 2020 AF. At the time of the 2018 restructure, a new indicator with a disaggregated target for female beneficiaries was set at 70,000.
- (b) The target for ‘Male and female members of farming households engaged in productive partnerships with commercial enterprises’ was reduced from 68,200 to 14,000 (an 80 percent reduction).
- (c) The target for ‘Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding’ was reduced from 5,400 to 2,500 (a 54 percent reduction) following a verification exercise described in the efficacy section below. As noted, the PDO was adjusted as part of the March 2020 AF to the phrasing included in the Financing Agreements.

### **Revised PDO Indicators**

15. The January 2018 restructuring replaced the PDO-level Indicator ‘Increase in sales for farmers engaged in partnerships’ with ‘Increase in volume of produce sold by households engaging in agribusiness partnerships’ with a target of 15 percent (the original indicator had a 30 percent target).

### **Revised Components**

16. A subcomponent of Component 1, community scorecard activities, was removed.

### **Other Changes**

17. **AF.** The March 2020 AF added SDR 1.7 million (US\$2.2 million) of IDA grant resources (IDA-D5110) to the project. No new activities were introduced. Changes were made to the Results Framework (RF) as detailed in the efficacy section below.

18. **Changes to IRIs and targets.** The January 2018 restructuring (a) halted the project in 56 wards; (b) reduced the number of agribusiness partnerships from 79 to a maximum of 43; (c) reduced the ASEF



grant pool to US\$1 million; (d) reduced trainings for MAL staff; and (e) canceled community scorecard activities, with consequent changes to the RF, including the removal of indicators (details are provided in the efficacy section below).

19. **Credit/project closing date extensions.** The July 2019 restructuring extended the closing date of the European Union (EU) grant TF0A5083 from August 28, 2019, to February 28, 2021, and extended the project's closing date to the same date. In February 2021, a final restructuring extended the closing dates of the EU grant TF0A5083 by two months (to close on April 30, 2021) and IDA Grant No. D5110 by eleven months (to close on February 7, 2022).

20. **Change of financing percentage.** The March 2016 restructuring changed the financing percentage of (a) Community Development Grants, (b) Disaster Recovery Grants, and (c) ASEF Grants to read as '100% of the amount disbursed'.<sup>8</sup> The August 2019 restructure amended the Legal Agreement for the EU grant (TF0A5083) through the aforementioned extension of the closing date.

#### Rationale for Changes and Their Implication on the Original Theory of Change

21. **Revised indicators and targets.** The PDO-level indicator was changed to better reflect targets within the control of the project. Targets were reduced to reflect the financing shortfall of approximately US\$5.8 million, with consequent changes to the RF. The 56 wards which lost access to the project were selected because they had participated in RDPI. Other IRIs were removed because they were irrelevant to the PDO; see the efficacy section below.

22. **Revised components.** A subcomponent of Component 1, community scorecard activities, was removed due to the financing gap.

23. **AF.** At the time of the 2018 restructuring, the outstanding balance of SIG counterpart funding (SBD 23.7 million or US\$3 million equivalent) was still expected. However, due to fiscal constraints, the SIG's 2018 annual budget did not include the anticipated funding. This put the project at risk of not achieving the PDO, and so, on September 3, 2018, the SIG officially requested additional financing. The 2019 restructuring changed the Legal Agreement of the EU grant to reflect an additional grant in an amount of US\$4.274 million, following a contribution received from the donor in June 2019.

24. **Closing date extensions.** The first closing date extension in July 2019 was requested because the SIG 2018 budget did not include counterpart funding, and so time was needed both to process the requested AF and to allow adequate time to achieve the PDO. The second closing date extension was requested to enable the project to meet the PDO.

25. **Change of financing percentage.** The 2016 restructuring change from '100 percent of eligible expenditures' to '100 percent of amount disbursed' for the aforementioned grant types was made so that expenditures would be recognized for the World Bank's disbursement once World Bank funds were received by beneficiaries.

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<sup>8</sup> The remaining eligible project expenditures, including the Agribusiness Partnership Grant, remained at "100% of eligible expenses".





26. The restructurings scaled down the scope of the project’s outcome but did not affect the theory of change.

## II. OUTCOME

### A. RELEVANCE OF PDOs

#### Assessment of Relevance of PDOs and Rating

Rating: High

27. The PDO remains strategically relevant to, and is aligned with, the SIG’s current development priorities and strategies, as outlined in the 2016–2035 NDS and the MTDP 2016–2020,<sup>9</sup> which translates the broader objectives of the NDS into an actionable implementation plan. The MTDP sets out 15 operational priority programs to achieve progress against the five key objectives of the NDS, of which two were explicitly supported by RDPII, namely (ii) poverty alleviated across the whole of the Solomon Islands, basic needs addressed, and food security improved, with the benefits of development more equitably distributed and (iv) resilient and environmentally sustainable development with effective disaster risk management. RDPII directly supported (ii) through the provision of community-prioritized basic infrastructure, which enhanced the provision of basic needs (especially water) and also agriculture which improved food production and raised incomes, and (iv) through disaster recovery in Guadalcanal.

28. The PDO also remains directly relevant to the three Focus Areas of the World Bank Group’s Solomon Islands Country Partnership Framework (CPF) for the period FY2018–2024<sup>10</sup> (Report No. 122600), particularly Focus Area 1: Strengthening the Foundations of Well Being, Objective 1.1: Improve renewable power generation and access to electricity, by financing electrification and hydropower subprojects in wards; Focus Area 2: Promoting Inclusive and Sustainable Growth, Objective 2.2: Increase productive opportunities in agriculture, by financing extension services, training, and market linkages between farmers and agribusinesses; and Focus Area 3: Managing Uneven Development, Objective 3.2: Improve access to service delivery in underserved communities by financing infrastructure subprojects that improve access to services. During the CPF consultations, the SIG confirmed the relevance of the project to its needs in terms of rural development and climate-resilient infrastructure and asked that the World Bank continue financing such projects. Two follow-on projects—the Integrated Economic Development and Community Resilience Project (IECDRC, P173688) and the Solomon Islands Agriculture and Rural Transformation Project (SI ART, P173043)—fund similar subprojects to those under Components 1 and 2 of RDPII.

29. The PDO is also directly relevant to the World Bank Group Strategy for Fragility, Conflict and Violence 2020–2025 (Report No. 146551) in helping countries transition out of fragility by “promoting approaches that can renew the social contract between citizens and the state, foster a healthy local private sector, and strengthen the legitimacy and capacity of core institutions.” The PDO supported the social contract through the improvement of infrastructure and services, while the strengthening of links between farmers and markets strengthened the private sector; delivery of this component through MAL

<sup>9</sup> The 2021–2025 MTDP has not yet been released. The next MTDP is expected to prioritize the same activities that the previous program supported.

<sup>10</sup> This period was extended as part of the Performance and Learning Review process.



strengthened the capacity of a core institution. Of the World Bank’s six high-priority areas in fragility, conflict, and violence (FCV) settings, the PDO is particularly relevant to (a) *Investing in human capital*, through the capacity building of farmers and increased access to services; (b) *Creating jobs and economic opportunities*, through strengthened market links; and (c) *Building community resilience and preparedness*, through building quality infrastructure, especially in disaster-affected communities.

**B. ACHIEVEMENT OF PDOs (EFFICACY)**

30. **Split rating.** Achievement of the PDO outcomes is evaluated before and after the January 2018 restructuring, which revised the PDO-level Indicators and their targets, using the original and revised indicators and targets, as well as other important results attributed to the project. The discussion is grouped around the two outcome statements with basic infrastructure and services considered part of a single outcome as explained earlier. Annex 1 provides specific details on the achievements, while sections III.A and III.B explain, respectively, the key design and implementation factors behind the achievement levels of outcomes. The reporting on results is based on data from, and analysis of, the RDPII Management Information System (MIS); an economic and financial analysis (EFA), including the economic rate of return (EIRR) analysis of Component 2 activities and subproject community satisfaction surveys conducted by the PMU when a given subproject was completed; O&M surveys conducted by the last five field missions in 2020–21; a Component 2 end line survey conducted by a World Bank consultant in 2021; and the findings of technical and implementation support missions (including visits to subproject sites) carried out by the World Bank.

**Outcome 1: Improved basic infrastructure and services in rural areas**

31. The results and levels of achievement of this outcome before and after the January 2018 restructuring are presented in Table 1.

**Table 1. Outcome 1 Results and Levels of Achievement**

Indicator (Original/Revised)	Target (Original/Revised)	Result and Level of Achievement of Target (Original/Revised)
<b>PDO-level indicator</b>		
<b>Original:</b> Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery) (Number) • Of which female (Number)	262,850 (131,425 female)/140,000 (70,000 female)	171,320 (84,673 female) <i>65 percent of original target (64 percent female)</i> <i>122 percent of revised target (121 percent female)</i>
<b>IRIs</b>		
<b>Original:</b> Number of community infrastructure sub-projects completed (including from disaster recovery) (Number)	374/275	317 <i>85 percent of original target</i> <i>115 percent of revised target</i>
<b>Original:</b> Participants in community prioritization/consultation meetings (Number) <b>Revised:</b> Participants in community prioritization/consultation meetings (of which are women) (Number)	180,000 (90,000 women)	213,088 (105,927 women) <i>118 percent of target (118 percent women)</i>



Indicator (Original/Revised)	Target (Original/Revised)	Result and Level of Achievement of Target (Original/Revised)
<p><b>Original:</b> Percentage of sub-projects for which plans for community engagement in post-project operations and maintenance are confirmed (Percentage)</p> <p><b>Revised:</b> Percentage of completed sub-projects for which community engagement in post-project operations and maintenance are established</p>	100	<p>97.50</p> <p><i>97.5 percent of original target</i></p> <p>100</p> <p><i>100 percent of revised target</i></p>
<p><b>Original:</b> Community and other non-project financed contributions as a percentage of total subproject costs (at the time of completion) (Percentage)</p>	30/20	<p>25</p> <p><i>83 percent of original target</i></p> <p><i>125 percent of revised target</i></p>
<p><b>Original:</b> Representatives in Ward Development Committees who are women (Percentage)</p>	50	<p>37</p> <p><i>74 percent of target</i></p>
<p><b>Original:</b> Percentage of subprojects with co-financing from MPs, MPAs or Provincial Government (Percentage) <b>(Dropped)</b></p>	20	Not Available

Note: MP = Member of Parliament; MPA = Member of Provincial Assembly.

32. This outcome was achieved through investments under Component 1: Community Infrastructure and Services. Communities in 174 wards across all nine provinces were facilitated by project staff to select their top five basic infrastructure and service priorities through a CDD approach. Provincial line ministries verified service-related priorities, and the top priority subproject of each ward was selected for funding by the Ward Development Committees (WDCs), comprising representatives from key community groups.<sup>11</sup> Subproject Implementation Committees (SICs) comprising community volunteers were formed to oversee the implementation of each subproject selected for funding. The project then provided funding to SICs through subproject grants and financed technical design support by technical facilitators and oversight by provincial engineers and other staff to communities to design and implement the chosen subproject, with two subproject selection cycles taking place for each ward during the project’s lifetime. The subprojects were implemented by communities, who also volunteered labor. At the completion of subprojects, communities assumed control of all subprojects, with local volunteers implementing community-designed O&M plans. The relevant provincial ministries assumed responsibility for the staffing, budget allocation, and O&M of basic infrastructure of the completed health and education subprojects.

33. The primary measurement for Outcome 1 is PDO-level Indicator ‘Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery)’. A total of 171,320 persons (111 percent of the revised target of 155,000 and 65 percent of the original target of 262,850) benefited. This represents 24.2 percent of the country’s estimated population of 707,851.<sup>12</sup> Of these beneficiaries, 84,673 are female: 109 percent of the revised target of 77,500 (64 percent of the original target of 131,425). These beneficiaries represent 29,470 households and include 2,120 people with special needs. It is also important to emphasize the multiple ways in which beneficiaries engaged with RDPII, dedicating their time to attend project meetings, participating in project selection processes,

<sup>11</sup> WDCs were established by the SIG as the lowest form of government representation. In most instances, the inclusion of WDCs in project processes was the first time WDCs were given a role.

<sup>12</sup> Estimate by the United Nations Department of Social and Economic Affairs (2022).



volunteering labor to the subprojects, and participating in O&M activities on completion of the subprojects.

34. The second measurement for Outcome 1 is the IRI ‘Number of community infrastructure subprojects completed (including from disaster recovery)’. Communities selected, contributed labor to, and completed 317<sup>13</sup> total subprojects (115 percent of the revised indicator of 275 and 85 percent of the original target of 374<sup>14</sup>). Water supply subprojects were the most popular, constituting 51 percent of all subprojects, with 162 constructed. Most of these water supply subprojects replaced previously damaged water sources (refer to the Risk to Development Outcome section), and all water supply projects provided communal tap stands where generally none had existed before, reducing travel times. The Disaster Recovery Grants were primarily utilized for water supply: 84 percent (33 of the 39 subprojects) addressed this need through improved and disaster-resilient boreholes, raised storage tanks, and so on. The next most popular subprojects focused on education service infrastructure (21 percent of subprojects), including primary/secondary school classrooms, dormitories, early childhood education centers, and staff housing. These education subprojects generally replaced decrepit infrastructure, added classrooms to alleviate overcrowding, and improved staff accommodation conditions. The education subprojects directly improved access to services as measured by increased enrolment rates: the end-of-project EFA noted an average increase in primary school enrolment from 61 children pre-project to 95 children post-project, while kindergarten enrolment in communities where education facilities were built increased from 22 to 52. Community infrastructure subprojects accounted for 17 percent of subprojects, building community halls, evacuation centers, and foot bridges/paths. Economic subprojects included the construction of solar charging stations, electrification of villages, and installation of communication equipment. The solar charging stations in particular reduced community reliance on unstable fuel supply chains for generators. Health services subprojects constituted 5 percent of subprojects and built/renovated rural health clinics, staff housing, and nurse aid posts, improving community access and the condition of such facilities overall. Construction in all subprojects was according to more robust designs, including reinforced roofs, use of cyclone bolts, and other features.

**Table 2. Summary of Completed Subprojects by Sector**

	# of Subprojects	# of Beneficiaries	# of Female Beneficiaries	Funds (SBD)
<b>RDPII Subprojects:</b>				
Water/sanitation	129	72,272	35,749	26,752,520
Economic affairs	18	8,155	3,953	3,480,000
Education	63	37,918	19,014	14,247,763
Health	17	13,576	6,703	4,248,581
Community	51	23,871	11,788	11,855,180
<i>Total</i>	<i>278</i>	<i>155,792</i>	<i>77,207</i>	<i>60,584,044</i>
<b>RDPII Disaster Recovery Grant Subprojects:</b>				
Water/sanitation	33	11,798	5,669	7,086,532
Education	3	2,178	1,040	1,170,333
Community	3	1,552	757	895,543

<sup>13</sup> At project closing, five additional subprojects were almost completed and were being completed by communities.

<sup>14</sup> The completion rate of RDPII exceeded the completion rate of RDPI (which was 80 percent).



	<b># of Subprojects</b>	<b># of Beneficiaries</b>	<b># of Female Beneficiaries</b>	<b>Funds (SBD)</b>
<i>Total</i>	<i>39</i>	<i>15,528</i>	<i>7,466</i>	<i>9,152,408</i>
<b>All RDPII Subprojects:</b>				
Water/sanitation	162	84,070	41,418	33,839,052
Economic affairs	18	8,155	3,953	3,480,000
Education	66	40,096	20,054	15,418,096
Health	17	13,576	6,703	4,248,581
Community	54	25,423	12,545	12,750,724
<b>Total</b>	<b>317</b>	<b>171,320</b>	<b>84,673</b>	<b>69,736,452</b>

35. Another important contribution to the improvement of basic infrastructure and services is the establishment of O&M arrangements at the community level that would help sustain project-supported structures and services. As such, positive changes in IRI 'Percentage of completed subprojects for which community engagement in post-project operations and maintenance are established' would also reflect positively on the project's efficacy. All communities benefitting from an RDPII subproject received O&M training and assistance from the project staff in setting up a committee of volunteers to design and implement a plan covering routine maintenance and inspection, fundraising, and rules on subproject management and use, as decided by the community. By February 2022, 317 completed RDPII subproject recipient communities had received O&M training, established plans, and formed O&M Committees (OMCs).<sup>15</sup> Across all provinces, the average O&M contribution is SBD 11 per household per month.

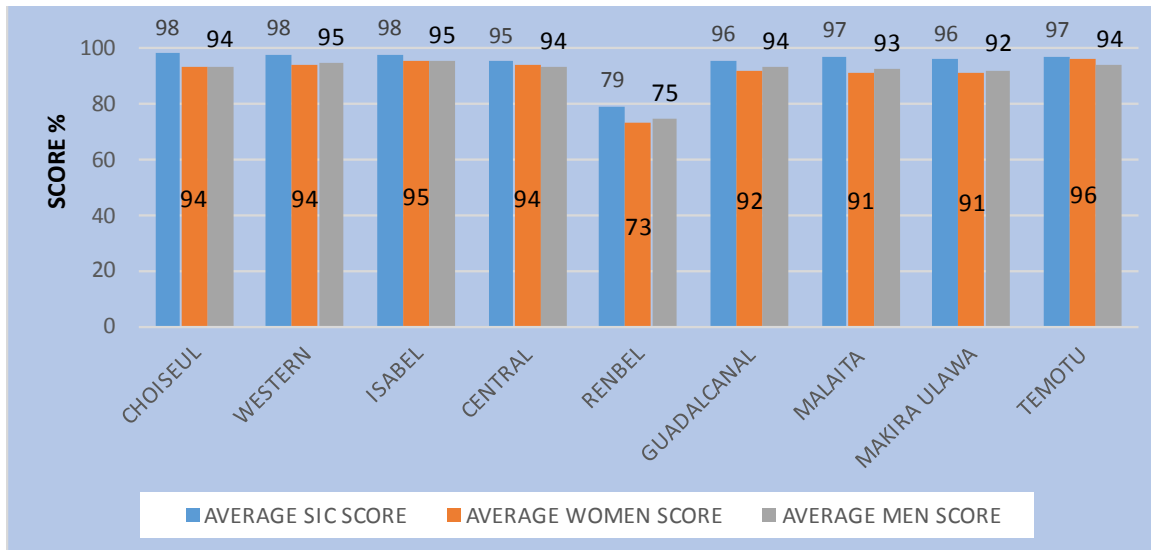
36. A further contribution to access to services is the handover of all service-related subprojects to line ministries. Each proposed service subproject was only approved by a WDC after relevant provincial authorities guaranteed they would accept responsibility for the subproject in question, including recurrent budgets and staffing.

37. While not included in the RF as a results measure, facilitators surveyed community satisfaction with each Component 1 subproject on the completion of the subproject and handover to the community. Surveys were carried out for 296 of the 317 completed subprojects through focus group discussions with (a) SIC members, (b) non-SIC women's groups, and (c) non-SIC men's groups. Across all provinces, SIC satisfaction was 95 percent, men's satisfaction was 92 percent, and women's satisfaction was 91 percent, indicating the strong satisfaction of communities with the subprojects.

<sup>15</sup> RDPII also financed O&M training for 15 RDPI communities which finished their subprojects after the RDPI closing date.



Figure 2. Summary of Subproject Satisfaction Surveys by Province



Source: RDPII Community Satisfaction Surveys

38. Additional IRIs supportive of Outcome 1 which measured the participatory process of achieving results include the following:

- Participants in community prioritization/ consultation meetings. Target: 180,000; achieved: 213,088 or 118 percent. In 2015–2016, project facilitators held multiple meetings in all 174 wards to achieve this.
- Participants in community prioritization/ consultation meetings (of which are women). Target: 90,000; achieved: 105,927 or 118 percent.
- Community and other non-project financed contributions as a percentage of total subproject costs (at the time of completion) (Percentage). Original target: 30 percent. Revised target: 20 percent. Achievement: 25 percent, 125 percent of the revised target and 83 percent of the original target. Communities provided labor, building materials, and so on.
- Representatives in Ward Development Committees who are women (Percentage). Target: 50 percent. Achievement: 37 percent, or 74 percent of the target.
- Percentage of subprojects with co-financing from MPs, MPAs or Provincial Government (Percentage). Target: 20 percent. Achievement: this IRI was dropped and small contributions from MPs, MPAs, and provincial government were not calculated.

39. **Conclusion.** The project partially achieved Outcome 1 based on the original PDO-level and intermediate result indicators and their targets. Outcome 1 was exceeded based on the revised PDO-level and intermediate result indicators and their targets post restructuring.



## Outcome 2: Strengthened linkages between smallholder farming households and markets in rural areas

40. The results and levels of achievement of this outcome before and after the January 2018 restructuring are presented in Table 3.

**Table 3. Outcome 2 Results and Levels of Achievement**

Indicator (Original/Revised)	Target (Original/Revised)	Result and Level of Achievement of Target (Original/Revised)
<b>PDO-level indicators</b>		
<b>Original:</b> Male and female members of farming households engaged in productive partnerships with commercial enterprises (Number) <ul style="list-style-type: none"> <li><b>New:</b> Female members of farming households engaged in productive partnerships with commercial enterprises (Number)</li> </ul>	68,200/14,000 (7,000 female)	18,922 (8,977 female) 28 percent of original target 135 percent of revised target (128 percent female)
<b>Original:</b> Increase in sales for farmers engaged in partnerships (Percentage) <b>Revised:</b> Increase in the volume of produce sold by households engaging in agribusiness partnerships (Percentage)	30/15	50 333 percent of revised target No measurement available for original target
<b>Original:</b> Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding (Number) <ul style="list-style-type: none"> <li><b>New:</b> Female beneficiaries of agriculture and livestock recovery support</li> </ul>	5,400/2,500 (1,250 female)	2,846 (1,366 female) 53 percent of original target 114 percent of revised target (109 percent female)
<b>IRIs</b>		
<b>New:</b> The economic rate of return of a sample of agribusiness partnerships (Percentage)	11	-9 percent 0 percent of target
<b>Original:</b> Number of agribusiness partnerships established (Number)	79/43	35 44 percent of original target 81 percent of revised target
<b>New:</b> Number of male and female partnership members who adopt improved farming practice due to engagement in agribusiness partnerships (Number)	7,000	7,298 104 percent of target
<b>Original:</b> Total value of ASEF grants disbursed (US\$)	2,000,000/1,000,000	122,986 6 percent of original target <sup>16</sup> 12 percent of revised target
<b>Original:</b> Increase in employees of small and medium-sized enterprises (ASEF recipients) and agricultural partnerships (Percentage) <b>(Dropped)</b>	10	Not Available

<sup>16</sup> Using an exchange rate of SBD 8.01 = US\$1.



Indicator (Original/Revised)	Target (Original/Revised)	Result and Level of Achievement of Target (Original/Revised)
<b>Original:</b> Male and female farmers who are members of a formal association, and who participate in agriculture partnerships (Percentage) <b>(Dropped)</b>	60	Not Available
<b>Original:</b> Client days of agriculture training provided (Number)	20,000/22,000	38,394 <i>192 percent of original target</i> <i>174 percent of revised target</i>

41. This outcome was achieved through Component 2: Agriculture Partnerships and Support. The main PDO-level indicator for Component 2 was ‘Male and female members of farming households engaged in productive partnerships with commercial enterprises (Number)’ and ‘Female members of farming households engaged in productive partnerships with commercial enterprises (number)’. In total, 21,080 beneficiaries participated in these partnerships. This represented 28 percent of the original target of 68,200 and 141 percent of the revised target, of which 9,992 were women—133 percent of the target. The primary activity of Component 2 was the establishment of 35 partnerships<sup>17</sup> between agribusinesses and smallholder farmers. These partnerships provided tools, seeds, and training to farmers and then purchased the commodities produced as a result.

42. The next main indicator to measure this outcome is PDO-level Indicator ‘Increase in volume of produce sold by households engaging in agribusiness partnerships’, with a 15 percent increase as the end target. End line surveys of a sample of households that had been engaged in new partnerships with agribusinesses were conducted by MAL extension agents in 2019 to calculate the volume of products sold by these households to agribusinesses and compare it with the volume that was sold by these households in 2016, when most partnerships were formed.<sup>18</sup> Across 31 of the 32 new partnerships, 2,577 households were surveyed, indicating a 51 percent increase in the volume of products sold compared to 2016, that is, 330 percent of the target. This achievement was supported by increases in the production of cattle (920 percent), fruits and nuts (444 percent), honey (289 percent), vegetables (116 percent), and ngali nuts (115 percent). These production increases linked to higher sales values in 2019 than in 2016, including cattle production (1,314 percent increase), fruits and nuts (617 percent increase), honey (176 percent increase), and small livestock and vegetable production (170 percent increase). The sales value of honey was driven by low supply and high demand. Sales values for fruit and nut products increased because partnerships produced value-added products. Production by households engaged in new partnerships in the two primary sectors of cocoa and coconut also increased by 30 percent and 65 percent, respectively, between 2016 and 2019. Average farmer incomes increased by SBD 1,400 per household (US\$173, 56 percent) from 2016 to 2019 according to the survey. Before the project, the same commodities existed in home gardens and plantations; the project provided a ready market for commodities which in previous years would have remained ‘on the ground’ in the case of coconut, or ‘in the tree’ in the case of cocoa. This achievement demonstrates the success of the agribusiness-farmer group partnership model.

<sup>17</sup> Three partnerships were cancelled. The remaining 32 completed all work.

<sup>18</sup> This information came from baselines undertaken by each agribusiness under the guidance and supervision of Component 2 staff and the World Bank agriculture consultant.





Table 4. Production and Income Increases by Commodity

Product	HH	2016 Production		2019 Production		% Change		HH Income 2016	HH Income 2019	HH Income Increase
		Vol (KG)	Value (SBD)	Vol (KG)	Value (SBD)	Vol (KG)	Value (SBD)			
Cocoa	1,114	845,449	3,292,856	1,109,394	4,329,838	31	31	2,956	3,887	931
Coconut	1,003	825,586	1,418,457	1,360,931	1,940,679	65	37	1,414	1,935	521
Fruit/ nuts	17	7,823	83,000	42,539	595,000	444	617	4,882	35,000	30,118
Fruit/ veg	147	67,842	616,260	104,288	893,040	54	45	4,192	6,075	1,883
Livestock/ veg	42	30,735	452,649	66,492	1,220,623	116	170	10,777	29,062	18,285
Ngali nuts	57	7,836	106,369	16,830	98,216	115	-8	1,866	1,723	-143
Honey	63	595	125,543	2,317	346,707	289	176	1,993	5,503	3,511
Pig feed	44	720	303,800	332	305,800	-54	1	6,905	6,950	45
Cattle	90	5	21,000	51	297,000	920	1314	233	3,300	3,067
<b>All</b>	<b>2,577</b>		<b>6,419,934</b>		<b>10,026,903</b>	<b>51</b>	<b>56</b>	<b>2,491</b>	<b>3,891</b>	<b>1,400</b>

Note: HH = Households; Vol = Volume.

43. The third PDO-level indicator, 'Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding (Number)', was revised with an additional 'Female beneficiaries of agriculture and livestock recovery support to recover incomes lost from April 2014 flooding (number)' in January 2018, and the original target of 5,400 was revised to 2,500 (1,250 female). The project achieved 2,846 (1,366 female). This was 53 percent of the original target, while the achievement of the revised target was 114 percent (109 percent female). The original target was revised downward because of a comprehensive verification exercise undertaken by the project which showed that the number of affected persons listed in numerous disaster surveys that informed the PAD were not accurate. As part of the verification process, the project (a) reviewed disaster assessments undertaken in 2014 by the National Disaster Management Office, MAL, and nongovernmental organizations, including lists of affected families, villages, and wards, in the preparation for field visits; (b) met community leaders and reviewed previous lists to verify the farmers most affected, and added affected farmers not previously identified; (c) visually inspected damage and collected baseline data at the household level; (d) identified assistance that could be provided by RDPII; (e) verified the claims of any additional farmers who came forward during the process; and (f) developed a list of assessed farmers and damage and confirmed the accuracy of the list with leaders and communities. This caused the number of households estimated in the PAD to fall from 680 to 350.

44. This component of the project was implemented over three years and was completed in February 2018. Assistance was provided to 204 pig farming families (204 piggery units, 440 pig breeding stock, and feed); 22 copra producing families (22 copra driers); 29 chicken farming families (29 chicken coops, 15 village chicken pens, 2,300 broiler chickens, 600 layer chickens, and feed); and 57 cocoa farming families (57 solar dryers and 23 *kukum* drum and chimney designed driers).

45. Another important indicator is the IRI 'Number of male and female partnership members who adopt improved farming practice due to engagement in agribusiness partnerships', with a target of 7,000. While the original measurement was the number of beneficiaries, the end line measured the percentage of households adopting new practices. About 52 percent changed practices, and this was calculated as 7,298 beneficiaries (and 3,462 women), or 4 percent over the revised target.



46. The IRI 'The economic rate of return of a sample of agribusiness partnerships (Percentage)' was measured by the EFA. Returns vary widely. Of the 11 sampled partnerships, 6 have positive returns, especially in the coconut sector. Transport investments (trucks and outboard motors/boats) have very positive results. A conservative 10 percent discount rate was used, and two partnerships would be profitable if a discount rate of 8 percent was used. The average internal rate of return (IRR) for the sample, however, is -9 percent. This is not an accurate reflection of the project, because the IRI is attempting to average impacts across very different agricultural activities with wide price disparities between them. Further, the negative outcome is based on high taxes on processing machinery found in only a few of the partnerships, which skews the overall measurement to negative even though 6 of the 11 partnerships had positive returns. This difference in results between the economic and the financial analyses, and between farmers and partnerships, occurs because analysis at the farmer level is based on the economic analysis, where costs are lower. The -9 percent result is not seen to reflect adversely on the project ratings, as it does not have relevance to either the PDO or outcome. The indicator was ill considered.

47. The IRI 'Total value of ASEF grants disbursed (US\$)' had an original target of US\$2 million and a revised target of US\$1 million. The project achieved SBD 984,400/US\$122,986. This was 6.14 percent of the original target and 12.29 percent of the revised target.

48. Other IRIs in support of the outcome measured the participatory process of achieving results. A few other IRIs less relevant to measuring the outcome were dropped including the following:

- Number of agribusiness partnerships established (Number). Original target: 79. Revised target: 43. Achievement: 35, or 81 percent of the revised target and 44 percent of the original target.
- Client days of agriculture training provided (Number). Original target: 20,000. Revised target: 22,000. Achievement: 38,394, or 192 percent of the original target, and 174 percent of the revised target.
- Increase in area of crops with improved farming practices under partnerships (Percentage). Original target: 25 percent. This indicator was dropped and was replaced with 'Increase in volume of produce sold by households engaging in agribusiness partnerships'. Estimates for the original indicator are not available.
- Increase in employees of small and medium-sized enterprises (ASEF recipients) and agricultural partnerships (Percentage). Original target: 10 percent. This indicator was dropped. Data are unavailable.
- Male and female farmers who are members of a formal association, and who participate in agriculture partnerships (Percentage). Original target: 60 percent. This indicator was dropped. Data are unavailable.

49. **Conclusion.** The project partially achieved Outcome 2 based on the original PDO-level and intermediate result indicators and their targets. Outcome 2 was substantially achieved based on the revised PDO-level and intermediate result indicators and their targets post restructuring.



### **Justification of Overall Efficacy Rating**

50. The overall efficacy of the project before restructuring is rated Modest, and overall efficacy after restructuring is rated Substantial (Outcome 1: High and Outcome 2: Substantial).

### **C. EFFICIENCY**

#### **Assessment of Efficiency and Rating**

Rating: Modest

#### **Economic Analysis**

51. At appraisal, the EIRR was estimated at 17 percent based on (a) improved service delivery and greater private investments in rural areas; (b) changed patterns of agricultural production, increased agricultural productivity, and increased market output; and (c) restoration of productive assets destroyed during the 2014 floods. An ex post review finds that the project EIRR is 15 percent (2 percent lower than at appraisal), with an economic net present value (NPV) of SBD 128.2 million (US\$18.8 million). A sensitivity analysis with benefits reduced by 20 percent found that the project remains robust with an NPV of SBD 69.3 million (US\$8.6 million), with an EIRR of 11 percent.

52. All Component 1 investments (save community halls) were financially viable, with positive NPVs and IRRs. The most cost-effective were water subprojects, in particular water tanks, with an NPV of US\$151,651 on average. Education subprojects increased average primary school enrolment from 61 children pre-project to 95 children post project, while kindergarten enrolment increased from 22 to 52.

53. Component 2 investment results were also positive according to the economic analysis, which showed that investments were profitable, for farmers in particular. The financial analysis had more mixed results. Productivity increases were positive for cocoa producers, but not for coconut producers. At the processing level, by contrast, the coconut investments were mostly viable. Transport asset investments were very profitable. Cocoa investments were not systematically profitable for partners, because despite positive production margins, the low production volumes were insufficient to offset investment costs for some partners. However, these investments will become profitable as production volumes increase.

54. Annex 4 presents more details of the ex post EFA.

#### **Implementation Efficiency**

55. The project achieved targets that were overall reduced in scale compared to the targets set at appraisal, using more resources than planned at appraisal and requiring two additional years of implementation. However, resources were added to the project to address a financing shortfall caused by exchange rate changes and not because of cost increases. Implementation delays were partly caused by the funding shortfall as well, which required the extensions, revealing a more positive picture in terms of implementation efficiency (see more on delay factors in section III.B). Project management costs amounted to 17 percent of project costs at closing, which was 3 percent higher than the planned project management costs at appraisal and 4 percent higher than the global norm for project management in FCV



settings;<sup>19</sup> however, this was lower than the 25 percent project costs of RDPI.<sup>20</sup> Overall, the higher project management costs in the Solomon Islands compared to other FCV countries reflect the logistical complexity of managing projects in an expansive and diverse island archipelago with limited to nonexistent transportation infrastructure and the high fuel costs in the Pacific,<sup>21</sup> with considerable impact on the cost of project support and oversight. In addition, given the hybrid CDD approach of the project, 67 technical staff at the provincial and ward levels had to be recruited to support beneficiary communities for both infrastructure/services and livelihoods activities, with additional operational costs to support MAL extension agents in the field, increasing the project management costs.

#### **D. JUSTIFICATION OF OVERALL OUTCOME RATING**

Rating: Moderately Satisfactory

56. The overall outcome rating considers the high relevance of the project objectives to national and World Bank priorities at closing, the modest efficacy of the project as measured by the original indicators and the substantial efficacy of the project after the January 2018 restructuring, the impact of currency depreciations which were outside the project’s control, and the modest efficiency of the project. Before restructuring, the overall outcome rating was Moderately Unsatisfactory, with 49.65 percent disbursement of total disbursements at the time of the restructuring. After restructuring, the project disbursed the remaining 50.35 percent, with the overall outcome rated Moderately Satisfactory. Applying the World Bank’s split rating evaluation methodology results in an overall outcome rating of Moderately Satisfactory.

**Table 5. Calculation of Outcome Rating**

	Before Restructuring	After Restructuring
<b>Relevance of PDO</b>	<b>High</b>	
<b>Efficacy (PDO)</b>	<b>Modest</b>	<b>Substantial</b>
Outcome 1	Modest	High
Outcome 2	Modest	Substantial
<b>Efficiency</b>	<b>Modest</b>	
<b>1 Outcome rating</b>	<b>Moderately Unsatisfactory</b>	<b>Moderately Satisfactory</b>
<b>2 Numerical value of the outcome rating<sup>a</sup></b>	3	4
<b>3 Disbursement (US\$, millions)</b>	15.78	16.00
<b>4 Share of disbursement</b>	0.50 (or 50%)	0.50 (or 50%)
<b>5 Weighted value of the outcome rating</b>	1.50	2.00

<sup>19</sup> World Bank Report No: ACS13685, *Islamic Republic of Afghanistan; Strategic Directions for the National Solidarity Program*, analyzed costs in six large-scale and long-running national CDD programs in fragile and conflict-affected states (Burundi, Haiti, Myanmar, Nepal, and South Sudan). The analysis showed that CDD projects cost on average 65 percent for subprojects, 22 percent for facilitation and institution building, and 13 percent for project management.

<sup>20</sup> These projects are comparable as they had the same structure, same implementation arrangements, and the same PMU.

<sup>21</sup> A significant percentage of operations costs went to boat fuel. Refer to [https://ieg.worldbankgroup.org/sites/default/files/Data/reports/ppar\\_solomonislands\\_01042017.pdf](https://ieg.worldbankgroup.org/sites/default/files/Data/reports/ppar_solomonislands_01042017.pdf).



		Before Restructuring	After Restructuring
6	Final outcome rating	<b>Moderately Satisfactory</b> (1.50 + 2.00 = 3.50, rounded to 4)	

Note: a. Highly Unsatisfactory (1), Unsatisfactory (2), Moderately Unsatisfactory (3), Moderately Satisfactory (4), Satisfactory (5), and Highly Satisfactory (6).

## E. OTHER OUTCOMES AND IMPACTS

### Gender

57. The project was not intended to advance gender equality, promote women’s empowerment, or meet gender-specific needs. The project did, however, aim to facilitate gender equality and participation in the context of customary gender roles in community affairs under Component 1 and in agricultural production and marketing under Component 2 by guaranteeing minimum access through quotas to increase the agency of women within the project. To monitor progress in executing these actions, gender-disaggregated indicators were set in the PAD for ‘Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery) (of which female)’, while ‘Representatives in Ward Development Committees who are women’ measured women’s participation in decision-making processes. The project was further informed by a gender action plan issued as part of the 2017 midterm review (MTR), as well as a study prepared by a World Bank consultant in 2017–18, ‘Gender-inclusive Value Chains in Solomon Islands’, which identified key constraints to women’s access to agricultural markets. These studies led to revisions and additions to other indicators to better measure female participation, including ‘Participants in community prioritization/ consultation meetings (of which are women)’, ‘Female members of farming households engaged in productive partnerships with commercial enterprises’, and ‘Female beneficiaries of agriculture and livestock recovery support’.

58. All female targets were set at 50 percent. At closing, 84,673 females benefitted from Component 1 (49.4 percent of beneficiaries), while 105,927 females participated in socialization and subproject selection meetings (49.7 percent). In Component 2, 8,977 female members of farming households engaged in productive partnerships with commercial enterprises (47.44 percent), while 1,366 females benefitted from agriculture and livestock recovery support (48 percent). Women represented 37 percent of WDC members, 33 percent of SIC members, and 35 percent of OMCs. Component 2 proposals from potential agribusiness partners nearly all mentioned the involvement of women (and youth), but this was often ignored by partners during implementation. Of the 32 supported partnerships, 2 involved predominately women’s groups, and 2 other partnerships started women’s savings clubs. No subprojects were specifically selected by or served women and girls in particular, and how they benefitted from the project particularly in terms of gender was not measured.

### Institutional Strengthening

59. RDPII built the capacity of MAL to deliver its core functions of regulation, research, and sector coordination, while the agricultural commercialization subcomponent sought to strengthen the enabling environment for the development of the agricultural sector through support to the ongoing MAL capacity-building process, direct support to farmer groups, improved industry coordination, and adaptive research. It provided the logistics for MAL extension agents to broaden extension work to additional areas and undertake work with partnerships and farmer groups and supported MAL in implementing participatory



action research (PAR) activities, in which extension agents assisted farmers to improve cocoa production. RDPII also financed the establishment of a seed garden, genetic trial plots, and a Coconut Rhinoceros Beetle (CRB) breeding site in Guadalcanal to support the ministry's program to annihilate CRB, which are killing coconut trees across the country. RDPII also built the capacity of subnational SIG structures (WDCs in particular) to play a role in development projects by involving them in the grant screening and approval processes.

### **Mobilizing Private Sector Financing**

60. The project mobilized private sector financing through the agribusiness partnerships. In addition, the ASEF sub-grants were specifically designed to leverage private sector financing as they were accessed through commercial banks which were to co-finance 60 percent of a subproject total cost through a loan, with the borrower contributing 20 percent of the total cost of the subproject and the ASEF sub-grant financing the remaining 20 percent of the subproject cost. However, this did not materialize, because most smaller agribusinesses were unable to qualify for a loan, and this activity was eventually phased out in 2018.

### **Poverty Reduction and Shared Prosperity**

61. The project supported poverty reduction and shared prosperity through four levels of targeting. First, the selection of areas within wards for subproject investments used poverty and vulnerability criteria in the final financing decision. Second, Component 2 farmers were selected for inclusion in farmer groups based on vulnerability. Third, agribusiness proposals were ranked and awarded based on the inclusion of vulnerable and disadvantaged groups. Lastly, the project excluded towns and targeted rural wards, which have higher rates of poverty in general.

### **Other Unintended Outcomes and Impacts**

62. The project helped leverage additional co-financing worth SBD 3.7 million (US\$456,790) from various sources to expand the coverage of 44 subprojects including water, education, and electrification. The Isabel Provincial Government provided additional funding to all 16 Cycle 2 subprojects in the province. Financing came from various sources, including national and provincial agencies and the World Bank-funded Community Resilience to Climate and Disaster Risk in Solomon Islands Project (P112613), which co-funded 15 subprojects. The project also likely fostered a stronger sense of commitment to local action, as evident in the completion of 53 unfinished RDPI subprojects by communities by 2021.

63. The 12 solar charging station subprojects selected by communities under Component 1 mostly morphed into successful livelihoods-infrastructure hybrids. These stations consist of a house, rooftop solar panels, an inverter, battery units, and associated O&M training. Nearly every one of these charging stations has become a community-owned and maintained business, offering not only fee-based charging but also refrigeration services, with fishers storing catch before sale. Some stations also refrigerate vaccines. This livelihoods-infrastructure hybrid has great potential and would be an excellent option in future operations.



### III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

#### A. KEY FACTORS DURING PREPARATION

64. **Soundness of background analysis and reflection of lessons learned.** Project objectives and design were guided by the SIG's poverty reduction efforts, which at the time were pursued through a limited number of programs. Lessons from previous and ongoing World Bank-supported poverty reduction projects, specifically RDPI, were also considered. The project drew heavily from RDPI for lessons learned. RDPI's objectives were seen to be substantially achieved. The project had developed effective procedures for community engagement in the design and implementation of rural infrastructure and service delivery, including in remote areas. Communities were proven to have engaged with the project to agree on priorities; design subprojects; and manage subproject procurement, financing, M&E, and construction and post-project O&M. Funds were managed effectively, with little evidence of misuse. Access to infrastructure and services had increased, and both MNPDC and MAL were shown to be effective and accountable implementers. RDPII learned from RDPI's inefficiencies, with the design reflecting changes that would increase the numbers of completed subprojects and reduce management costs. These lessons were reflected well in the project design. The project remained with RDPI's implementing agencies due to the capacity built in these agencies through RDPI, and the PMU/PPO structure and staff were retained. However, additional research should have occurred on both the capacity of agribusinesses to participate in the project through both grant applications and bank loans (the latter to access ASEF grants) as well as the overall presence of agribusinesses in remote areas.

65. **Assessment of risks.** Critical risks were adequately assessed during project preparation. No risks were identified as High. Risks identified as Substantial included Capacity for Project Implementation, Design, and Delivery Monitoring and Sustainability. Adequate risk mitigation measures were put in place, including staffing and task team support. The measures that could be addressed by the project were efficiently implemented. The World Bank fiduciary and safeguards requirements for appraisal were met. The limited size of the private sector and its ability to participate in Component 2 was noted as a risk, but it was believed that capacity building would allow for greater participation over time. This did not prove to be accurate.

66. **Appropriateness of project design.** The PDO responded well to the needs of the country at the time of appraisal (refer to country and sectoral contexts), and the components' structure and activities, financing envelope, and project time frame were appropriate for achieving the PDO. The hybrid CDD approach of the project was appropriate for project implementation in rural and remote areas, and the implementation arrangements, proven to work in RDPI, were also appropriate.

67. **Project financing was complex;** the EFA at appraisal noted that the limited IDA envelope was insufficient for financing activities in all rural wards. In addition, the SIG preferred to consolidate most rural development funding under RDPII. This was the same funding model as under RDPI and was considered a successful approach. This resulted in additional financing to RDPII from the Australian Department of Foreign Affairs and Trade (DFAT), the International Fund for Agricultural Development (IFAD), and the European Commission. Multiple donors were also seen to add value due to the differing experiences and skills that they would bring to the project. However, these multiple funding sources, and



multiple currencies, added complexity to project management and implementation (refer to Key Factors during Implementation/Factors within the Control of the World Bank).

68. The project's RF included a mix of output, process, and outcome indicators for infrastructure and livelihoods. Most RF indicators were specific, measurable, achievable, relevant, and time bound and were adequate to measure progress toward achieving the PDO. However, a few were found to be irrelevant to the measurement of results and outcomes and were dropped. The PAD did not clearly enunciate the links between components, and none of the indicators measured such links. For details, refer to Changes to Intermediate Result Indicators (IRIs) and Targets and Efficacy sections.

69. **Readiness for implementation.** The length of preparation time from concept to approval (November 21, 2014) was reasonable compared to other projects in the Solomon Islands portfolio. The PAD estimated effectiveness by January 30, 2015, but this was slightly delayed, until February 27, 2015. Effectiveness conditions were linked to the availability of financing from multiple sources as described in the Appropriateness of Project Design section. Overall, the project was ready to implement.

## B. KEY FACTORS DURING IMPLEMENTATION

### Factors within the Control of Government and/or Implementing Entities

70. Over the course of implementation, capacity continued to be built at the project's national, provincial, and community levels to deliver community grants. These systems improved as the lessons were integrated into operations. Nonetheless, the complexity of delivering support to every rural ward in the country remained an ongoing logistical challenge, which required an adaptive approach. Fiduciary risks were, with some exceptions,<sup>22</sup> well managed, as were environmental and social safeguard risks. The agriculture component of the project posed significant implementation risks, as partnership grants were being offered for the first time. The process for managing the grants was transaction intensive, and grants also reached wide geographic areas of the country. As such, MAL needed to leverage its institutional resources, in particular extension services, to provide proactive monitoring and support. Given the limited size of the private sector, especially in the rural wards, there was limited quality uptake on partnerships, as predicted in the PAD. Efforts were therefore made to build the capacity of the private sector to participate. Agricultural partnerships were subject to the usual risks of fluctuating commodity prices. Measures to manage such risks were factored in the partnership agreements.

71. The project began with decentralized procurement undertaken by SICs (Component 1) and agribusiness lead partners (Component 2). It was assumed that this would increase efficiency, but this did not materialize due to market limitations. Nearly all project goods and services had to be procured in Honiara, except for limited inputs available in a few provincial towns. In response, higher first-tranche payments to partners under Component 2 to enable them to procure inputs for farmers increased the fiduciary risk to the project.<sup>23</sup> As a result, procurement was centralized in 2018, which increased the PMU's workload but reduced the overall costs and risks to the project.

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<sup>22</sup> Two agribusiness partners defaulted on their contractual commitments and caused the Government to have to reimburse the advances made.

<sup>23</sup> Ibid.





72. The SIG's 2018 annual budget did not include the anticipated outstanding balance of SIG counterpart funding (SBD 23.7 million or US\$3 million equivalent), leading to project delays and necessitating the March 2020 AF.

#### **Factors within the Control of the World Bank**

73. The project's multiple funding sources complicated project financial management responsibilities. The PMU finance team had to ensure correct accounting for various funding sources (including differing eligible expenditures), managing multiple withdrawal applications, preparing separate financial reports, and planning around varying currency fluctuations.

74. The shortfall in project financing led to a slowdown in project implementation and a downgrading of the Implementation Progress of the project. This was not resolved on time and ultimately resulted in the need to extend the project closing by 23 months.

75. Agribusinesses could not qualify for the loans that would have allowed them to access ASEF grants. ASEF was to be accessed through commercial banks for projects in which the borrower contributed 20 percent of the cost and the bank lent 60 percent. The remaining 20 percent was financed by an ASEF grant to the borrower. Two commercial banks, Bank South Pacific and Pan Oceanic Bank, participated. This approach was a first for development partners in the Solomon Islands and was a calculated risk. The utilization of ASEF was much lower than expected because of two factors:

- (a) ANZ Bank—the major bank lending to rural businesses under RDPI—declined to participate, due to a change in its lending policy in 2018. The ASEF model was predicated on ANZ's involvement. During the 2018 restructuring, ANZ Bank was still planning to sign a memorandum of understanding (MoU) with the project, which would have likely allowed the ASEF grant subcomponent to meet its targets. But, after the January 2018 restructuring, ANZ Bank decided to focus on larger businesses, with fewer investments at the subnational level.
- (b) Small agribusinesses were unable to qualify for a loan. Banks do not allow unregistered or customary land to be used as security, and this is the main asset enterprises have as collateral. Other limiting factors included commercial interest rates and the inability of applicants to demonstrate past business performance. As a result, ASEF was discontinued in May 2018. Given the size of the allocation for such grants, more research should have informed decisions on this funding structure.

76. The MTR mission occurred in September 2017, 2.5 years after effectiveness. It included DFAT, EU, and IFAD representatives and encompassed meetings with the SIG (MNPDC; MAL; Ministry of Rural Development; and Central, Guadalcanal, and Western provincial representation) and field visits. Discussions focused on performance, risks, and restructure options to resolve the financial shortfall while still achieving the PDO. The MTR was effective in identifying obstacles to implementation and proposing solutions. The restructuring that followed in January 2018 made the needed adjustments as agreed in the MTR. The ASEF grant pool was not further reduced or reallocated to other subproject categories, because (as mentioned earlier) ANZ Bank was still expected to sign an MoU to participate, and the lack of uptake at the MTR stage was still seen as a lack of awareness among agribusinesses.



77. Other restructurings and the AF helped address the identified issues during implementation.

#### Factors outside the Control of Government and/or Implementing Entities

78. Logging activities had an outsized impact on subproject selection. Refer to the Risk to Development Outcome section.

79. The funding shortfall caused by exchange rate changes led to a revised target of 275 subprojects, a significant reduction from 374 subprojects in the PAD. During the first cycle of grants before the restructuring, 174 subprojects were initiated. But due to the funding shortfall, the 2017 MTR agreed that wards covered under RDPI would not be included in RDPII's second cycle of funding. This included all wards in Choiseul and Temotu provinces, 13 wards in Western Province, and 10 wards in Malaita Province.

80. Other factors outside the SIG's control included fluctuating commodity prices, limitations to existing and new markets, the limited capacity and presence of the private sector in rural areas and their general lack of working capital, and irregular shipping and lack of availability of shipping schedules.

81. The COVID-19 pandemic arrived in the Solomon Islands only in January 2022 and hence did not directly affect implementation. However, the repatriation of many Honiara-based workers to their home provinces as part of the SIG's preparedness response in May 2020 disrupted project progress due to the need to divert labor away from subprojects and toward expanding home gardens to feed returnees.

### IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

#### A. QUALITY OF MONITORING AND EVALUATION (M&E)

##### M&E Design

82. The project's M&E system comprised the project's RF, which consisted of four PDO-level indicators and 16 IRIs. System elements at appraisal included an MIS, a baseline survey capturing relevant data in all wards, follow-up surveys, and field monitoring. The PPOs were responsible for providing information to the PMU on local-level progress; the PMU was to aggregate this information into semiannual progress reports, a midterm report, and a completion report.

83. The PDO "to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets" partly captured what the project intended to achieve. The PDO would have better articulated what the project sought to achieve if it read "to improve basic infrastructure *and access* to services in rural areas and to strengthen the linkages between smallholder farming households and markets." Project design did not seek to *improve* services per se. PDO-level Indicator 1 measured the number of beneficiaries, while the PDO focused on the infrastructure and services themselves. PDO-level Indicator 2 was appropriate. PDO-level Indicator 3 was revised to ensure that the measurement was better focused on Outcome 2. PDO-level Indicator 4 did not measure either of the two outcomes and could have been better placed as an IRI under Component 2.



The IRIs were a mix of outcome, output, and process measures<sup>24</sup> and captured the project's key intermediate results, save three which were removed in the 2018 restructuring.<sup>25</sup> One IRI, 'The economic rate of return of a sample of agribusiness partnerships (Percentage)', was particularly problematic in that it averaged impacts across very different agricultural activities with wide price disparities between them and did not reflect the project impact (refer to the Efficacy section for details). The overall RF would also have benefitted from additional analysis to clarify the relationship between Components 1 and 2. Overall, the RF indicators were mostly, but not all, uniformly specific, measurable, attributable, relevant, and time bound, as was demonstrated by later changes to the RF.

84. The project's monitoring strategy for Component 1 included a beneficiary satisfaction survey, a measure from which could have been used as an IRI (as is commonly done in similar operations now). The project's M&E strategy for Component 2 was built around a meta review of agribusiness end line surveys and comparisons to a baseline. The task team prepared the methodology for the project's evaluation of Component 2 and worked with the SIG on the design of the baseline survey.

### M&E Implementation

85. The changes made to the RF in the January 2018 restructuring partly resolved the above issues. The misalignment of PDO-level Indicator 1 with the PDO remained. The Component 1 MIS functioned well, making web-based subproject data and photos available to the public, and facilitated the preparation of standardized progress reports. For Component 2, due to the relatively small number of agribusiness partnerships and other activities, M&E data were kept in spreadsheets managed by the PMU M&E officer. The remoteness of some subproject locations and poor or no communication infrastructure in rural areas resulted in delays in relaying information from the tablets to the MIS, but this did not lead to reporting delays to the World Bank. The Component 2 baseline survey was carried out on farmer groups by MAL extension agents with the technical assistance of the PMU Component 2 advisor and the M&E officer in 2016, and the MAL extension agents also completed the end line surveys by January 2022, using data collected from farmer groups in 2019. A World Bank consultant then conducted a meta-analysis of the 31 end line surveys. In 2017, the PMU also undertook a study on the project's gender sensitivity and inclusion, and in January 2022, it submitted a Component 1 beneficiary satisfaction survey. Timely semiannual progress reports were produced, including some success stories. The PMU prepared a Project Completion Report (PCR) within six months of closing, which included all key reporting elements. IFAD, as a co-financier, produced its own impact evaluation of the project in 2021, focusing on Component 2.

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<sup>24</sup> Examples of outcome indicators include PDO-level indicator 'Increase in the volume of produce sold by households engaging in agribusiness partnerships' and IRI 'Number of male and female partnership members who adopt improved farming practice due to engagement in agribusiness partnerships'. Examples of process indicators include IRI 'Community and other non-project financed contributions as a percentage of total subproject costs (at the time of completion)'. Examples of output indicators include PDO-level indicators 'Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery)', 'Male and female members of farming households engaged in productive partnerships with commercial enterprises', and 'Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding'.

<sup>25</sup> The removed indicators were (a) 'Representatives in Ward Development Committees that are women', (b) 'Percentage of sub-projects with co-financing from MPs, MPAs, or Provincial Government', and (c) 'Male and female farmers who are members of a formal association and who participate in agriculture partnerships'.



## M&E Utilization

86. Project M&E data were used to prepare the progress reports, guide PMU decisions, and inform the restructurings and AF, especially on RF target reductions. The progress reports and monitoring data informed World Bank missions and high-level discussions with the client on issues and required adjustments. The gender action plan was a result of monitoring demonstrating low levels of women's participation, but its impact was mixed in that communities did not meet the minimum levels of women's participation set by the plan. The overall monitoring of community participation led to refresher trainings on subproject implementation roles and responsibilities, which improved implementation rates. The findings of the end line survey and IFAD's impact evaluation informed the client's PCR and this Implementation Completion and Results Report (ICR). They are currently being used to better understand the outcomes of the project and should help key stakeholders, including MAL, on future interventions.

## Justification of Overall Rating of Quality of M&E

87. The quality of the M&E is rated Modest, due to the weakness of the PDO and the RF, which were only partially corrected.

## B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE

### Environmental and Social

88. **Environmental compliance.** The project was classified an Environmental Category B (Partial Assessment) and triggered four World Bank environmental safeguards policies: Environmental Assessment (OP/BP 4.01), due to the project's infrastructure and agriculture activities; Natural Habitats (OP/BP 4.04), due to the potential negative impacts and risks resulting from small-scale infrastructure; Pest Management (OP 4.09), because of the potential use of pesticides under Component 2; and Physical Cultural Resources (OP/BP 4.11), because of the potential disturbance to *tabu* sites of cultural importance. The client prepared and disclosed (on August 15, 2014 in-country and on August 24, 2014 in InfoShop) an Environmental and Social Management Framework (ESMF, Report No. E4623) that included Environmental Codes of Practice to guide the project in screening, assessing, and mitigating project environmental and social impacts. The ESMF also contained a 'negative list' for identifying ineligible subproject proposals. Overall, the risk of potential negative impacts was assessed as minor, localized, and temporary in nature and easy to mitigate in the context of the project, and the project was to avoid known physical cultural resources. Chance find procedures were included in the ESMF. Monitoring of compliance was to be carried out by project facilitators, MAL extension agents, and provincial engineers, under the oversight of the PMU environmental and social officer.

89. The project complied with the triggered policies as confirmed by World Bank missions, a 2021 monitoring/audit exercise, and spot checks of subproject files. Environmental safeguard instruments prepared and utilized during implementation included screening forms and verification checklists for each Component 1 subproject; environmental and social management plans for each agribusiness partner; and an integrated pest management plan, which was annexed to the ESMF. The PMU relied on non-specialist MAL extension agents and PMU staff to provide training in good agriculture practices and waste management to ward and community representatives and beneficiaries. This included training on construction of animal pens, techniques of crop cultivation and raising livestock, and the proper use of



fertilizers and pesticides. Farmers were made aware of the proper handling of agro-chemicals to avoid health and environmental hazards. No major incidents or accidents occurred during implementation, and there were no complaints from beneficiaries on environmental impacts associated with construction activities.

90. **Social compliance.** A detailed Social Impact Assessment was conducted at the beginning of RDPI in 2007, and the results of that assessment informed the project. The project triggered the World Bank social safeguards policy OP/BP 4.10 on Indigenous Peoples because the vast majority of project beneficiaries were indigenous people (IPs). The main elements of an IP Policy Framework were included in the project design and operational procedures. A separate Indigenous Peoples Plan (IPP) was not required and a stand-alone IPP was not prepared. The project did not trigger OP/BP 4.12 on Involuntary Resettlement because land acquisition was expected to be carried out on a voluntary basis through a 'land commitment letter', and the letter's template was included in the Project Operations Manual (POM). Implementation was to embed the principles of free, prior, and informed consent during subproject selection activities. The project was in compliance with OP/BP 4.10, as confirmed by World Bank missions. During implementation, no additional social safeguards instruments were prepared. The project had a grievance redress system accessible to communities through short message services, voice messages, email, the project website, and direct communication with facilitators. The majority of grievances were settled by the facilitators and did not escalate beyond the community or ward level. Twenty-four complaints were escalated to the PMU level and were addressed. Most involved land conflict, and eight of these complaints were resolved through subproject cancellations.

91. Weaknesses noted by the World Bank during implementation were related to the implementation arrangements for supervising safeguards compliance. The client did not have sufficient staff at the province level to oversee safeguards matters of both components on time, and this responsibility consequently was assigned to one PMU-level environmental and social officer who mostly focused on Component 1.

### Financial Management

92. The project complied with the World Bank financial management procedures and guidelines, as well as covenants regarding the submission of annual audited financial management reports and quarterly interim financial reports; these reports were submitted on time and were of acceptable quality. Qualified project staff were in place at central and provincial levels to manage project finances and accounting, which were managed by a finance manager at the PMU level. The project's accounting and reporting functions, internal controls, and disbursement were maintained adequately. Noted weaknesses during implementation were long-standing issues of slow acquittal of project advances to subprojects, agribusinesses, and staff. Two agribusiness partners misused their first-tranche payments, which resulted in reimbursement to the World Bank. A few staff left the PMU without acquitting staff advances. These issues were resolved timely by the client.

### Procurement

93. The project complied with World Bank procurement procedures and guidelines. The procurement arrangements under RDPI continued under RDPII, with the PMU responsible for overall procurement, guided by a detailed POM. The project initially operated with a decentralized procurement strategy, which



(as noted) did not prove feasible; in 2018, the PMU centralized procurement responsibilities. Procurements were also delayed because of budget shortfalls. The Systematic Tracking of Exchanges in Procurement tool was generally not updated, in part because of internet connectivity issues; the PMU improved its maintenance over time. Select consultant procurements were often significantly delayed, including the PMU gender consultant, the O&M consultant, and the root cause analysis consultant.

### **Legal Covenants**

94. The project's legal covenants—related to Australia co-financing, IFAD co-financing, additional counterpart funds, establishment of a Component 2 management unit, and submission of annual work plan and budget—were all complied with on time.

### **C. BANK PERFORMANCE**

Rating: Moderately Satisfactory

### **Quality at Entry**

95. The project preparation team was adequately staffed and included task team members from RDPI with relevant specialties (refer to annex 2). They drew lessons from RDPI as well as from several global and in-country operations. Rural development and livelihoods support specialists provided sound background analysis to help ensure appropriate project design, including an adequate assessment of risks and the corresponding mitigation measures. The design of Components 1 and 2 was therefore based on well-established CDD/livelihood models and in-country experiences that had proven effective. Fiduciary and safeguards assessments were carried out during appraisal and informed the project design and requirements from the client. Key risks and corresponding mitigation measures were well identified. However, the World Bank could have provided better guidance and advice on M&E, including the PDO and the appropriateness of the RF indicators.

### **Quality of Supervision**

96. The World Bank supervision teams comprised a range of appropriate technical and operational skills (refer to annex 2). This facilitated implementation support and supervision through 16 supervision and specific technical support missions during project implementation, including more frequent missions in the early and later years of the project (two Implementation Support Missions [ISMs] and five Technical Support Missions were conducted in the final year). The missions consistently focused on the development objective of the project and how well results and outcomes were being monitored. Key task team specialists provided training in financial management, procurement, and environmental and social safeguards to project staff from the national down to the ward levels, to help ensure compliance with World Bank guidelines and SIG regulations, and these specialists joined every ISM. Aide Memoires, management letters, and Implementation Status and Results Reports (ISRs) were candid and highlighted issues requiring Government and World Bank management attention. Ratings in the ISRs were realistic and were based on progress, actions taken by the Government, and identified risks. The project had a moderate turnover of task team leaders (TTLs), with four TTLs over the life of the project. There was also moderate turnover of fiduciary staff, with both procurement and financial management technical assistance provided by three different specialists over the life of RDPII. However, significant overlap occurred between specialists: for example, one former procurement specialist continued to provide



support to the incoming procurement specialist for half a year, which provided continuity in guidance and supervision. Transition arrangements facilitated by the World Bank at the closing of the project, including handovers of data, training materials, subproject documentation, and other actions, to the relevant SIG agencies and stakeholders, were adequate.

#### **Justification of Overall Rating of Bank Performance**

97. Bank performance is rated Moderately Satisfactory to reflect the positive aspects of preparation and supervision noted earlier, as well as the moderate weaknesses in support to M&E design.

#### **D. RISK TO DEVELOPMENT OUTCOME**

98. The main risks to the project's development outcomes are related to (a) the continuation of the O&M needed for the infrastructure built by the project and (b) the continued provision of appropriate agricultural extension services to farmers to maintain or improve their production and marketing efforts. Risks to development outcome outside the project's control include unsustainable logging practices and sea level rise.

99. The continuity of O&M under RDPI by volunteer OMCs and the growing financial resources available for O&M through household contributions are expected to be continued for the RDPII infrastructure O&M. Provincial line ministries have assumed responsibility for service infrastructure by prior agreement, including recurrent budgets, and it is expected that these commitments will be kept. The continued provision of extension services to farmer groups by MAL is likely to decrease due to the end of logistical support the project provided to MAL staff. However, the knowledge and tools already provided to farmer groups are expected to require less external support from MAL. The PAR activities are expected to continue to pay dividends after project closing through improved cocoa trees/yields and the knowledge of best practices in cultivation disseminated widely through farmer groups. The market links provided through agribusinesses are only as stable as the market for a given product and so are outside the project's control. The project's success in engaging communities, in particular women, more actively in subproject selection through participatory approaches and decision-making at the village and ward levels is unlikely to continue as WDCs will likely revert to top-down approaches to development in the absence of community-level SICs with limited funds. The use of WDCs by the Ministry of Provincial Government and Institutional Strengthening (MPGIS) is unlikely to be accompanied by bottom-up links to ensure that village priorities are addressed in future subproject selections. The need for CDD and participatory planning facilitation expertise and resources therefore remains.

100. Unsustainable logging practices may continue to damage water sources utilized by subprojects. The majority of RDPII subprojects replaced water sources rendered polluted and unusable by logging activities. Secondary catchments and water piping established by RDPII to more distant/unaffected water sources will also likely be rendered unusable, as logging operations expand to the interior and affect subproject water sources. Sea level rise has also been affecting subprojects and will continue to do so, based on projections, as most subprojects were located on the coast. Recent field missions have witnessed seaside villages being raised on coral rubble, and rising tides are flooding villages more frequently, with some RDPI subprojects destroyed. While RDPII projects have not been destroyed, when villages relocate, such subprojects will be abandoned.



## V. LESSONS AND RECOMMENDATIONS

101. **The need to support basic infrastructure and services that engage and empower the lowest levels of government (wards) and communities remains.**<sup>26</sup> RDPI surveyed community needs in all 174 wards, and RDPII updated the profiles: 1,551 infrastructure and service priorities were identified. RDPI and RDPII implemented 663 priorities (346 in RDPI and 317 in RDPII). The data gathered remain actionable and have been provided to all provincial governments; MNPDC; MPGIS; the Ministry of Environment, Climate, Disaster Management, and Meteorology; and the Ministry for Rural Development. Future rural development initiatives should make use of these profiles.

102. **Emphasis on cash crops should not occur at the expense of sustenance crops.** The SIG prioritizes cash crops for export and for taxation. Development actors also implicitly link cash to sustenance, believing one is dependent on the other, as it is in most parts of the world which are people-rich and land/resource poor and where nutrition is determinate on earnings. This is not the case in most of the Solomon Islands and other Pacific Island Countries, where 'home gardens' provide most calories consumed by rural households. Anecdotal evidence indicates that, in a few instances, project cash crops were grown at the expense of sustenance crops. Encouraging cash crops at the expense of sustenance can lead to insecurity, especially in relation to climate change. Future agriculture projects focusing on cash crops should contain relevant food security components.

103. **In-depth market research should inform support to partnerships with the private sector.** The low response of agribusinesses to Component 2 partnership opportunities resulted in fewer agribusinesses than estimated at appraisal, and the low capacity in existing agribusinesses resulted in a largely unutilized ASEF grant component. Inversely, demand for commercialization support for farmer groups far outstripped RDPII's capacity to deliver. These issues and opportunities could have been identified through more field research. The need for such research, as well as the issues and opportunities identified through the project's experience, are worth noting for future interventions, the Agriculture and Rural Transformation Project in particular.

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<sup>26</sup> In July 2021, the premier of Temotu Province expressed concern to the ICR author that, after RDPII closed, there would be few ward-level development initiatives. Similar sentiment was expressed by the premiers of Isabel and Western Provinces and by every RDPII community visited in the last five field missions.





**ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS**

**A. RESULTS INDICATORS**

**A.1 PDO Indicators**

**Objective/Outcome:** Access to improved basic infrastructure and services in rural areas

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery)	Number	0.00	262,850.00	155,000.00	171,320.00
		27-Feb-2015	21-Nov-2014	26-Feb-2020	07-Feb-2022
Of which female (beneficiaries)	Number	0.00	131,425.00	70,000.00	84,673.00

**Comments (achievements against targets):**

Revised target substantially achieved. Data from sub-project proposals, project MIS, field verification. Note the 2018 restructure previously revised the target to 140,000.

**Objective/Outcome:** Strengthened linkages between smallholder farming households and markets



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Male and female members of farming households engaged in productive partnerships with commercial enterprises	Number	0.00 27-Feb-2015	68,200.00 21-Nov-2014	14,000.00 25-Jan-2018	18,922.00 07-Feb-2022
Female members of farming households engaged in productive partnerships with commercial enterprises	Number	0.00 27-Feb-2015	7,000.00 25-Jan-2018		8,977.00 07-Feb-2022

**Comments (achievements against targets):**

Revised target substantially achieved. Data from endline surveys, MAL extension agent reports, field verification.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Increase in the volume of produce sold by households engaging in agribusiness partnerships	Percentage	0.00 27-Feb-2015	30.00 21-Nov-2014	15.00 25-Jan-2018	50.00 07-Feb-2022

**Comments (achievements against targets):**

Revised target substantially achieved. Data from 2016 baseline, 2021 endlines for each agribusiness partner, and a meta-endline analysis.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding	Number	0.00	5,400.00	2,500.00	2,846.00
		27-Feb-2015	21-Nov-2014	25-Jan-2018	07-Feb-2022
Female beneficiaries of agriculture and livestock recovery support	Number	0.00	1,250.00		1,366.00
		27-Feb-2015	25-Jan-2018		07-Feb-2022
<b>Comments (achievements against targets):</b> Revised target achieved. Data from project MIS and field verification.					

## A.2 Intermediate Results Indicators

### Component: Community Infrastructure and Services

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of community infrastructure sub-projects completed (including from disaster recovery)	Number	0.00	374.00	275.00	317.00
		27-Feb-2015	21-Nov-2014	26-Feb-2020	07-Feb-2022



**Comments (achievements against targets):**

Revised target substantially achieved. Data from sub-project technical evaluations, field verification, project MIS. Note that the January 2018 Restructure revised the target to 260.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Participants in community prioritization/consultaton meetings	Number	0.00 27-Feb-2015	180,000.00 21-Nov-2014		213,088.00 07-Feb-2022
Participants in community prioritization/consultaton meetings (of which are women)	Number	0.00 27-Feb-2015	90,000.00 21-Nov-2014		105,927.00 07-Feb-2022

**Comments (achievements against targets):**

Target achieved. Data from project MIS, field verification.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Percentage of completed sub-projects for which community engagement in post-project operations and	Percentage	0.00 27-Feb-2015	100.00 21-Nov-2014		100.00 07-Feb-2022



maintenance are established

**Comments (achievements against targets):**

Target achieved. Data from project MIS, sub-project evaluations, field verification.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Community and other non-project financed contributions as a percentage of total subproject costs (at the time of completion)	Percentage	0.00 27-Feb-2015	30.00 21-Nov-2014	30.00 26-Feb-2020	25.00 07-Feb-2022

**Comments (achievements against targets):**

Target partly achieved. Data from estimates in sub-project technical design forms measured against final sub-project technical evaluations, project MIS, field verification. Note that the 2018 restructure revised the target to 20 percent.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Representatives in Ward Development Committees who are women	Percentage	0.00 27-Feb-2015	50.00 21-Nov-2014		37.00 07-Feb-2022



**Comments (achievements against targets):**

Target partly achieved. Data from survey of WDC membership per ward.

**Component: Agriculture partnerships and support**

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
The economic rate of return of a sample of agribusiness partnerships	Percentage	0.00 08-Sep-2017	11.00 25-Jan-2018		0.00 07-Feb-2022

**Comments (achievements against targets):**

Target not achieved. The ERR was - 9 percent. Negative numbers cannot be entered into the field above.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of agribusiness partnerships established	Number	0.00 27-Feb-2015	79.00 21-Nov-2014	43.00 25-Jan-2018	35.00 07-Feb-2022

**Comments (achievements against targets):**

Revised target partly achieved. Data from agribusiness proposals, MAL extension agent reports, field verification, endlines.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of male and female partnership members who adopt improved farming practice due to engagement in agribusiness partnerships	Number	0.00	7,000.00		7,298.00
		08-Sep-2017	25-Jan-2018		07-Feb-2022
<p><b>Comments (achievements against targets):</b> Target achieved. Data from endline survey, field verification.</p>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Total value of ASEF grants disbursed	Amount(USD)	0.00	2,000,000.00	1,000,000.00	122,986.00
		27-Feb-2015	21-Nov-2014	25-Jan-2018	07-Feb-2022
<p><b>Comments (achievements against targets):</b> Target not achieved. Data from project MIS. There is reference in the 2020 AF to this indicator's target reduction to US\$120,000 after a March 2018 review, but this was not officially done.</p>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
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Client days of agriculture training provided (number)	Number	0.00	20,000.00	22,000.00	38,394.00
		27-Feb-2015	21-Nov-2014	25-Feb-2020	07-Feb-2022
<b>Comments (achievements against targets):</b> Target substantially achieved. From MAL extension agent records, sign-in sheets, field verification, project MIS.					

**Component:** Program management

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Audit reports submitted on time	Number	0.00	5.00		5.00
		27-Feb-2015	21-Nov-2014		07-Feb-2022
<b>Comments (achievements against targets):</b>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
The agreed amount of government counterpart contribution being disbursed	Amount(USD)	0.00	7,000,000.00	6,092,000.00	6,515,895.00
		27-Feb-2015	25-Jan-2018		07-Feb-2022
<b>Comments (achievements against targets):</b>					





Target achieved. Data from bank records. The original target was "years with adequate government counterpart contributions."

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**B. KEY OUTPUTS BY COMPONENT**

<b>Objective/Outcome 1: Access to improved basic Infrastructure and services in rural areas</b>	
<b>Outcome Indicators</b>	<ol style="list-style-type: none"> <li>1. Beneficiaries with improved quality of, and/or, access to rural infrastructure or services (including from disaster recovery) <ul style="list-style-type: none"> <li>• Of which female (beneficiaries)</li> </ul> </li> </ol>
<b>Intermediate Results Indicators</b>	<ol style="list-style-type: none"> <li>1. Number of community infrastructure sub-projects completed (including from disaster recovery)</li> <li>2. Participants in community prioritization/consultation meetings (Number)</li> <li>3. Participants in community prioritization/consultation meetings (of which are women) (Number)</li> <li>4. Percentage of completed sub-projects for which community engagement in post-project operations and maintenance are established</li> <li>5. Community and other non-project financed contributions as a percentage of total sub-project costs (at the time of completion)</li> <li>6. Representatives in Ward Development Committees who are women</li> </ol>
<b>Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)</b>	<p><b>Component 1</b></p> <ol style="list-style-type: none"> <li>1. Community socialization meetings are conducted.</li> <li>2. Communities prioritize needs/subprojects.</li> <li>3. WDCs are trained to evaluate subprojects.</li> <li>4. WDC meets to choose subprojects to fund.</li> <li>5. Winning communities elect SICs.</li> <li>6. SICs and communities are trained to implement subprojects.</li> <li>7. Subproject designs are finalized/permission is received from line ministries for service-linked subprojects.</li> <li>8. Small-scale Infrastructure are selected, materials procured, subprojects built.</li> <li>9. Disaster-resilient infrastructure are selected, materials procured, subprojects built (Guadalcanal).</li> <li>10. Small-scale service infrastructure are built, staffed, funded.</li> <li>11. Material and labor contributions from communities are made.</li> <li>12. O&amp;M household contributions are established.</li> <li>13. O&amp;M teams are assembled and trained.</li> <li>14. Subprojects are handed over to communities/line ministries.</li> </ol>



<b>Objective/Outcome 2: Strengthened linkages between smallholder farming households and markets</b>	
Outcome Indicators	<ol style="list-style-type: none"> <li>1. Male and female members of farming households engaged in productive partnerships with commercial enterprises (number)</li> <li>2. Female members of farming households engaged in productive partnerships with commercial enterprises (Number)</li> <li>3. Increase in the volume of produce sold by households engaging in agribusiness partnerships (Percentage)</li> <li>4. Number of male and female beneficiaries receiving agriculture and livestock support to recover incomes lost from April 2014 flooding <ul style="list-style-type: none"> <li>• Female beneficiaries of agriculture and livestock recovery support (Number)</li> </ul> </li> </ol>
Intermediate Results Indicators	<ol style="list-style-type: none"> <li>1. The economic rate of return of a sample of agribusiness partnerships (Percentage)</li> <li>2. Number of agribusiness partnerships established (Number)</li> <li>3. Number of male and female partnership members who adopt improved farming practice due to engagement in agribusiness partnerships (Number)</li> <li>4. Total value of ASEF grants disbursed (Amount (US\$))</li> <li>5. Client days of agriculture training provided (Number)</li> </ol>
Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)	<p><b>Component 2:</b></p> <ol style="list-style-type: none"> <li>1. Socialization meetings to farmers groups and small businesses are conducted.</li> <li>2. Small businesses apply for grants.</li> <li>3. Grants are awarded.</li> <li>4. Partnerships are established and funded between farmer groups and small businesses.</li> <li>5. Baseline surveys are completed.</li> <li>6. Funds, tools, seed, and other materials are provided to partnerships.</li> <li>7. MAL extension agents are engaged and trained.</li> <li>8. MAL provides farmers with extension services.</li> <li>9. Demonstration plots, etc. are established for MAL.</li> <li>10. Farmers sell commodities to small businesses.</li> <li>11. Links between banks and small businesses are established.</li> <li>12. ASEF grants are awarded to qualifying small businesses.</li> <li>13. Farmer groups are engaged in PAR training.</li> </ol>



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|  | <ol style="list-style-type: none"><li>14. Commodity yield/quality increases.</li><li>15. End line surveys are completed.</li><li>16. Disaster-affected populations and agriculture/livestock losses are verified.</li><li>17. Tools, seed, livestock, and other materials are provided to verified disaster-affected populations.</li><li>18. Training in climate-resilient agriculture is designed.</li><li>19. Communities are trained in climate-resilient agriculture.</li></ol> |
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**ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION**

**A. TASK TEAM MEMBERS**

Name	Role
<b>Preparation</b>	
Erik Caldwell Johnson	Task Team Leader
John Victor Bottini, Ly Thi Dieu Vu, Ross James Butler	Social Specialists
Stephen Paul Hartung	Financial Management Specialist
Jinan Shi	Procurement Specialist
Marjorie Mpundu	Legal Counsel
Janet Funa	Operations Specialist
Dan Tony Vadjnal	Operations Specialist
<b>Supervision/ICR</b>	
Robert Anders Anderson, Sonya Woo	Task Team Leaders
Hoai Van Nguyen, Andy Chandra Firdana	Procurement Specialists
Robert J. Gilfoyle, Ha Tran Thuy	Financial Management Specialists
Nathalie Staelens, Bunlong Leng	Environmental Specialists
Duangrat Laohapakakul/ Rebecca Dang	Counsel
Gitanjali Ponnambalam, Janet Funa	Team Members
Alison Ofotalau	Operations Specialist
Son Thanh Vo, Kosuke Annan	Team Members
Joyce Onguglo	Social Development Specialist

**B. STAFF TIME AND COST**

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
<b>Preparation</b>		
FY14	6.613	42,017.34
FY15	5.200	29,888.03



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FY16	0	102.15
<b>Total</b>	<b>11.81</b>	<b>72,007.52</b>
<b>Supervision/ICR</b>		
FY15	4.550	28,961.57
FY16	20.539	113,128.54
FY17	18.216	151,130.22
FY18	25.154	256,540.33
FY19	27.387	218,072.06
FY20	24.436	199,520.75
FY21	14.845	116,392.90
FY22	12.107	103,881.69
FY23	3.875	29,923.97
<b>Total</b>	<b>151.11</b>	<b>1,217,552.03</b>

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## ANNEX 3. PROJECT COST BY COMPONENT

Components	Amount at Approval (US\$, millions)	Restructure 2018 <sup>27</sup> (US\$, millions)	Restructure 2020 (US\$, millions)	Revised Amount March 2020 (US\$, millions)	Actual at Project Closing (US\$, millions)	Percentage of Approval
Community Infrastructure and Services	21.52		+2.20	23.62	23.50	109
Agriculture Partnerships and Support	18.81	-7.85		10.96	10.93	58
Program Management	6.57	+0.60		7.17	7.17	109
<b>Total</b>	<b>46.90</b>	<b>-7.15</b>	<b>+2.20</b>	<b>41.75</b>	<b>41.60</b>	<b>88.70</b>

Source	Parent Project Appraisal		Amount remaining prior to 2020 AF	2020 AF	Actual Financing after AF	Difference from PAD
	Source Currency (millions)	US\$, millions	US\$, millions	US\$, millions	US\$, millions	US\$, millions
SIG	SBD 50	20.0 <sup>28</sup>	6.07	0.0	6.07	-3.49
EU (TF-A5083)	EUR 9.7		10.44	0.0	10.44	
DFAT (TF-19256)	AUD 15	13.3	10.50	0.0	10.50	-2.80
IFAD (COFN-C1360)	SDR 3.1	4.6	4.27	0.0	4.27	-0.33
IDA Grant (IDA-D0220)	SDR 2.7	4.0	3.72	0.0	3.72	-0.28
IDA Credit (IDA-55740)	SDR 3.3	5.0	4.55	0.0	4.55	-0.45
AF IDA Grant (IDA-D511-SB)	0.0	0.0	0.00	2.2	2.20	+2.20
<b>Total</b>		<b>46.9</b>	<b>39.55</b>	<b>2.2</b>	<b>41.75</b>	<b>-5.15</b>

<sup>27</sup> No cost reallocations between components occurred due to the 2018 restructuring, which addressed depreciation of the SBD. No changes occurred to US\$ amounts allocated per component.

<sup>28</sup> This amount included SIG contribution of SBD 50 million (US\$7 million at the time of appraisal of the parent project) and the anticipated EU co-financing of EUR 9.7 million (US\$13 million at the time of appraisal of the parent project). The PAD could not separately indicate the anticipated EU contribution of EUR 9.7 million in the financing plan at the time, since formal commitment had not yet been made. Therefore, the EUR 9.7 million was parked as part of the US\$20 million counterpart contribution by the SIG. The PAD stated: "In addition to donor financing, the Solomon Islands Government (SIG) has already approved (via a Cabinet decision) SBD 50 million (approximately US\$7 million). The Project financing plan also includes \$13 million for which the Recipient is currently in discussion with the EU to provide." However, when the administrative agreement was signed with the EU in 2017, the EU co-financing of EUR 9.7 million was equivalent to approximately US\$10.5 million; the financing plan was updated in 2017 to indicate US\$10.5 million in EU financing and the remainder (US\$9.5 million) in SIG financing.



## ANNEX 4. EFFICIENCY ANALYSIS

1. Project efficiency was measured by assessing (a) the actual project costs and duration, compared to the estimates at appraisal and estimates from other projects and (b) the extent to which the EIRR estimated at appraisal, as well as other economic outcomes that were expected, have been realized.
2. **Overall assessment of efficiency.** The project provided benefits to rural communities by providing access to services through Community Development Grants and by improving efficiency in the agricultural sector through agricultural partnerships. Delays in implementation were caused in part by the depreciation of varying currencies that led to budget shortfalls, which resulted in the revision/reduction of targets, and the provision of additional financing, as well as two project closing date extensions. No delays were linked to the COVID-19 pandemic. Project management costs were higher than expected but remained reasonable by local standards, amounting to 17.2 percent of project costs. In contrast, project management costs for RDPI amounted to 25 percent of total project costs.<sup>29</sup> Table 4.1 presents a comparison of the main efficiency measures between the estimates at appraisal and the ICR analysis. The EFA shows that project benefits will exceed project costs substantially, with a positive NPV of US\$18.9 million and an estimated EIRR of 15 percent.

### Overview of Efficiency Measures

Table 4.1. Comparison of Efficiency Measures between Appraisal and Completion

Efficiency Indicator	Revised Target	At ICR	%	Source
Total Beneficiaries (No.)	155,000	171,320	111	Final RF May 2022
Total Costs (US\$, millions)	49.10	41.6	0.84	ISR February 2022, IFAD PCR
Cost per beneficiary, US\$	316.8	243.0		Calculated
Project management costs (US\$, millions)	6.57	7.17	1.09	Project data
Closing date	February 28, 2020	February 07, 2022		ISR February 2022
EIRR (%)	17	15		Calculated

### Economic and Financial Analysis

3. **Ex ante results of the EFA.** At design, expected project benefits were estimated based on (a) improved service delivery and greater private investments in rural areas; (b) changed patterns of agricultural production, increased agricultural productivity, and increased marketed output; and (c) restoration of productive assets destroyed during the 2014 floods. The EFA resulted in an EIRR of 17 percent.
4. **Ex post EFA.** To quantify the benefits of the project at completion, activity models were prepared to represent the main project investments and their associated benefits. For each model, a without-

<sup>29</sup> [https://ieg.worldbankgroup.org/sites/default/files/Data/reports/ppar\\_solomonislands\\_01042017.pdf](https://ieg.worldbankgroup.org/sites/default/files/Data/reports/ppar_solomonislands_01042017.pdf).





project situation was compared to a with-project situation. A model was considered profitable if the beneficiaries could derive more profits following the project investments.

5. The models were structured around Component 1: Community Infrastructure and Services and Component 2: Agriculture Partnerships and Support. For Component 1, the models represented the main types of community infrastructure that the project invested in: water (pipes/tanks), community halls, and education (primary schools and kindergartens). For Component 2, the models represented the main agro-processing investments that the project financed: ngali nut dryers, ngali nut extraction processing facilities, outboard motors, trucks, direct micro expellers for virgin coconut oil processing, coconut oil mills, and cocoa fermenting and drying equipment. In addition, the production benefits were estimated.

6. The financial analysis found that investments under Component 1 were generally viable, with positive NPVs and IRRs. The only community infrastructure with negative financial results were community halls, but the multiplicity of uses for such halls made them inappropriate to measure based on rental costs saved. Under Component 2, the results were mixed. At the production level, based on impact evaluation results, the EFA indicated that productivity increases were positive for cocoa producers but not for coconut producers. At the processing level, by contrast, the EFA indicated that the coconut investments were mostly viable. Transport asset investments were also very profitable, allowing for important increases in volumes transported and a decrease in transport costs. The investments for cocoa were, however, not systematically profitable, because despite positive production margins, the low production volumes were insufficient to offset investment costs for some partners.

7. In the economic analysis, the results of Component 2 were generally more profitable, because high taxes on processing machinery meant that economic investment (for example, machinery) costs were much lower than financial investment costs.

8. The economic analysis found that the project had an economic NPV of SBD 128.2 million, corresponding to US\$18.8 million. The project EIRR is 15 percent. A sensitivity analysis based on a decrease in incremental benefits by 20 percent found that the project remained robust: the NPV would decrease to SBD 69.3 million, corresponding to US\$8.6 million, with an EIRR of 11 percent.

9. For Component 2, the benefits were computed at two levels. First, the benefits of processing investments, individual or groups of assets/machinery, were computed. These investments can be at the level of the agribusiness (for instance, ngali nut oil processing) or of the farmer group (for instance, cocoa fermenting and drying). Second, for a random selection of 11 agricultural partnerships, the return for the entire partnership was computed on the basis of the processing investments for that partnership and the production benefits, based on the results of an impact evaluation conducted by IFAD and the total cost of the partnership.



**ANNEX 5. BORROWER, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS**

Peer reviewer comments were received by IFAD on October 26, 2022, and have been incorporated into the ICR. The draft ICR was also shared with Solomon Islands Government, DFAT and the EU on October 19, 2022, and no comments were received.

**ANNEX 6. SUPPORTING DOCUMENTS**

#	Document Title	Date
1	RDPI ICR	2014
2	RDPII PAD	2014
3	RDPII Financing Agreement	2014
4	RDPII ESMF (Report No. E4623)	2014
5	World Bank Solomon Islands Country Partnership Strategy 2013–2017 (Report No. 76349)	2013
6	Solomon Islands Government National Development Strategy 2016–2035	2016
7	Solomon Islands: Rapid Assessment of the Macro and Sectoral Impacts of Flash Floods in the Solomon Islands	April 2014
8	Solomon Islands Medium-Term Development Plan 2016–2020	2016
9	World Bank Solomon Islands Country Partnership Framework 2018–2023 (Report No. 122600)	2018
10	World Bank Group Strategy for Fragility, Conflict and Violence 2020–2025 (Report No. 146551)	2020
11	RDPII Component 2 Baseline Survey	2015
12	RDPII Gender-Inclusive Value Chains in Solomon Islands	2018
13	RDPII Project Operations Manual and Annexes	2015
14	RDPII Project Operations Manual and Annexes (revision)	2017
15	RDPII semi-annual reports (15)	2015–2022
16	RDPII Project Midterm Review	2017
17	RDPII Gender Action Plan	2017
18	RDPII Restructuring Papers (6)	2015–2021
19	RDPII Additional Financing Paper	March 2020
20	World Bank Implementation Status and Results Reports (12 reports) (Source: World Bank website)	2015–2022
21	Project Aide Memoires (12)	2015–2022
22	RDPII subproject proposal and design samples	2017–2019
23	RDPII Gender Final Study	March 2022
24	RDPII Agribusiness End Line Surveys × 31	2020–2022
25	RDPII Home Garden study	2021
26	RDPII IFAD Impact Assessment (pptx)	2021
27	RDPII Agribusiness End Line Survey	March 2022
28	RDPII PMU Project Completion Report	June 2022