



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 15-Jun-2021 | Report No: PIDA29706



BASIC INFORMATION

A. Basic Project Data

Country Solomon Islands	Project ID P173043	Project Name Solomon Islands Agriculture and Rural Transformation Project	Parent Project ID (if any)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 28-Jun-2021	Estimated Board Date 19-Aug-2021	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Solomon Islands	Implementing Agency Ministry of Agriculture and Livestock	

Proposed Development Objective(s)

To increase household food production and improve market access in selected value chains in the project provinces, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to such Eligible Crisis or Emergency.

Components

- Component 1: Food Production and Agribusiness Investments
- Component 2: Institutional Capacity Development
- Component 3: Project Management
- Component 4: Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	15.00
Total Financing	15.00
of which IBRD/IDA	15.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	15.00
IDA Credit	6.00
IDA Grant	9.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

- Solomon Islands is an archipelago of 997 islands in the south-west Pacific with a population of 694,619¹ and a total land area of about 28,400 square kilometers (kms) spread over 1.34 million square kms of ocean.** The population is dispersed across 90 inhabited islands, with one of the lowest population densities (20.8 persons/km²) in the world. Distances between islands are significant and distances to major export markets are even greater, with the capital, Honiara, being over 2,000 kms from urban centres in Australia. The population is divided not only by the ocean between islands, but also by mountainous terrain within most islands.
- Solomon Islands is classified as a least developed country, as well as a Fragile and Conflict-affected Situation.** Per the latest update on the Human Capital Index in 2020², a child born in the Solomon Islands today will be 42 percent as productive when she grows up compared to having enjoyed complete education and full health. This is lower than the average for the East Asia and Pacific region. The Solomon Islands’ Human Development Index ranking is 153rd out of 189 countries, similar to that of Papua New Guinea, but below the other countries of the Melanesian group (Vanuatu, 141st and Fiji, 98th).³ Based on the 2012 - 13 Household Income and Expenditure Survey (HIES), about 12.7 percent⁴ of the population of Solomon Islands lived below the basic need poverty line.
- Solomon Islands has made significant progress in restoring stability following a period of conflict from 1998 to 2003.**The conflict, known locally as “the tensions,” emerged as a result of grievances between local Guadalcanal landowners and migrants, predominantly from the most populous island of Malaita, drawn by economic opportunities. While often characterized as an ethnic conflict, “the tensions” had multiple political and economic causes, including the disproportionate concentration of economic development in and around

¹ Solomon Islands National Statistics Office at <https://www.statistics.gov.sb/statistics/social-statistics/population>

²https://databank.worldbank.org/data/download/hci/HCI_2pager_SLB.pdf

³ UNDP, 2019 Human Development Index Ranking

⁴<http://documents1.worldbank.org/curated/en/158941528204217521/pdf/Solomon-Islands-PEB-Spring-2018.pdf>



Honiara, compared to the rest of the country. Rapid social change associated with increasing urbanization also contributed to stresses, including the erosion of customary authority, disenchantment among young people, and a loss of social cohesion. In the decade since “the tensions”, elections have been held successfully in 2006, 2010, 2014 and 2019, and the country has been largely peaceful, except for bouts of unrest. The Regional Assistance Mission to Solomon Islands (RAMSI), a partnership between the Solomon Islands and fifteen Pacific countries that was in place between July 2003 and June 2017, played a key role in helping the Solomon Islands lay the foundations for long-term stability, security, and prosperity.

4. **The COVID-19 pandemic has had a severe impact on the economy. The Solomon Islands economy grew by 3.9 percent in 2018, driven by a strong performance in logging, infrastructure spending, fisheries, agriculture, and manufacturing.** However, growth slowed to 2.5 percent in 2019 from weakening logging exports and the temporary pause in economic activity around the election period. Inflation remained subdued at an annual rate of 1.7 percent in August 2019. The current account deficit has widened with higher infrastructure imports, but international reserves remain comfortable. Due to the COVID pandemic, real GDP growth is expected to decline to about -5.5 percent in 2020 compared to 2.5 percent in the pre-pandemic baseline. The sharp fall in growth is expected to result in economic hardship for the poor and other vulnerable groups. The recently enacted COVID-19 economic stimulus package SI\$309 million is expected to partly offset the contraction in demand. However, the pandemic is expected to further weaken the fiscal position. All in all, the fiscal deficit is projected to widen to 5.8 percent of GDP compared to 3.7 percent in the pre-pandemic baseline.

5. **The immediate economic impact of COVID-19 is being felt by hotels, market vendors, roadside street vendors, etc., and the loss of income for these workers and entrepreneurs.** People have fallen back on their social networks by returning to their villages. As less money is brought back to villages, people may need cash and/or food to ensure food resilience. Apart from cash crop harvesting, all other agriculture activities have halted. The Ministry of Agriculture and Livestock (MAL) has recommended and encouraged farmers to do gardening and to adopt the safe market set up and mobile marketing. Presently, all shops are well stocked with food and other goods.

Sectoral and Institutional Context

6. **Agriculture is an important sector for the Solomon Islands' national economy.** It sustains 85 percent of the rural population with food crops, cash crops, and livestock for their daily livelihoods, food, and social security. Agriculture holdings account for 40 percent⁵ of the landmass of the country. About 35 percent of GDP is generated by subsistence agriculture, and nationwide, 92 percent⁶ of the population is engaged in agriculture in some way, increasing to as much as 95 percent in Malaita, Makira, Isabel, Central and Rennell-Bellona Provinces. Of the estimated 111,117 agriculture holdings, 85 percent are individual holdings and 15 percent are family holdings. Most farmers produce crops organically, as the use of inorganic fertilizers and pesticides is very limited; 4 percent and 2 percent of farmers respectively.

7. **There is potential to increase production of food crops to sustainably supply the rural and urban markets.** The main food crops in the Solomon Islands are sweet potato, cassava, yam, taro, banana, pumpkin, and vegetables. However, dietary patterns and eating habits have changed and rice has become the major source of energy intake, with sweet potato and cassava second to rice. Coconut and cocoa are the main cash crops for majority in the rural households. A few commercially oriented farmer-processor-traders are involved

⁵November 2019, Report on National Agricultural Survey 2017, Solomon Islands Government

⁶November 2019, Report on National Agricultural Survey 2017, Solomon Islands Government



in processing and value adding, mostly in cocoa and copra. Spice crops, such as vanilla, cardamoms, chili, ginger and turmeric are currently minor cash crops, but have generated considerable interest. Spices for export are a small niche market and many parts of the country are suitable for spice production, as they are labor intensive, and well suited to the Solomon Islands farming households. High-value subsistence crops, such as slippery cabbage, peanut, ngali-nut, watermelon, sweet potato, cassava, yam and taro for home consumption, play a vital food security role.

8. Over half of rural households in the three proposed project provinces of Guadalcanal, Malaita and Makira keep pigs or poultry. These provinces have a total smallstock⁷ population of 100,000 pigs, 97,000 indigenous poultry and 200,000 commercial broilers or layers. Smallstock production is carried out at three levels: (i) high-input/high-output commercial broiler, layer and pig production depending entirely on imported breeding stock and feed, the supply chains of which are presently interrupted by COVID and constrained by limited port offloading capacity at Honiara; (ii) semi-commercial smallstock production relying on green-feed, agro-industrial by-products including copra, millrun, brewers' grain and fish offal and cassava, and (iii) low-input-low-output rural household-owned smallstock of less than ten poultry or pigs, spread across the islands, using a variety of local feedstuffs. Indigenous poultry are used mostly as ready household cash, for home consumption or social gifting.

9. Increased production and productivity of smallstock, which has a rapid turnover compared to other livestock, is the quickest and most cost-effective way to increase domestic meat production. Several factors contribute to the low levels of production and productivity of smallstock. These include limited domestic feed crop production, limited feed crop land, the lack of feed milling capacity, and difficulties in transporting bulky feedstuffs within and between islands. Household production is the largest, but also the least productive segment of the country's livestock subsector. In addition, rural households devote an average of 0.8 ha garden to grow vegetables and fruit trees, with an average 0.9 ha of additional unused land with the potential for feed crop production.

10. Between 2000 and 2017, domestic meat production increased by only 16.4 percent, whereas meat imports increased by 64 percent (FAOSTAT). Commercial broiler and layer production depend entirely in imported feed and breeding eggs which are hatched and distributed locally. The supply chains of imported breeding eggs and feed are fragile. COVID-19 has interrupted the supply of breeding eggs flown in from New Zealand, thereby severely constraining local broiler and egg production. Sea freight offloading capacity at Honiara port is limited and can constrain the supply lines of imported feed. Agriculture extension services⁸ and the provision of veterinary services to livestock are limited due to limited number of field staffing for the Ministry of Agriculture and Livestock (MAL), intra and inter island transportation constraints, and the remoteness of many villages.

11. The country faces long-standing underlying food security challenges. These are compounded by a highly dispersed rural population with poor access to infrastructure and services, further aggravated by extreme vulnerability to natural disasters and climate change. Agricultural production throughout the country is quite

⁷ Smallstock is defined as pigs and poultry

⁸ Peter Oakley and Christopher Garforth, FAO 1985. Guides to Extension Training. "An agricultural extension service offers technical advice on agriculture to farmers, and also supplies them with the necessary inputs and services to support their agricultural production. It provides information to farmers and passes to the farmers new ideas developed by agricultural research stations. Agricultural extension programmes cover a broad area including improved crop varieties, better livestock control, improved water management, and the control of weeds, pests or plant diseases. Where appropriate, agricultural extension may also help to build up local farmers' groups and organizations so that they can benefit from extension programmes. Agricultural extension, therefore, provides the indispensable elements that farmers need to improve their agricultural productivity."



diverse due to variations in climate, soil, and topography. Over 80 percent of the population live in rural areas and is largely dependent on subsistence agriculture and fisheries.⁹ Any disruption to exports has an immediate impact on rural household incomes. Households currently spend on average 46 percent of their income on buying food – rising to 53 percent in rural areas. Urban and peri-urban residents are highly dependent on imported food (imported goods represent over 80 percent of household food expenditure). In 2017, food accounted for 25 percent of total imports with rice imports alone costing almost US\$ 50 million. The need to strengthen domestic food supply has been recognized by both the Government and donors.¹⁰

12. Solomon Islands has identified eight indicators of food insecurity.¹¹ Based on the most recent National Agriculture Survey in 2017, around 57 percent of farming households worry about inadequate food; 41 percent face a lack of dietary diversity or access to quality food due to lack of purchasing power; 31 percent skip a meal or consume less food, and 8 percent do not consume food for an entire day. All forms of food insecurity exist in the higher percentage and a greater number of households in Guadalcanal and Malaita; but a lower percentage of farming households in Makira suffer from different types of food insecurity. The spatial distribution often corresponds to remoteness. Communities which are far from markets, services and transport access are often more vulnerable to food insecurity and rely predominantly on subsistence farming. Communities in peri-urban areas where markets are more developed, tend to have more semi-commercial farming activities and access to a wider variety of food.

13. Food insecurity in Solomon Islands is generally assessed at the community level, rather than at the household level. This is because of the reciprocal support system embedded in custom within a tribe/group/community referred to as “*wantok*” (this is a Pidgin for “one talk” meaning one language, one tribe) which provides a communal safety net to ensure individuals who face problems are supported by others in their wantok system. As such, when hunger happens to individuals, it could be dealt with through community support. But when the whole community is affected by an external event (e.g., typhoon, drought), food shortages may occur which impacts the community as a whole.

14. Like all Small Island Developing States (SIDS), Solomon Islands has been identified as one of the most vulnerable to the adverse impacts of climate change. According to the Solomon Islands National Adaptation Programme of Action, climate change is the most important developmental and environmental issue for the country and poses a significant impediment towards meeting its development goals. Solomon Islands has a tropical, humid and wet climate. The country is situated within the earthquake belt or “Ring of Fire” which makes it extremely vulnerable to the effects and impacts of earthquakes. With the majority of the population living within 1.5 km of the coastline, a considerable portion of the country’s economy, infrastructure, and livelihoods is vulnerable to changes in climate.¹² Climate change impacts are already being felt, such as increased intensity and frequency of extreme events including droughts, cyclones, and rising sea levels. Some of the country’s smaller atolls are suffering the impacts of salt-water intrusion, storm surges, and flooding. Coastal areas where large portions of agriculture are found are likely to continue to suffer particularly from cyclones, storm surges of sea water, and salt-water intrusion into freshwater aquifers. Many of these events lead to crop damage, pest attack, transportation disruptions, and ultimately food insecurity. It is estimated

9 Townsend, Robert. 2015. Ending poverty and hunger by 2030: an agenda for the global food system (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/700061468334490682/Ending-poverty-and-hunger-by-2030-an-agenda-for-the-global-food-system>

¹⁰ Vadjal, D. World Bank Commissioned Scoping Paper 2018

¹¹ November 2019, Report on National Agricultural Survey 2017, Solomon Islands Government. They include: (i) worried would run out of food; (ii) unable to eat healthy food; (iii) eat only a few foods; (iv) skip a meal; (v) ate less food than expected; (vi) household ran out of food; (vii) hungry and did not eat, and; (viii) without eating.

¹² Climate Risk and Adaptation Country Profile, April 2011



that nearly 17 percent of households in the Solomon Islands are affected by storms or floods.¹³ Over the past 36 years there have been eight major disasters triggered by natural hazards, resulting in the loss of life and severe adverse economic impacts. The country experienced severe natural disasters such as flash floods in 2009 and 2014 with high mortality and serious damage to rural and agriculture sector, followed by a severe drought in 2015-16. Climate change combined with uncontrolled deforestation is exposing Solomon Islands to a higher level of natural risks and extreme vulnerability. Therefore, Solomon Islands is highly vulnerable to both climate change and geophysical risks.

15. Both women and men in the villages are engaged in subsistence agriculture and fisheries. Female and male headed households comprise 13.4 and 86.7 percent of households respectively.¹⁴ In order to secure cash income, rural women are gradually turning to cash crops which are more lucrative. Women play a significant role in subsistence agriculture by growing root crops, tubers and vegetables for both household consumption and sale in local markets, and are the predominant keepers of village poultry, which are a ready source of household cash. Broadly speaking, men control most of the productive resources, assets, technical information and are the primary decision makers. Women dominate subsistence agriculture and the markets as vendors which poses risks due to long hours away from home. There is increased need to avoid nutritious homegrown food being replaced by imported and less nutritious foods.¹⁵

16. The agriculture extension service under MAL is extremely weak. In the National Agricultural Survey conducted in 2017, only 3.6 percent of farmers received extension services and 30.8 percent were receiving agricultural information from radio and newspapers. Currently, 138 technical staff, including 37 female staff are employed at the national, province, and ward level. Malaita has the highest number of agriculture extension staff (47) including 8 female staff. The extension staff at all levels are responsible for a large number of activities, including coordination, monitoring and evaluation, implementation of projects, and report writing, which limits the time they can devote to providing actual extension services. The ratio of farming households per extension staff is 788 (nearly 3,940 people). This situation is further exacerbated by a lack of roads, means of transport and dispersed communities.

17. Several forms of Producer Organizations (POs) exist in various types and nomenclature, such as Farmers' Associations, Farmers Groups, Land Purchase Co-operatives, and Community Based Companies. POs mobilize farmers to aggregate their produce and engage in local level processing and value addition for higher price realization. The Government has made provisions to register these community institutions under the Co-operative Societies Act, 1953 (Co-operative Societies Act), Charitable Trusts Act, 1964 (Charitable Trusts Act) or in Community-Based Companies. POs under the Co-operative Societies Act or Community-Based Companies can engage in business activities earning a profit. POs In Solomon Islands come in both formal and informal forms. Those that are formally registered with central and/or provincial authorities are smaller in number compared to those of informal ones.¹⁶ Existing POs are active on a wide range of crops and activities such as small stock (piggery and poultry), cocoa, coconut, honey, Ngali nut, vegetables and root crops (including, sweet potatoes, taro and cassava). These POs are also playing the role of service providers (providing inputs, infrastructure to support processing), as buyers of products and their transportation, and linking farmers to markets. Some POs are successful and continue to serve its members. Others are struggling or have been inactive or dissolved. Major challenges to PO operations include external factors such as limited access to resources (e.g., land, capital, productive infrastructure and facilities), fluctuations in market prices,

¹³November 2019, Report on National Agricultural Survey 2017, Solomon Islands Government

¹⁴November 2019, Report on National Agricultural Survey 2017, Solomon Islands Government

¹⁵Country Gender Assessment of Agriculture and Rural Sector in Solomon Islands, FAO, 2019

¹⁶World Bank (2020), Producer Organization Review Study for SI ART (DRAFT).



and logistics adversities; and internal ones like the lack of or limited commitment and trust, and poor perception among its members.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To increase household food production and provide improved market access in selected value chains in the project provinces, and in the event of an Eligible Crisis or Emergency, to provide an immediate response to such Eligible Crisis or Emergency.

Key Results

18. PDO Level Indicators are:

- a. Beneficiary households reporting increased food production (percentage).
- b. Increase in sales, by value, reported by farmers participating in Agri-Business producer organizations (Percentage) (presented by three commodity-specific indicators of cocoa, coconut and poultry).
- c. Farmers adopting improved agricultural technology (disaggregated by gender).
- d. Total number of beneficiaries (disaggregated by gender).

19. The project will support climate-smart agricultural activities across three provinces, namely Guadalcanal (including the capital city of Honiara), Makira and Malaita. These provinces have a total population of 424,875, out of which 383,916 people (90.4 percent) have agricultural holdings. It is expected that around 23,200 people from 4,640 households will be direct project beneficiaries through support to POs, as well as those receiving training from the project. In addition, the productive infrastructure investments under the project are expected to directly benefit around 60,000 people. As such, the total direct beneficiaries of the project are expected to be 83,200 people. The training modules, materials, audio-visuals developed under this project will be used in all the provinces by MAL through its provincial MAL office.

20. The three proposed project provinces were selected due to their largest share of agriculture holdings and agricultural production base of the country. While additional provinces would also benefit from increased investment in agriculture, it was agreed that three provinces be targeted under this project, given the available funding. If future funding is available, MAL may consider scaling up these activities to other provinces, while at the same time allowing time for any lessons to be incorporated.

D. Project Description

21. The project will be structured as follows:

22. **Component 1: Food Production and Agribusiness Investments (US\$ 10.4million).** This component aims to: (i) increase the food production by poor and smallholder agriculture households; (ii) promote agriculture commercialization in selected value chains; and (iii) develop productive infrastructure to support sub-component 1.1 and sub-component 1.2. The key difference between sub-component 1.1 and sub-component 1.2 is that the former involves activities aimed at increasing food production to meet home consumption needs among vulnerable communities/villages, while the latter involves



organizing small-holder farmers at semi-commercial production level into groups around a common commodity/value chain and improving their linkages to markets.

- 23. **Component 2: Institutional Capacity Development (US\$ 2.6 million).** This component aims to improve the agriculture and smallstock extension system of MAL by improving the knowledge, skills, and capacity of current staff. It will also support the renewal of the small stock sector. Development Market Place events will be organized to show case and give awards to high quality produce or commodities, and best practices or innovations for establishing market linkages and scaling up.
- 24. **Component 3: Project Management (US\$2 million).** This component will establish the Project Management Unit (PMU) within MAL which will be responsible for the overall implementation of the SI ART project. Key positions will include a Project Manager as well as Financial Management, Procurement, Monitoring & Evaluation, Environmental Safeguards, Social Safeguards and Communications specialists. Additional support and technical positions will be brought in, as needed. The PMU will be responsible for the day-to-day project activities, compliance with provisions of the Financing Agreement and SIG policies and guidelines, project administration, preparation of grant withdrawal applications and maintenance of records. Key activities will be the MIS development as well as baseline and end line surveys, the preparation and implementation of a communications strategy, a grievance redress mechanism, as well as training and workshops to upskill other MAL staff. Under this component, the project will aim for at least half of the participants in workshops, training events, seminars, and conferences to be women.
- 25. **Component 4: Contingent Emergency Response Component (CERC) (US\$0 million).** Following an eligible crisis or emergency, the Recipient may request the World Bank to reallocate project funds to support emergency response and reconstruction. This component would draw upon the uncommitted credit/grant resources from other project components to cover emergency response. A 'CERC Project Implementation Manual' (CERCPIM), acceptable to the World Bank, will be prepared by MAL for the implementation of the Contingent Emergency Response Plan, and constitute a disbursement condition for this component.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

- 26. The project’s overall Environmental and Social Risk Classification is ‘Substantial’ due to: (i) MAL’s limited capacity and track record of relying on external consultants, and (ii) the nature, characteristics, and typologies of the project are neither complex nor large in scale. The project does not involve investments that have a high potential for harming the environment and society. The Environmental and Social standards (ESSs) 1, 2, 3, 4, 6, 7, 8 and 10 are screened as relevant. ESSs 5 and 9 are not considered relevant.



27. The technical assistance and capacity building activities will largely contribute to positive environmental and social benefits to institutions in carrying out or overseeing activities. The project will have a sizeable capacity-building approach working with smallholder farmers through improved agriculture extension and advisory services which will lead to higher productivity and production, including equitable women representation. For instance, the project will mostly benefit the population by providing training and building the capacity of the staff in MAL (particularly the Agriculture Extension Officers and Livestock Officers). The project will develop training modules for producer organizations (PO); provide training for farmers, especially women; and facilitate private sector and NGOs link to POs and use new technology for outreach activities.
28. According to the project typologies, the potentially adverse environmental and social risks can be grouped into: (i) impacts of agricultural and smallstock production and processing and (ii) impacts of small infrastructures such as offices, storage assets, housing management assets, and productive infrastructures related to the agriculture commodity and smallstock-specific value chains.
29. Key E&S risks associated with the agriculture and livestock activities include impacts to soil, groundwater and surface water as a result of poor management of runoff from agricultural operations. There are some risks related to the management of the usage of pesticides and the operations of small slaughter slabs for smallstock (i.e., poultry and pigs), which could lead to environmental, hygiene, health, and safety issues resulting from the waste products and wastewater. While MAL has committed to applying the slaughtering hygiene, health, and safety standards required by the FAO guidelines, site-specific ESMPs might be required subject to results of the environmental and social impact screening in the ESMF during implementation.
30. Construction and rehabilitation of small-scale infrastructure will trigger environmental impacts, which are likely temporary, reversible, and manageable. Impacts in construction phase may include temporary erosion, storm water, sedimentation of water bodies, dust, pollution from inappropriate construction materials, waste disposal, and impacts to community and workers health and safety such as traffic safety issues. A key social risk is that marginalized and vulnerable social groups, including women may be unable to access services due to issues with their access to land, gender stereotypes, or perceptions regarding physical disabilities.
31. While the project impacts will be further screened during project implementation, potential environmental and social impacts associated with the project activities are expected to be site-specific, localized, and readily-managed through the Environmental Code of Practices (ECOPs) for the known-industry impacts in the agriculture and livestock sector.
32. Another concern is the travel to remote areas associated with the implementation of the project activities, including island crossings, will expose the project staff to considerable health and safety risks. MAL commits with advisory and budget support to ensure safe travel procedures can be developed, resourced and implemented for the project staff.
33. MAL has gained exposure in operationalizing the World Bank Safeguards Policies through RDP I and RDP II experience. The project can present additional challenges, including adjusting to the new requirements of the ESF approach. The lessons learned—detailed in the ESMF—from implementing the safeguards instruments under RDP I and RDPII include: (i) enhanced monitoring and reporting of environmental and social issues should be ensured as part of the project operation and (ii) consistent and persistent efforts of MAL's environmental and social focal points, environmental and social consultants, and the Bank team to continue providing hands-on support to the communities and the



province-based staff to ensure issues related to the environmental and social risk management are continuously monitored and followed up on. The transition to the ESF framework will require that project staff at all levels including provincial MAL, community, contractors and suppliers, to develop a broad understanding of the ESF approach such as the concept of proportionality and adaptive management of risks. A budget of over US\$ 915,475 is allocated in the ESMF to address environmental and social Risk Management requirements.

34. Before the project appraisal, MAL has prepared a draft Environmental and Social Commitment Plan (ESCP), which takes into account the need to ensure adequate budget, staffing and operational arrangements for the environmental and social risk management. MAL has also developed the draft labor-management Procedures (LMP) and Stakeholder Engagement Plan (SEP) for meaningful consultations with relevant stakeholders and extensive community consultation and engagement. The ESMF, LMP, ESCP, and SEP have been disclosed on 30 November 2020 through MAL's website and the World Bank's website to collect feedback provided on potential risks and impacts, and mitigation measures as part of the public consultation process. MAL conducted three stakeholder consultations on the environmental and social (E&S) instruments at the national and provincial levels, respectively on 22 January, 28 January, and 15 March 2021. The aim of these consultations was to collate feedback to improve the qualification of the applicability of the ESF instruments namely ESMF, ESCP, LMP, and its Annexes and on the SEP as an integral part of the environmental and social due diligence process. The consultative feedback such as application of the national legislation and screening potential environmental and social risks and impacts were integrated in the relevant ESF instruments.
35. The Solomon Islands (including the three target provinces) have an overwhelming majority of indigenous peoples (IPs) and consequently an Indigenous Peoples Planning Framework and sub project Indigenous Peoples Plans are not required. The ESMF and SEP require the project staff to ensure that community consultations will be facilitated and documented by the project to proactively engage with Indigenous Peoples to ensure their ownership and participation in project design.
36. The public consultations using COVID-19 sensitive approaches will take place with affected and interested stakeholders, from Honiara and the three targeted provinces. Formal feedback of the stakeholders would be used to revise the ESMF, LMP, ESCP and SEP after the public consultations were completed. The ESMF, LMP, ESCP and SEP will remain accessible following the formal consultation period with ongoing feedback recorded. The consultations will be in a form and language understandable to project-affected and other interested stakeholders. The engagement planning, disclosure of information, and meaningful consultations will need to be undertaken in a culturally appropriate, and gender and inter-generationally inclusive manner.

E. Implementation

Institutional and Implementation Arrangements

37. The Implementing Agency for the project will be MAL.
38. MAL has experience in working with the World Bank through their role in implementing Agribusiness Partnerships under RDPII. However, MAL will need substantial support to ensure sufficient resources and capacity are available for project implementation and monitoring. During project preparation,



MAL staff will be seconded into a Project Management Unit (PMU) to support project design and appraisal. Once approved, the PMU will be staffed within six (6) months after effectiveness of the project with, at a minimum: (i) a Project manager; (ii) a senior financial management specialist; (iii) a procurement specialist; (iv) a social safeguards specialist; (v) an environmental safeguards specialist; (vi) a monitoring & evaluation specialist; and, (vii) a communications specialist. During the course of the SI ART, additional staff financed by the project may be hired, notably: (i) International Advisor to support the overall project implementation, with a stronger focus on Component 2; (ii) Food Production Specialist in charge of monitoring and supervising the implementation of the sub-component 1.1; (iii) Agri-business Specialist in charge of monitoring and supervising the implementation of sub-component 1.2, (iv) Institutional Development Specialist, working alongside the International Advisor; (v) Accountant to report to and work with the FM Officer, (vi) Procurement Assistant to report to and work with Procurement Officer; (vii) Communications officer; and (viii) support staff (a Secretary and a Driver). It is expected that some of these positions will become permanent to reduce the loss of institutional knowledge and support the continuity of project activities.

39. The PMU will be the core unit responsible for the overall coordination of the project's implementation, including the day-to-day project activities, compliance with the provisions of the Financing Agreement and government policies and guidelines, project administration, preparation of grant withdrawal applications, and maintenance of records. The PMU, especially the M&E Officer will ensure the monitoring of project's activities and coordination of reports from agencies, organizations and beneficiaries that will be part of the SI ART execution.
40. A Project Steering Committee (PSC) will be set up by MAL to provide strategic and policy direction and oversight for project implementation. The PSC will be chaired by MAL and include representatives from (1) Ministry of Finance and Treasury (2) Ministry of National Planning and Development Coordination; (3) Ministry of Infrastructure Development; (4) Ministry of Health and Medical Services; (5) Ministry of Provincial Government; (6) Ministry of Education and (7) 3 Provincial Secretaries.
41. To ensure knowledge dissemination, support citizen engagement, promote the uptake of climate-smart agricultural practices, and encourage more demand for locally produced, high-quality produce, the PMU will also carry out a range of communications activities. These may include, but are not limited to, radio shows/interviews, bulk text message updates, media articles and press releases, TV documentaries and short videos, as well as social media outreach through both national and World Bank Pacific channels. These will keep the general public aware of project activities and progress, and more targeted campaigns will encourage certain behaviors such as savings group and improved nutrition.
42. **Provincial Project Team.** To coordinate project activities at the provincial and community level, a Provincial Project Team (PPT) will be set up in each project province. The PPT will also serve as interface and focal point for mainstreaming project activities with provincial authorities' development plans and investments. SI ART will not run parallel to provincial activities but will complement and coordinate with provincial activities. The PPT will comprise of a Provincial Team Leader/ Chief Field Officer (CFO), Extension Officers of catchment of POs, Young Professionals, para-vets located in smallstock POs villages. This team will be supported by Finance Management Consultants and a Monitoring and Evaluation Consultant. Apart from this provincial team, a Community Resource Person at each PO will be selected and trained. The PPT will share its office with the current MAL provincial team. To ensure project activities are fully aligned and embedded to provincial systems, MAL will sign



MOUs with each project province with the Provincial Secretary as the signatory and the person with oversight for activities in their province.

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