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Report No:

PROJECT PAPER

FOR

SMALL RETF GRANT

FROM THE EAST ASIA AND THE PACIFIC JUSTICE FOR THE POOR INITIATIVE
TRUST FUND

(US\$3.08 MILLION EQUIVALENT)

TO THE

SOLOMON ISLANDS

FOR A

COMMUNITY GOVERNANCE AND GRIEVANCE MANAGEMENT PROJECT

November 4, 2014

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CURRENCY EQUIVALENTS

(Exchange Rate Effective June 6, 2014)

Currency Unit = Solomon Islands Dollar

SI\$7.33 = US\$1

US\$1.54 = SDR1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

DA	Designated Account
CDF	Constituency Development Funds
CO	Community Officer
CPS	Country Partnership Strategy
CQS	Consultants Qualifications Selection
DFAT	Australian Department of Foreign Affairs and Trade
FM	Financial Management
GNI	Gross National Income
ICB	International Competitive Bidding
IFR	Interim Financial Report
JDL	Justice Delivered Locally
LCS	Least-Cost Selection
MP	Member of Parliament
MPA	Member of Provincial Assembly
MPGIS	Ministry of Provincial Government and Institutional Strengthening
M&E	Monitoring and Evaluation
NCRA	National Coalition for Reform and Advancement
NGO	Non-governmental Organization
ORAF	Operational Risk Assessment Framework
PDO	Project Development Objective
PMU	Project Management Unit
PNG	Papua New Guinea
QCBS	Quality and Cost Based Selection
QBS	Quality Based Selection
RAMSI	Regional Assistance Mission to Solomon Islands
RDP	Rural Development Program
RETF	Recipient-Executed Trust Fund
RSIPF	Royal Solomon Islands Police Force
SGBV	Sexual and gender based violence
SIG	Solomon Islands Government
SSS	Single Source Selection
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program

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SOLOMON ISLANDS
COMMUNITY GOVERNANCE AND GRIEVANCE MANAGEMENT PROJECT

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DATA SHEET

Solomon Islands

Community Governance and Grievance Management Project

Small RETF Grant Project Paper

East Asia and Pacific

LEGJR

Basic Information		
Date: September [x], 2014	Sectors: Public Administration, Law and Justice	
Country Director: Franz Drees-Gross	Themes: Judicial and other dispute resolution mechanisms; access to law and justice; conflict prevention and post-conflict reconstruction; gender.	
Practice Manager/Director: Christina Biebesheimer/ Hassane Cisse	EA Category: B	
Project ID: P147005		
Instrument: Small RETF Grant		
Team Leader(s): Deborah Isser		
Recipient: Solomon Islands		
Executing Agency: Ministry of Provincial Government and Institutional Strengthening		
Contact: Mr. Stanley D Pirione	Title: Permanent Secretary	
Telephone No.: +677 28709	Email: ps@mpgis.gov.sb	
Project Implementation Period: Start Date: November 4, 2014 End Date: December 31, 2019		
Expected Effectiveness Date: December 31, 2014		
Expected Closing Date: April 30, 2019		
Project Financing Data(US\$M)		
<input type="checkbox"/> Loan	<input checked="" type="checkbox"/> Grant	<input type="checkbox"/> Other
<input type="checkbox"/> Credit	<input type="checkbox"/> Guarantee	
For Loans/Credits/Others		
Total Project Cost :	US\$3.08 million	Total Bank Financing : US\$3.08 million
Total Cofinancing :	0	Financing Gap : 0
Financing Source	Amount(US\$M)	
BORROWER/RECIPIENT	0	
IBRD	0	
IDA: New	0	
IDA: Recommitted	0	
East Asia and the Pacific Justice for the Poor Initiative Trust Fund	3.08	
Financing Gap	0	
Total	3.08	

Expected Disbursements (in USD Million)									
Fiscal Year	14/15	15/16	16/17	17/18	18/19				
Annual	0.58	0.67	0.78	0.81	0.24				
Cumulative	0.58	1.25	2.03	2.84	3.08				
Project Development Objective(s)									
To strengthen community grievance management capabilities and enhance the effectiveness of linkages with government in targeted communities.									
Components									
Component Name						Cost (USD Millions)			
1. Revitalizing Government-Community Linkages						0.92			
2. Strengthening the Capabilities of Community Officers and Local Authorities						1.21			
3. Project Management, Evaluation and Learning						0.95			
Compliance									
Policy									
Does the project depart from the CAS in content or in other significant respects?						Yes []		No [X]	
Does the project require any exceptions from Bank policies?						Yes []		No [X]	
Have these been approved by Bank management?						Yes []		No []	
Is approval for any policy exception sought from the Board?						Yes []		No [X]	
Does the project meet the Regional criteria for readiness for implementation?						Yes [X]		No []	
Safeguard Policies Triggered by the Project						Yes	No		
Environmental Assessment OP/BP 4.01						X			
Natural Habitats OP/BP 4.04							X		
Forests OP/BP 4.36							X		
Pest Management OP 4.09							X		
Physical Cultural Resources OP/BP 4.11							X		
Indigenous Peoples OP/BP 4.10						X			
Involuntary Resettlement OP/BP 4.12						X			
Safety of Dams OP/BP 4.37							X		
Projects on International Waters OP/BP 7.50							X		
Projects in Disputed Areas OP/BP 7.60							X		
Legal Covenants									
Name			Recurrent	Due Date			Frequency		
The Project Operational Manual containing detailed guidelines and procedures for the implementation of the Project have been prepared, under terms of reference satisfactory to the World Bank, and adopted.				Not later than 120 days after effectiveness					
Description of Covenant									

Team Composition					
Bank Staff					
Name	Title	Specialization	Unit	UPI	
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Ann McLean	STC – Social Safeguards		Wellington, New Zealand		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Solomon Islands	Province	Makira-Ulawa	X		
Solomon Islands	Province	Renbel	X		

*Replaced Daniel Evans as Task Team Leader on 28 July 2014

I. STRATEGIC CONTEXT

A. Introduction

I

1. This Project Paper seeks the approval of the Country Director for a Small Recipient-Executed Trust Fund Grant for US\$3.08 million in support of the proposed Community Governance and Grievance Management Project. The proposed project, comprising three project components, aims to strengthen community grievance management capabilities and enhance the effectiveness of linkages with government in targeted communities. Specifically, the project will support participating provincial governments to fulfill key responsibilities associated with the selection, contracting, coordination, reporting, performance management and supervision of Community Officers (COs). COs will be men and women with knowledge of local custom and law who enjoy the confidence of all sectors of their communities. They will be recruited by participating provincial governments in selected communities and tasked with supporting local authorities to mediate and resolve disputes or grievances, liaise with provincial authorities and the police, and support the sharing of information between communities and national and provincial government. The project will initially begin in two provinces and will be extended to a further two provinces at mid-term. The project will also support the Ministry of Provincial Government and Institutional Strengthening (MPGIS) to coordinate project plans and manage project funds.

B. Country Context

C

2. **While there has been substantial economic and political progress in Solomon Islands since 1998, the underlying causes of the civil conflict remain largely unaddressed.** A decade after the initial deployment of the 15 nation Regional Assistance Mission to Solomon Islands (RAMSI), basic security and core state institutions have been restored, several mostly peaceful political transitions have occurred, and Gross National Income (GNI) per capita has risen from US\$1,740 in 2002 to US\$2,170 in 2013.¹ However, the underlying causes of civil conflict between 1998 and 2003 remain largely unaddressed and in some instances are becoming more pronounced. Income per capita remains below 1998 levels, a viable model for service delivery and political representation remains elusive and there are marked geographic disparities in access to security, livelihoods and services. Future sources of growth are likely to concentrate in the capital, Honiara, or around natural resource enclaves and thus compound grievances about unequal livelihood prospects. While revenues from logging, the mainstay of the economy since the 1990s, are projected to flatten off, prospective investments in mining will likely outstrip the regulatory capacity of public authorities.

3. **There is a widespread perception that since independence in 1978 the state has been steadily ‘retreating’ from rural Solomon Islands.**² With the suspension of the lowest level of

¹ World Bank, World Development Indicators, 2013.

² See Allen et al. 2013. *Justice Delivered Locally: Systems, Challenges and Innovations in Solomon Islands*, The World Bank, Washington DC, available at <http://www.worldbank.org/justiceforthe poor>; and Braithwaite, J., Dinnen, S., Allen M., Braithwaite, V. and Charlesworth, H. 2010. *Pillars and Shadows: Statebuilding as peacebuilding in Solomon Islands*, ANU epress, available at <http://epress.anu.edu.au?p=76041>

government, Area Councils, in 1998, governance arrangements that provided a modicum of political representation, administrative presence and adjudication of disputes below the provincial level have been withdrawn. The country's archipelagic nature, dispersed settlement pattern and low population density make communication costly and time consuming—and thus neither regular nor reliable. Although this is changing with the expansion of mobile phone coverage, this does not alleviate the challenges posed by geography on the state's ability to project its authority and services. The structures of colonial authority that are remembered with some nostalgia—the courts, police and local-level institutions that provided some degree of representation and administrative outreach—are no longer present in rural areas. Nor have local authorities (of a chiefly, religious and customary nature) in many places been able to adequately substitute. Reliable surveys of attitudes to public authorities³—whether of state, chieftainship, custom or religion—indicate that while the situation is variable across the country, many people feel these are 'broken', perhaps irredeemably.

4. Moreover, a political reordering is occurring in Solomon Islands, which is changing the ways that state authority is being projected at the local level. Under the guise of 'decentralization', this has favored the central political executive while at the same time increased the political salience of the forty-seven predominantly rural parliamentary constituencies. Sub-national government, comprised of nine provincial governments, suffers from chronic fiscal and administrative weaknesses and its mandate is contested by central government politicians who collectively control a growing share of public wealth through discretionary Constituency Development Funds (CDFs).⁴ Although the central government retains responsibility for service delivery, the provision of health, education, justice and policing services are heavily augmented by aid flows and technical assistance and it has proven difficult to positively impact on the political accountability of elected leaders for these and other core government functions.

5. A substantial reallocation from central administrative budgets to CDFs has occurred over the last three years. This accords with government policy to decentralize economic development, arrest urban growth and distribute the rents and returns from development to people more directly. It is increasingly welded to popular norms (e.g. the need for direct links between 'the village' and the center, and familiar 'big man' leadership) and has largely garnered bipartisan support in parliament and across generations of politicians. Competition around access to these and other forms of development funding are potential sites of conflict.

³ See Allen et al. 2013. Loc. Cit. For a discussion of public attitudes towards the police, see the RAMSI-Solomon Islands Government *People's Surveys* for the years 2010 to 2013 (ANU Enterprise, Canberra). For an analysis of focus group discussions on the declining "power" of churches, see *People's Survey 2010* (ANU Enterprise Canberra, 146). For an analysis on public opinion on the behavior of "senior people" at the community-level see the *People's Survey* for 2007 and 2008 (ANU Enterprise, Canberra).

⁴ By 2012, CDFs accounted for approximately SBD 261m (including China, Taiwan contributions). This figure compares with SBD 44.7m for Provincial Service Grants, and the total SIG outlay on primary education (salaries, fixed costs and discretionary) of SBD 187.6m. (*Sources*: SIG Budget Estimates 2012; Province Budget Estimates 2012; World Bank (2013) MEHRD Expenditure analysis (mimeo), Box 1, p.13.)

ectoral and Institutional Context

6. **Bank analytical work has documented the stresses arising from economic transformation and political reordering** and how these are outstripping the capacity of public and community institutions to handle grievances and disputes, and the impact this has on economic development, welfare and social cohesion across the country.⁵ As expressed by rural Solomon Islanders, who account for around 80 percent of the country's population, these grievances and disputes relate to, or are generated by, three kinds of problems:

(a) ***Land and natural resource transactions.*** Transactions involving land and the commodification of natural forests are the most significant predictor of community cohesion and disharmony. Community expectations at the time the deal is negotiated often bear little or no relation to what happens subsequently. This is not simply due to a lack of information about the environmental, social and other consequences of exploiting community assets—that is, factors that might be remedied by information, procedural advice or legal aid. More significantly, it is due to the fact that local leaders—predominantly chiefs and relatively educated men—actively collude with investors and government officials to blur accountabilities, so as to create socially exclusive compacts. In addition, the difficulty of ensuring adequate monitoring of compliance with the terms of the deal, instituting reviews or amendments increases perceptions of injustice. Recent analytic work predicts that an anticipated upsurge in mining will intensify contestation about how benefits and costs are distributed, and similarly threaten the viability of this source of future economic growth.⁶

(b) ***Social order problems.*** Disputes around accessing and spending royalties, rents or access fees feed directly into rising social order problems, which include: the increasing prevalence of drugs and alcohol in communities and the frequent violence accompanying their use; the disintegration of long-standing norms about marriage and obligations between men and women, particularly adultery and domestic violence; and the changing relationships between youth and elders. While this is a consequence of globalization and rapid rural change everywhere, in Solomon Islands the pace of social disintegration is amplified when chiefs and local leaders are compromised by their engagements in drugs and alcohol and land and natural resource transactions.⁷ Though unresolved disputes are socially corrosive everywhere, most toxic are those that leave people feeling that time-honored *kastom* institutions responsible for social order deserve less trust and respect.

(c) ***Competition for development spending.*** Grievances and disputes arise in response to perceived geographic inequalities and as a consequence of the multiple ad

⁵ See Allen et al. 2013. Loc. Cit.; World Bank 2010. *Solomon Islands Growth Prospects: Constraints and Policy Priorities*, October. Washington DC.

⁶ Porter et al 2014. Learning from Logging: toward equitable mining in Solomon Islands, J4P Briefing Note. The World Bank, Washington DC.

⁷ See, Filer, C. 1990. “The Bougainville Rebellion-The Mining Industry and the Process of Social Disintegration in Papua New Guinea”, *Canberra Anthropology* 13(1):1-39, and Allen et al. 2013. Loc. Cit.

hoc mechanisms through which public resources, including aid, are spent. Analytic work by the Bank and UNCDF has revealed that access to services and opportunity is indeed highly uneven across the country, within islands, and even within Honiara, where many go precisely because things seem better there. As the gap between service standards and expectations has further outstripped the performance of mainstream line ministries, national politicians, donors and NGOs have created arrangements to direct and spend funds in parallel to the core government machinery for service delivery. The combined effects of unrealized expectations and fragmentation of spending instruments—ranging from rapidly growing CDFs to aid-funded projects—has greatly intensified ongoing disputation in ways that severely hamper development effectiveness and heighten conflict.⁸

7. There is widespread dissatisfaction with the ability of local authorities or government agencies to provide fair, timely or enforceable resolution of disputes. Local authorities (including chiefs, a variety of village committees, church leaders and church/chiefly collectives) and government agencies (including line ministries responsible for regulating economic transactions, development spending, and the courts and police) are, in many instances, failing to address these disputes and this is undermining their legitimacy. Most citizens want to see the capability and legitimacy of government and local authorities reasserted, in conjunction with more effective linkages between them, providing the primary venues through which disputes can be handled.

8. While these problems manifest at the community level, it is a mistake to see these simply as ‘local’ disputes. This is most evident in respect of land and natural resource conflicts and competition around aid and public spending where local actors are competing to control linkages with external actors (investors, donor representatives and political leaders) and opportunities including discretion over spending, loyalties and networks, or jobs and livelihoods. However, the entanglement of local leaders, particularly chiefs, in these fractious disputes has diminished their credibility and thus their effectiveness in resolving local disputes.

9. While there exists a common system of political representation at national and province levels, the institutional context varies considerably across Solomon Islands. Fifty national Members of Parliament (MPs) are elected from single-member constituencies, and 172 Members of Provincial Assemblies (MPAs) each representing a single ward at the provincial level provide political representation. MPGIS is primarily responsible for administering the *Provincial Government Act 1997*. But nation-wide there is a disconnect between local and state authorities, a high degree of fragmentation and an extraordinary degree of gender bias. Thus, there is substantial variation among communities, islands and provinces in how social contests around disputes are handled. In locations close to provincial capitals, government officials, the police and the courts may play a greater role—although despite some nostalgia about how these institutions functioned during the colonial period, it cannot be said that citizens have confidence in the police or that the courts are relevant in everyday dispute resolution. In several provinces there exists a range of specific arrangements that interweave chiefly, *kastom*, administrative and religious sources of legitimacy. Interventions in this space need to take into account this

⁸ See World Bank 2010. *Solomon Islands Growth Prospects: Constraints and Policy Priorities*, October. The World Bank, Washington DC.

variation and need to be adapted to the local context in order to integrate with specific local governance arrangements.

10. It is against this backdrop that COs were introduced by the Royal Solomon Islands Police Force (RSIPF) in around 20 communities across the country in late 2009. The ‘Community Officer Pilot’ involved the selection and appointment of individual male community members, typically of some standing, to act in a quasi-policing role, working closely with local authorities in support of their dispute management role and acting as a link with local police. The pilot, evaluated by the Bank in 2012, has since ceased functioning owing to a number of issues, including a change of senior police staff and a lack of long-term commitment to the initiative. The project builds on the lessons of the earlier police-led efforts. It is envisaged that disputes around the three sets of problems detailed above comprise the potential scope of engagement by COs, although their greatest potential influence will entail addressing issues that have origins at the local level, such as the growing social problems that many communities are facing.

D.

Higher Level Objectives to which the Project Contributes

H

11. The project is aligned to both the Government’s national strategy and to the Bank’s Country Partnership Strategy (CPS) with Solomon Islands. Policy documents of the current government are the latest in a long line of commitments that reiterate a desire to revive or create new forms of political, judicial and administrative arrangements and to redistribute powers between national, provincial and local levels. The Solomon Islands’ National Development Strategy 2011-2020 and the National Coalition for Reform and Advancement Government: Policy Statement (2010) include government policies which the project contributes to, including efforts to:

- (a) promote and encourage community policing and where appropriate fully utilize chiefs and community leaders;
- (b) strengthen traditional leadership and church governance systems by recognizing and providing support for the three pillars of traditional leaders, church and provincial governments;
- (c) enhance the knowledge of chiefs and leaders on the principles of good governance (transparency and accountability); and
- (d) develop and strengthen provincial stakeholders’ participation and consultations in governance.

12. The project, and the broader analytical work which directly informs it, is discussed at some length in the Solomon Islands’ CPS (FY 2013-2017). A defined outcome of the CPS is supporting government in relation to the implementation and execution of the project with the milestone being the establishment of COs in four provinces during the life of the CPS.⁹ The project is strategically aligned with the broad pillars of engagement outlined in the CPS

⁹ World Bank, 2013. *Country Partnership Strategy for Solomon Islands for the period FY2013 – 2017*, “Outcome 12: Government support for establishment of functioning local justice mechanism”, pp. 24-25. See also ‘Solomon Islands Results Matrix’, p. 38.

(strengthening service provision and economic resilience) as well as the cross-cutting areas (embedding institutional resilience and addressing gender inequalities).

II. PROJECT DEVELOPMENT OBJECTIVES

A. DO

P

13. The Project Development Objective (PDO) is to strengthen community grievance management capabilities and enhance the effectiveness of linkages with government in targeted communities.

Project Beneficiaries

14. **The primary beneficiaries of the project will be citizens in select host communities.** In the first two years of implementation, the project will support approximately 20 selected communities in Makira Ulawa and Renbel provinces, covering an estimated population of 3,800 people. In the third and fourth years of project implementation, additional communities in a further two provinces will be added bringing the anticipated number of targeted communities to 80 covering an estimated population of 15,200.

15. **It is intended that COs will benefit citizens by:** (a) contributing to increased community cohesion and stability; (b) providing increased awareness around national and provincial government policies, programs and activities; and (c) acting as a means by which to connect citizens with provincial and national agencies, including the police. In relation to the latter, the project will support regular community visits by a number of provincial actors, including police, to enable direct interaction between community members and government officials.

16. **COs will work with existing community governance structures, in particular chiefs and other local leaders.** This will include helping local authorities to manage those grievances that undermine community security, development and social cohesion. It is envisaged that COs will assist in providing advice to local actors, facilitating the appropriate forum in which matters can be dealt with, explaining decision-making processes to parties and following-up on decisions made. Through supporting existing governance structures, COs have the potential to enhance the effectiveness and legitimacy of these individuals and groups. Importantly, having received substantial training, COs will be in a position to educate others, including chiefs, on topics such as sexual and gender-based violence, the laws of Solomon Islands and legal procedures and approaches to mediation.

17. **Secondary project beneficiaries will be the national and provincial governments, including a number of national agencies, such as the police.** The project will work at both levels to build capacity through a variety of activities related to the selection, management and oversight of COs. The project will invest heavily in supervision and on-the-job training for COs. The project will also provide support through one-on-one mentoring of public officials, training and the provision of basic equipment necessary to assist with the implementation of the project. This will provide a unique opportunity for a variety of provincial officials, including police, to benefit from a regular and predictable schedule of community visits.

PDO Level Results Indicators

18. Achievement of the PDO will be assessed through the following indicators (for further details see the Results Framework in Annex 1):

(a) Number of direct project beneficiaries in areas targeted under the project, of which 50 percent are female.

(b) Beneficiaries who experience improvements in: (i) accessibility, and (ii) effectiveness of community grievance management mechanisms (percentage).

(c) Beneficiaries who perceive improvements in linkages with government (percentage).¹⁰

III. PROJECT DESCRIPTION

19. **Coverage and phasing.** The project will initially begin in two provinces and will be extended to a further two provinces as indicated in Table 1 below. The additional two provinces will be selected by MPGIS, in consultation with the Bank, based on criteria including both willingness to participate and provincial commitment to the remuneration and management of COs. Within each province, it is anticipated that ten communities will be selected in the first year of participation and an additional ten communities will be selected in the second year. COs will be selected and engaged by participating provincial governments with project assistance. While there will not be a quota for equal representation of male and female COs, participating provincial governments will be supported by the project to actively recruit female COs and to ensure that issues of importance to women are elicited during project activities. Communities will be selected by participating provincial governments based on factors including accessibility, willingness to host COs, existing community institutions with which the CO would work and population coverage.

Table 1: Intended Coverage and Phasing

Financial year	2014/15	2015/16	2016/17	2017/18	Total
Participating provinces	2	2	4	4	4
Community Officers	20	40	60	80	80

A. Project Components

20. The components of the project are as follows (for further details see Annex 2: ‘Detailed Project Description’).

¹⁰ Further data will be collected through the project’s monitoring and evaluation system including beneficiary surveys, as well as through the Bank-executed Evaluation and Learning Technical Assistance detailed in Annex 4.

Component 1: Revitalizing Government-Community Linkages (US\$0.92 million)

21. The objective of this component is to revitalize linkages between government and target communities. Both national and provincial governments regard COs to be a valuable mechanism to strengthen their outreach and extension activities. Necessarily, given the role of the COs, this will be achieved primarily through working with relevant provincial departments, but linkages will also be fostered with central government agencies responsible for policing, land and natural resources and local development financing. This component will provide support to participating provincial governments to fulfill key responsibilities associated with the selection, contracting, remuneration, coordination, reporting, performance management and supervision of COs. Specifically, the component will finance: (a) the development of communications materials (e.g. pamphlets and posters) to raise awareness in selected communities about the roles of COs; (b) training and workshops in selected communities attended by relevant government officials to facilitate the selection of COs, agree with communities on their detailed roles and responsibilities and ensure regular on-the-job supervision and mentoring of COs; and (c) office and communications equipment together with the requisite operating costs to support the provincial department tasked with the coordination and management of COs.

22. A key feature of this component will be a facilitated process, led by participating provincial governments, to engage with communities in order to reach a common understanding around how COs' work will be tailored to the local context and how they will interact with relevant community institutions and actors and with government authorities. Through this process, it is expected that provincial government staff, assisted by the project, will work with communities to assess the most significant problems facing communities (including the nature of disputes and gender-specific issues) and how well existing grievance management mechanisms are responding to these issues. The team would work to facilitate agreements on how COs operate within their host community, i.e. who they will interact with locally, what disputes and grievances they will focus on, how they will be expected to behave and what kinds of accountability, locally and with government, will be defined, so as to tailor the COs' activities to the local context. As part of this process, province government staff, assisted by the project, will collect baseline data on the use of and satisfaction with existing community grievance management mechanisms as well as satisfaction with current government-community linkages.

23. This facilitated process of engagement with communities will expressly elicit issues of most concern to women. This will be achieved by including a woman in the facilitation team, clearly raising the merits of selecting a female CO, holding gender-segregated discussions, and training the team in how to elicit, discuss and address concerns of women, particularly family violence.

24. This component would also support the provinces to raise public awareness of the roles and responsibilities of COs in the context of existing community governance arrangements so as to ensure that COs, local interlocutors and provinces are held accountable for their actions, including mechanisms for community feedback and grievance redress. Under this component, the relevant provincial department will be provided with the necessary office and communication equipment to enable them to effectively carry out their roles.

Component 2: Strengthening the Capabilities of Community Officers and Local Authorities (US\$1.21 million)

25. The objective of this component is to ensure that COs and the local actors with whom they interact are adequately equipped with the knowledge, skills and tools to perform their agreed roles. Specifically, this component will finance: (a) equipment, uniforms and stationary for COs; (b) the development and delivery of training for COs; and (c) cross-provincial learning events.

26. The project will employ a learning-by-doing approach through the provision of short-term training and on-the-job mentoring to ensure the relevance and impact of capacity development investments. This will be planned and implemented by MPGIS in collaboration with provincial governments. A standard training package will be prepared and delivered principally through regular support and supervision visits to host communities involving a number of provincial and central government officials. In addition, group training events will take place in provincial capitals involving all COs within the province. Particular attention will be paid to training on gender issues and managing cases of sexual and gender based violence. Certain training activities may be extended to include relevant provincial government staff, civil society including local actors (e.g. chiefs and leaders) and local representative bodies that exist in some provinces such as Ward Development Committees and Councils of Chiefs.

27. The project will support the sharing of lessons learnt across provinces (and potentially with neighboring countries, e.g. Bougainville/PNG), for example by cross-provincial visits and joint review activities. Job-related equipment (e.g. uniforms, mobile phones/two-way radios, office supplies) will be provided to COs to enable them to effectively undertake their roles and apply the skills promoted under the project.

Component 3: Project Management, Evaluation and Learning (US\$0.95 million)

28. The objective of this component is to provide support to MPGIS to effectively implement the project, to ensure that it is carried out in accordance with government and Bank processes and guidelines and contributes evidence-based policy guidance to government. MPGIS will be responsible for the overall coordination of the project with national and provincial stakeholders and the management of project activities, including technical, financial, procurement, social and environmental safeguards, monitoring and evaluation, communications, and grievance redress. This component will finance: (a) the establishment of a (PMU) within MPGIS including the recruitment of consultants, the procurement of the requisite equipment and the payment of operating costs including provincial travel; (b) the mid-term review and the sustainability assessment including the engagement of consultants to undertake the review and requisite assessments; (c) a series of province-level activities to reach and document agreements around how the project will operate in provinces being added to the project; (d) consulting services to establish a Project Monitoring System and to undertake two beneficiary surveys (at mid-term and completion); (e) consultancy services for annual project audits; and (f) periodic workshops and seminars to support the exchange of project learning and policy dialogue across national and province government and local authorities.

B. Project Financing

Instrument

29. **The project is designed as an investment Project Financing operation following the small recipient-executed trust funded grant procedures.** The project will be funded by the East Asia and the Pacific Justice for the Poor Initiative Trust Fund (TF071124) with financing from the Australian Department of Foreign Affairs and Trade (DFAT).

30. **Project finances will be managed centrally through the PMU.** No project funds will be transferred to participating provincial governments. The project will fund activities such as travel and training at the provincial level but MPGIS remains accountable for project funds. All procurement will be done centrally by the PMU.

Project Cost and Financing

Project Components	Project cost	Grant Financing	% Financing
1. Revitalizing Government-Community Linkages	915,643		
2. Strengthening the Capabilities of Community Officers and Local Authorities	1,208,980		
3. Project Management, Evaluation and Learning	950,857		
Total Baseline Costs			
Physical contingencies			
Price contingencies			
Total Project Costs	3,075,479		
Interest During Implementation			
Front-End Fees			
Total Financing Required			

C. Lessons Learned and Reflected in the Project Design

31. **The project design is directly informed by various pieces of analytical work undertaken with Bank assistance.** Past analytics have included a focus on local level justice and governance related issues.¹¹

32. **Numerous lessons learnt from the police-led CO pilot have been incorporated into the project design.** These include the imperatives for: (a) ensuring that COs are embedded within government systems, including clear and direct lines of reporting and supervision; (b) adequately remunerating COs and providing them with various resources to assist them in fulfilling their roles; (c) ensuring community participation in the selection of COs and that communities are made aware of COs' roles and responsibilities; (d) benefits of appointment of female COs; (e) ensuring regular contact with COs by government officials including the police; and (f) instigating a context-relevant training program to be delivered in participating provinces. The Bank-led evaluation also made recommendations concerning the incremental rollout of future efforts on a province-by-province basis which have been reflected in the project design.

¹¹ See, Dinnen, S, and N. Haley. 2012. "Evaluation of the Community Officers Project in Solomon Islands", Justice for the Poor Research Report, The World Bank, Washington DC; Allen et al. 2013. Loc. Cit.

33. Research undertaken under the Justice Delivered Locally (JDL) project documents the state of local level justice service delivery across rural Solomon Islands. One of the underlying findings—a desire on behalf of citizens for improved responsiveness from state justice and governance mechanisms—directly underpins the rationale of the project. The JDL research found that rural people most frequently called upon local non-state systems, such as chiefs and church leaders, to deal with disputes and grievances. However, it found that these systems were fragile in many locations and were not dealing effectively with various disputes. The research also registered a strong desire on behalf of chiefs and others for external assistance, including training and awareness. The project design responds to these twin imperatives by: seeking to support local governance systems by connecting them with the state via regular, scheduled visits; providing chiefs and other leaders with relevant knowledge, both through direct involvement in training and COs imparting learnt knowledge; and equipping COs with relevant skills that will enable them to work effectively hand-in-hand with local governance actors.

34. State connection is important. A key finding of both the CO evaluation and the broader JDL research was that in many areas, a connection with the state system, however tenuous, was viewed as likely to induce a higher level of deterrence among would-be trouble makers and contribute to a perception of increased community safety and harmony. However, the CO evaluation found that instead of having COs operate under the auspices of the police as occurred under the police-led pilot, there was a desire to connect COs more closely with government, particularly provincial government. This was in recognition of the broader ‘linkages’ role that COs will play. Similarly, and given the dysfunction of rural local-level courts, there was little appetite, or, indeed, possibility, of connecting COs with this institution. The project will further capitalize on the ‘shadow of the law’ phenomena by ensuring a program of scheduled visits to host communities which will include a variety of government officials, including police.

35. Lessons from other Bank financed and donor projects in Solomon Islands have been incorporated in project design. The Bank financed Rural Development Program (RDP), also working at the provincial level, has demonstrated the necessity for: (a) creating sustainability by embedding institutional arrangements in government systems; (b) providing hands on implementation support to address weak government capacity; (c) establishing clear and simple project procedures; (d) carefully phasing the project roll-out, both at the provincial level and within provinces; (e) taking into consideration the costs involved in undertaking project activities in geographically dispersed and often remote locations; and (f) establishing a contextually relevant feedback and grievance redress mechanism. Additionally, several evaluations of other donor supported engagements¹² underscore the need to: (a) avoid idealized remedies or standardized packages; (b) ensure that interventions are modest in scale and expectation; (c) pay particular attention to the politics of sustainability as much as to its fiscal aspects; and (d) ensure an adaptive, iterative learning approach to project implementation.¹³ The Provincial Government

¹² See, for example, Cox, M., E. Duituturaga, & E. Scheye. 2012. *Solomon Islands Case Study: Evaluation of Australian Law and Justice Assistance*, AusAID, Office of Development Effectiveness. Canberra.

¹³ Andrews, M. 2013. *The Limits of Institutional Reform in Development: Changing Rules for Realistic Solutions*. Cambridge: Cambridge University Press.

Strengthening Program of the UNDP/UNCDF, implemented by MPGIS, has provided valuable lessons around financial management and administrative capacity at the provincial level.¹⁴

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

I

36. MPGIS will be the implementing agency responsible for the overall coordination and implementation of the project. The Permanent Secretary of MPGIS will be the overall Project Director. MPGIS responsibilities will include: planning, coordination and implementation of project activities; monitoring and evaluation of project results; procurement of goods and services; financial management and reporting; intra-governmental coordination and policy dialogue; and ensuring that Bank guidelines on social and environmental safeguards are adhered to.

37. Given the staffing and capacity constraints in MPGIS, a PMU will be established within the Governance Division. The PMU will provide support to MPGIS in core project management and fiduciary functions, primarily financial management, procurement, environmental and social safeguards management, and monitoring and evaluation. The PMU will be staffed by a full-time Project Coordinator, a Finance Officer and a Community Outreach and Training Specialist contracted by the project. Other specialized technical assistance will be engaged on a short-term basis as required (e.g. Monitoring and Evaluation Specialist, Procurement Officer, Training Curriculum Specialist). PMU staff will draft and implement project plans in coordination with participating provincial governments, and manage project resources. Additionally, the Bank will assist MPGIS in meeting its fiduciary requirements, including training staff in Bank fiduciary guidelines, and will support MPGIS through a Bank-executed program of impact evaluation and empirical research to support continued dialogue on policy issues.

38. Agreements will be signed between MPGIS and participating provincial governments setting out responsibilities for project implementation and support. Participation Agreements will specify the responsibilities of participating provincial governments including: customizing job descriptions for COs; recruiting COs in collaboration with host communities; budgeting for and paying CO salaries or allowances; reviewing and consolidating reports received from COs; organizing and undertaking periodic supervision and training visits; organizing and facilitating provincial-level training activities; monitoring the performance of individual COs and providing support as required to improve their effectiveness; reporting on CO performance to the Provincial Secretary; and overseeing the project feedback and grievance redress mechanism at the provincial level. In relation to the first two provinces, the Community Governance and Social Services Division of Makira Ulawa province and the Office of the Provincial Secretary in Renbel province, will support the implementation of the project at the provincial level. Within each province, a Provincial Coordinator will act as the primary point of contact between the provincial government and the PMU in MPGIS, liaising closely with PMU

¹⁴ These findings are contained in annual unpublished PGSP assessments of each province.

staff. In many instances the above responsibilities will be carried out in conjunction with the PMU.

39. Formally, COs will be answerable to Provincial Secretaries who will make decisions in relation to their engagement, discipline, dismissal and renewal of contract, and will be responsible for facilitating linkages with other provincial departments. Given that host communities will play a role in determining the scope of COs' responsibilities at the community-level, and the mechanisms and expectations according to which COs will be expected to perform, it is envisaged that Provincial Secretaries will seek advice from local authorities and the police when exercising these responsibilities.

40. Other national agencies and departments will also contribute to the project. MPGIS will convene and chair a Project Steering Committee which will be responsible for higher-level coordination and policy dialogue arising from project implementation experience. The Project Steering Committee will comprise the Permanent Secretaries of relevant line ministries involved in the project—Police; Justice; Home Affairs; Women, Youth, Children and Family Affairs; National Unity, Reconciliation and Peace; Finance and Treasury and Development, Planning and Aid Coordination. These ministries will also represent relevant civil society organizations. Additional members may be invited as the project progresses. This group will meet at least annually to review progress and make recommendations for reform and for policy changes required to improve project sustainability. Given the important role of RSIPF at the provincial level, a memorandum of understanding will be agreed by MPGIS and RSIPF outlining RSIPF engagement in project activities.

B.
Results Monitoring and Evaluation

R

41. A Project Monitoring and Evaluation System will be established by the PMU during the first year of implementation, with the assistance of a short-term Monitoring and Evaluation Specialist contracted by the project under Component 3. Data on activities and outputs will be provided in regular reports prepared and submitted to the PMU by each of the Provincial Coordinators, who will be responsible for reviewing and consolidating reports received from individual COs. Provincial Coordinators will be responsible for consolidation, review, monitoring and evaluation at the provincial level. The Project Monitoring and Evaluation System will provide data to assess progress on indicators in the project's Results Framework. In addition, the project will finance two surveys of beneficiaries (using an appropriate sampling methodology) at mid-term and project completion to assess PDO level results as well as an in depth evaluation or implementation progress to inform the project's mid-term review. In addition, a Bank-executed monitoring and evaluation mechanism will enable in-depth empirical understanding of the impact of the project on community-level disputes, conflicts and social cohesion. Further details are provided in Annex 4.

C.
Sustainability

S

42. It is envisaged that the project is the first of a series of engagements in support of the PDO—it is unrealistic to expect that the efficacy of COs, nor the enabling environment

they require, will be sustainably demonstrated in the four years of the project. The longer term sustainability of COs and the performance of associated national and provincial agencies and local authorities will hinge on demonstrating that the project interventions add value through empirical research and reliable surveys of community perceptions. In turn, this will require: (a) successful adaptation of project modalities to features of the geographic and social context; (b) responsiveness of COs to the priorities of provincial and local authorities; (c) a robust evaluation of CO performance; and (d) communication of project progress and results to communities, and different levels and agencies of government.

43. The project design has recognized that the sustainability of CO arrangements—as with all government service delivery—will be challenged by various formidable obstacles: island geography, high transport and communication costs, and dispersed low density populations. The COs' roles and responsibilities (including their breadth, intensity and complexity) have, accordingly, been defined in light of the ongoing challenges of providing training, networking and supervision across multiple, dispersed locations. In addition, provision has been made to integrate within, and provide minimal augmentation to, existing travel circuits by provincial officials to visit communities.

44. MPAs and provincial administrators have been strong advocates of COs and of their integration within provincial systems and procedures. It is significant that provinces have agreed to fund the direct costs of COs from their own revenues. Nonetheless, it is not yet certain how the incentives facing MPAs will impact on the sustainability of COs. MPAs, emulating national MPs, frequently feel compelled to deliver quick dispersing patronage to their constituents, leading to a proliferation of project liabilities well beyond the technical and fiscal capacity of provincial governments. In the short term, this may not be conducive to ensuring COs (as a mediating and local regulatory institution, rather than a conduit for largesse) receive the political attention and, over time, fiscal outlays needed to sustain them. But MPAs and provincial administrators are embedded in networks with local authorities and constituents on the one hand, and national agencies on the other. They are not immune to constituency demands and, pending successful demonstration of the COs' efficacy during the life of the project, it is not inconceivable that MPAs will regard COs as a valuable addition, and agree to reallocate provincial budgets accordingly. Nonetheless, it is prudent to anticipate that COs will be vulnerable, as are all provincial agencies, to interruptions in vital inputs for service delivery—working equipment, supervision and monitoring visits—and to the strong incentives felt by MPAs to treat provincial institutions, staff and expenditures as mechanisms for servicing constituency and electoral interests.

45. Financial sustainability of COs will require the integration of project operating costs into the government's national and provincial budgets. Provinces rely on national grant transfers and have extremely limited fiscal space to take on new initiatives: the full costs of CO arrangements (including project costs, equipping, training and ongoing supervision and remuneration) would represent around 15-16 percent of recurrent revenue (8-10 percent of total revenue). This exceeds the existing allocations made by provinces to their Community Governance and Social Services division (or their equivalent) and would not compete successfully with other payroll obligations. While the direct costs (remuneration, training and supervision) represent a more affordable 3-4 percent of total revenue, the project will need to

assist government to consider options for migrating training and supervision to the provincial budget or, as is more likely, to the MPGIS budget and thus integrated within national-province transfers. The project, and the Bank through other engagements, will be exploring avenues to achieve this through a Bank-executed program of learning and dialogue with key stakeholders at national and provincial levels. The mid-term review will be informed by analysis of options through which fiscal sustainability may be enhanced, including through cost sharing, creation of specific purpose grants; and stable commitments by donor partners to co-finance local governance outcomes, such as have been achieved in social sector service delivery. The project’s ability to demonstrate results through its monitoring and evaluation system and communicate these results as well as learnings from the Bank’s analytic work will be important elements of efforts to promote sustainability.

46. The institutional sustainability of COs will depend on their efficacy and how this is communicated to and impacts on the incentives facing both MPAs and national MPs. The outcome cannot be predicted, but two factors are conducive. First, national and provincial elected representatives are committing unprecedented resources and attention to constituencies—the upsurge and elaboration of systems relating to CDFs for instance, is arguably the most significant reform in central, province and village relations since independence. Second, by virtue of the commitment by provinces of own source revenues to COs (to be reflected in Participation Agreements between MPGIS and participating provincial governments), and endorsement by the national Cabinet of it is conceivable that COs will avoid the fate typical of donor-supported interventions in Solomon Islands.

V. KEY RISKS AND MITIGATION MEASURES

A.

Risk Ratings Summary Table

R

	Risk Rating	Mitigation measures
Stakeholder Risk	Moderate	Cabinet discussion and endorsement of the project prior to approval together with a continuous process of consultations with provincial governments and other key stakeholders to strengthen the consensus on the rationale for the project design and phasing. Additionally, provincial governments will sign a Participation Agreement with MPGIS setting out mutual obligations during implementation including the scaling up of CO recruitment.
Implementing Agency Risk		
- Capacity	Substantial	Institutional and capacity assessments have informed the design of institutional arrangements for project implementation and coordination, and identified key capacity gaps at the central and provincial levels, such as thin financial management capacity and unreliability of staff salary payments by provincial governments. These assessments identified targeted capacity building measures including: the establishment of a PMU in MPGIS; technical assistance and support to provincial governments for the supervision and support of COs; negotiating Participation Agreements between MPGIS and participating provinces detailing respective responsibilities including the provinces’ responsibilities to pay COs; and the preparation of an Operational Manual. Additionally, the task

		team is based in the country and the region and will provide intensive implementation support.
- Governance	Low	Financial management and procurement will be undertaken by staff trained in relevant Bank rules and processes with oversight by the Permanent Secretary and a project coordinator (within the PMU). A separate project account will be established and disbursements will be done in accordance with the agreed procurement plan and operating budgets. Regular supervision missions will provide support to government in the implementation of the project. The project will also be audited in accordance with Bank requirements.
Project Risk		
- Design	Substantial	A cautious phased approach to project implementation will be taken, starting in two provinces with a reasonably enabling operating environment and selecting host communities within a manageable travel distance from provincial capitals. Appropriate chains of communication have been incorporated into project design and will feature in provincial government Participation Agreements. The project will support a regular program of supervision and support visits to targeted communities.
- Social and Environmental	Low	Though the project will have no direct physical impacts key messages of relevant Bank safeguard policies that have been triggered (OP 4.01, OP 4.10, OP 4.12) are incorporated into the design of the project. These include training and awareness of COs in relation to (i) the basic policy principles for the purposes of promoting environmental sustainability of development interventions and (ii) the economic, social and environmental risks of unmitigated involuntary resettlement. While the overwhelming majority of beneficiaries would meet some of the OP4.10 definition of Indigenous Peoples, no stand-alone Indigenous People's Plan is required. A social assessment proportional to the risks has been prepared and disclosed and its elements integrated into project design. Social risks will be managed through careful monitoring and the establishment of objective criteria for intervention/mediation which will be imparted during training and through the design and implementation of a grievance redress mechanism accessible to all groups in communities.
- Program and Donor	Low	There is a small number of donors active at the provincial and local-level, including the UNDP/UNCDF through the Provincial Government Strengthening Program, and the Bank, through the Rural Development Program. Neither of these programs engages substantially with community governance issues targeted by this project and the risk of duplication and confusion is low. Australia (through its aid program and the Australian Federal Police) is the only significant donor operational in the area of law and justice and is funding this project.
- Delivery Monitoring and Sustainability	Substantial	A strong emphasis on M&E will include engaging an M&E specialist to assist MPGIS to design a monitoring and learning system as well as the provision of ongoing mentoring and support around M&E to MPGIS staff. Provincial staff will also be trained and provided support on relevant monitoring that falls within their areas of responsibility. The project will engage a Project Coordinator who will be responsible for monitoring the implementation of the project. The project will also support learning

		and evidence based policy dialogue on critical issues relating to local governance with a deliberate focus on sustainability issues.
Overall Implementation Risk	Substantial	

B.
Overall Risk Rating Explanation

O

47. The overall risk rating is substantial. This is because of the risks posed by: (a) the weak capacity of MPGIS and provincial governments; (b) the complexity of coverage and institutional arrangements; and (c) delivery monitoring. These risks will be systematically addressed through institutional arrangements for project implementation and coordination, careful phasing of project activities, direct support through project components, intensive supervision and oversight and clear M&E mechanisms.

VI. APPRAISAL SUMMARY

47. Economic Benefits and Costs. A full economic analysis of the project is not feasible with currently available data. The project is likely to bring significant economic benefits through three main channels:

- (a) **Reduced risk of conflict.** A 2011 Bank analysis estimated the total economic costs of the 1998-2003 conflict at 134% of Gross Domestic Product (GDP) based on the total loss of economic output relative to trend that occurred during the six years of the tensions. This is a conservative estimate, as it does not include the sustained reduction in GDP levels since 2004. Reducing the risk of a return to conflict through community level grievance management and dispute resolution is therefore likely to represent a sound economic investment relative to the potential costs of leaving such grievances unaddressed.
- (b) **Reduced fiscal costs of policing.** CO and associated arrangements present a cost effective alternative to scaling up of the police provincial presence. In the absence of COs, pressure will grow for the police to bear a greater burden in addressing community level disputes and grievances, possibly requiring an up-scaled provincial presence of officers. A 2011 Bank report estimates the annual total cost of an additional police officer at around SBD178,000 per officer. This compares with costs of paying and equipping a CO of around SBD20,000 per CO. Savings from allowing COs to deal with issues that would occupy the time of more highly trained, better equipped, and more expensive police officers represent a direct fiscal saving and avoided economic cost.
- (c) **Reduced transaction costs for public and private sector activities.** Disputes over land, natural resources, and the benefits of development projects are common. Resolution of these disputes can impose substantial costs in terms of time, delayed project implementation, and higher project costs – sometimes leading to the abandonment of planned investments. Increased capacity of communities to resolve such disputes will therefore facilitate public and private sector activities with broad local economic multiplier impacts arising from increased investment and greater availability of public goods. Sufficient data is

not available to quantify these benefits at this time, but could be collected through project implementation.

48. Financial Management The financial management assessment was carried out in accordance with the “*Principles Based Financial Management Practice Manual*” issued by the Board on March 1 2010. Overall, the financial management arrangements satisfies the financial management requirement as stipulated in OP/BP 10 subject to implementation of agreed actions and mitigating measures. The mitigating measures to be implements to reduce the risks associated with the current Financial Management System are: (1) the FM requirements are to undertaken through a project management unit. (2) Employment of a dedicated project accountant if required. (3) A Financial Operations Manual which outlines the FM controls for training activities, in particular field based training and supervision.

49. Procurement. A procurement capacity and risk assessment of MPGIS has been conducted and risk mitigation measures have been proposed. The Governance Division of MPGIS is currently staffed by a Director and two staff members. The Division does not have sufficient capacity and resources to implement the proposed project, including procurement activities. Therefore, a PMU will be established within MPGIS and will be responsible for the overall coordination and implementation of the project. The PMU will include a part-time Procurement Officer. A brief summary of the procurement capacity assessment and procurement arrangements are provided in Annex 3.

50. Other Safeguards Policies Triggered. The project will have no physical impacts. As noted in the Risk Ratings Summary Table above, OP/BP4.01 on Environmental Assessment, OP/BP4.10 on Indigenous Peoples, and OP/BP 4.12 on Involuntary Resettlement have been triggered, because alongside Solomon Islands law, their principles are relevant to the issues COs are likely to encounter and the actions required to address them. These include promoting environmental sustainability of development interventions, mitigation of involuntary resettlement impacts, effective community consultation and equitable distribution of project benefits. Safeguards policy principles will inform establishment under Component 2 of objective criteria for intervention and mediation and the development of a standard training package. No other safeguards policies are triggered. Management of gender-based violence and conflict within and between family and kin are also important issues to be addressed.

Annex 1: Results Framework and Monitoring

Solomon Islands: Community Governance and Grievance Management Project

Project Development Objective (PDO): To strengthen community grievance management capabilities and enhance linkages with government in targeted communities.

PDO Level Results Indicators*	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection	Description (indicator definition etc.)
				YR 1	YR 2	YR 3	YR 4	YR 5				
Indicator One: Direct project beneficiaries (number), of which female (percentage)	<input checked="" type="checkbox"/>	Number, percentage	Nil	3800 50% F	7,600 50% F	11,400 50% F	15,200 50% F	n/a	Annually	Project Progress Reports	MPGIS	Estimate of the number of people who derive benefits from the project (i.e. access information services or advice and benefit from training and improved social order), specifying the percentage of beneficiaries that are female
Indicator Two: Beneficiaries who experience improvements in (a) accessibility and (b) effectiveness of community grievance management mechanisms (percentage)	<input type="checkbox"/>	Percentage, Percentage	Nil	n/a	(a) 60% (b) 60%	n/a	(a) 70% (b) 70%	n/a	Mid Term and Completion	Survey of beneficiaries (sampling)	MPGIS	Surveyed beneficiaries who experience improvements in the accessibility and effectiveness of community grievance management mechanisms due to the presence of COs
Indicator Three: Beneficiaries who perceive improvements in linkages with government (percentage)	<input type="checkbox"/>	Percentage	Nil	n/a	60%	n/a	70%	n/a	Mid Term and Completion	Survey of beneficiaries (sampling)	MPGIS	Surveyed beneficiaries who perceive improvements in the community's linkages with national and provincial government including information flows and support for community governance arrangements.

INTERMEDIATE RESULTS												
Intermediate Result (Component 1: Revitalizing Government-Community Linkages)												
Participating provincial governments (number)		Number	Nil	2	2	4	4	n/a	Annually	Project Progress Reports	MPGIS	Number of provincial governments that are participating in the project and that have signed Participation Agreements with MPGIS
Community Officers recruited and inducted (number)		Number	Nil	20	40	60	80	n/a	Quarterly	Project Progress Reports	MPGIS	Number of COs that have been recruited and inducted by provincial governments
Number of provincial/national public officials visiting communities facilitated by the project*		Number	Nil	160	320	320	480	n/a	Quarterly	Project Progress Reports	MPGIS	For each project facilitated visit to a community include the number of provincial/national public officials participating
Intermediate Result (Component 2: Strengthening the Capabilities of Community Officers)												
Community agreements reached (number)		Number	Nil	20	40	60	80	n/a	Quarterly	Project Progress Reports	MPGIS	Number of agreements reached with communities on the role of their CO facilitated by MPGIS
Community Officers that achieve a satisfactory rating of performance (percentage)		Percentage	Nil	50	70	70	70	n/a	Annually	Performance Appraisal Reports	MPGIS	Percentage of COs that achieve a satisfactory rating of performance by the Provincial Coordinator and communities

* Calculation basis: *for the first two provinces*, 4 visits per year per community with 2 officials accompanying in Yrs 1 and 2, and 2 visits per year per community with 2 officials accompanying in Yrs 3 and 4. *For the second two provinces*, 4 visits per year per community with 2 official accompanying in Yrs 3 and 4.

Annex 2: Detailed Project Description

Solomon Islands: Community Governance & Grievance Management Project

Detailed Description of Project Components

1. **Coverage and phasing.** The project will initially begin in two provinces and will be extended to a further two provinces as indicated in Table 2 below. The additional two provinces will be selected by MPGIS, in consultation with the Bank, based on criteria including both willingness to participate and provincial commitment to the remuneration and management of COs. Within each province, it is anticipated that ten communities will be selected in the first year of participation and an additional ten communities will be selected in the second year of participation. COs will be selected and engaged by participating provincial governments with project assistance. While there will not be a quota for equal representation of male and female COs, participating provincial governments will be supported by the project to actively recruit female COs and to ensure that issues of importance to women are elicited during project activities. Communities will be selected by participating provincial governments based on factors including accessibility, willingness to host COs, existing community institutions with which the CO would work and population coverage.

Table 2: Intended Coverage and Phasing

Financial year	2014/15	2015/16	2016/17	2017/18	Total
Participating provinces	2	2	4	4	4
Community Officers	20	40	60	80	80

Component 1: Revitalizing Government-Community Linkages (US\$0.92 million)

2. The objective of this component is to support relevant departments/administrative units of participating provincial governments to strengthen linkages and information flows between communities and provincial and national government agencies. Additionally, the project will provide support to participating provincial governments to fulfill key responsibilities associated with the recruitment, support and supervision of COs, including taking into account gender considerations. Typically, the relevant provincial department/division responsible for COs will be the 'Community Affairs' or 'Community Governance' Division/Department. In Makira Ulawa province this will be the Community Governance and Social Services Division. In Renbel province this will be the office of the Deputy Provincial Secretary.

3. In the first instance, COs will report to the head of the relevant provincial department/division. Specific roles of this department/division, to be supported under the project, around COs will include:

- customizing of a CO job description taking gender considerations into account;
- raising public awareness about the roles/responsibilities of COs;
- recruiting COs in collaboration with host communities taking gender considerations into account;

- agreeing with communities on how COs' work will be tailored to the local context;
- organizing and co-facilitating provincial training events;
- organizing and participating in regular CO supervision and mentoring visits;
- monitoring the performance of individual COs and reporting on their performance to the Provincial Secretary;
- assisting with the establishment and implementation of a feedback and grievance redress system; and
- monitoring and evaluation, including compiling and reviewing regular reports received from COs.

4. In Makira Ulawa province the Community Governance and Social Services Division is staffed by a Senior Administration Officer who is the Head of Division and responsible for community governance (a direct employee of the province) and an Administrative Officer responsible for Social Services (also a direct employee). The former will be the Provincial Coordinator, the key project focal point. The Division also has a vacant Administrative Officer post. In Renbel province the Office of the Provincial Secretary comprises two staff: the Provincial Secretary and the Deputy Provincial Secretary (both public servants employed by MPGIS). The latter will be the Provincial Coordinator. Both Makira Ulawa and Renbel provinces have the ability to undertake the roles detailed above, but will require the assistance of both the PMU and MPGIS.

Community Start-Up Activities

5. A key feature of this component will be a facilitated process, led by participating provincial governments, to engage with communities in order to assist with the CO selection process and reach a common understanding around how COs' work will be tailored to the local context and how COs will interact with relevant community institutions and actors and government authorities. Through this process, it is expected that provincial government staff, assisted by the project, will assess the most significant problems facing communities (including the nature of disputes, and gender-specific issues) and how well existing grievance management mechanisms are responding to these issues. As part of this process, provincial government staff, assisted by the project, will collect baseline data on the use of and satisfaction with existing community grievance management mechanisms as well as satisfaction with current government-community linkages.

6. Agreement would then be reached on how COs operate within their host community, i.e. who they will interact with locally, what disputes and grievances they will focus on, how they will be expected to behave and what kinds of accountability, locally and with government, would be defined, so as to tailor the COs' activities to particular contexts. Particular care will be taken to ensure management of sexual and gender based violence issues is included in this agreement. In communities with weak or non-existent community institutions, efforts will be made to identify relevant actors with whom COs, and the project, will interact. Agreements reached will be documented and publicized within the relevant community.

7. The community start-up activities will expressly elicit issues of most concern to women. This will be achieved by including a woman in the facilitation team, clearly raising the merits of

selecting a female CO, holding gender-segregated discussions, and training the facilitation team in how to elicit, discuss and address concerns of women, particularly family violence.

8. The details around this process will be fully described in the Project Operational Manual. It is envisaged that a number of host communities will be covered within a single trip.

On the Job Supervision/Mentoring

9. The project will support a regular schedule of supervision and mentoring visits to host communities. These will entail a number of provincial and national officials visiting individual COs *in situ* in order to spend time with them and their communities. These visits will occur once every two months during the first two years of implementation in each province and reduce to once every four months in the latter years. This will be undertaken in a circuit fashion using boat or car. These regular visits will provide an opportunity for COs to receive on-the-job mentoring and guidance as well as providing a routine mechanism for: (a) gathering feedback on CO performance; (b) collecting CO reports (see below) and providing immediate feedback; (c) disseminating information to COs and communities on national and provincial government programs and activities; (d) undertaking consultations with communities and gathering relevant data for provincial government programs and activities; and (e) reinforcing to community members that COs are connected with the state. The latter is particularly important in light of the lessons learnt around the ‘shadow of the law’ phenomena described above (see ‘Lessons Learned and Reflected in the Project Design’). A police officer from the provincial capital will participate in regular supervision visits allowing them to follow up on any reports of criminal behavior and allowing community members to interact directly with police.

10. Supervision and mentoring activities will have an express objective to elicit issues of most concern to women. For example, gender-segregated sessions will be held to seek feedback on CO performance.

11. A schedule of circuit visits will be organized by the PMU in conjunction with Provincial Coordinators and will be circulated to all relevant stakeholders at regular intervals, giving all parties sufficient notice of the timing of visits. Funding and resources for the trip will be the responsibility of the PMU.

12. In addition to visiting individual COs during the regular circuit, these visits will also serve as a means by which to interact with and educate other community governance actors and institutions (e.g. Ward Councils of Chiefs and Village Councils of Chiefs). It is envisaged that group training and briefing sessions will take place with these bodies during these visits. The precise community-level institutions to be included in such activities will be identified during the initial community start-up activities.

Resourcing

13. Under this component, the relevant provincial department/division/office will be provided with the necessary office and communication equipment to enable them to effectively carry out their roles and responsibilities. Such equipment is likely to include a laptop computer, a

combination printer/fax/copier and office furniture and communications equipment (the latter including a VHF two-way radio connection). Various office supplies would be sourced centrally and a modest recurrent budget for the Provincial Coordinators will be managed by the PMU. Logistical assets such as boats and vehicles will not be financed under the project. The equipment provided will enable the relevant administrative units to not only support the project, but will assist them in carrying out their broader provincial responsibilities.

Awareness & Grievance Redress Mechanism

14. A further feature of this component will be supporting MPGIS and participating provincial governments to raise public awareness around the roles and responsibilities of COs. This will involve the production of plain English written materials (principally pamphlets and posters) detailing key messages around COs' roles and responsibilities. Other forms of communication, such as radio, will be used where possible and appropriate. The project will support MPGIS, together with provincial governments, to develop and publicize a community feedback and grievance redress mechanism. To ensure that COs are held accountable for their actions, community members will be able to raise with the Provincial Coordinator or the Provincial Secretary issues related to their behavior and/or performance. The mechanism will be designed to ensure it is accessible to women.

Component 2: Strengthening Community Officers' Capabilities (US\$1.21 million)

15. The objective of this component is to ensure that COs, and the various local actors with whom they interact, are adequately equipped with the knowledge, skills and tools to perform their agreed roles. This will largely be achieved by a combination of group training activities and one-on-one, on-the-job mentoring. The latter is detailed under component 1 above.

Development of Training Materials

16. The project will support MPGIS to develop a training curriculum, resource materials and a training schedule for COs. It will be important to ensure that the curriculum and schedule of training is alert to different levels of capability, and that it is revised periodically, so as to reflect experience and incrementally build COs' knowledge, increased skills and experience.

17. Training will, *inter alia*, cover the following topics: (a) practical conflict prevention and mediation skills; (b) knowledge of Bank safeguard principles, the state legal system and the regulatory procedures relating to land and natural resource transactions; (c) the workings of government; (d) provincial ordinances and community governance arrangements; (e) the operation of ministries, CDFs, ward development grants and donor/NGO programs; (f) responding to gender and family violence; (g) participatory community facilitation skills and (h) communication, reporting and information dissemination skills with particular focus on gender. The training package will also include components aimed at community leaders with whom COs will interact.

Group Training Activities

18. Group training activities will include bi-annual provincial-level training. This will involve all COs within a given province attending a learning event at a central location, typically the relevant provincial capital. Training will be facilitated by a Community Outreach and Training Specialist engaged under the project, a staff member of MPGIS (when available) and the Provincial Coordinator. This will have the added advantage of being a de facto train-the-trainer exercise, with the latter two officers benefiting from the presence of the Community Outreach and Training Specialist. This will help to ensure that future training initiatives can be conducted without project staff assistance, contributing to the sustainability of training activities beyond the life of the project. Additionally, various guest presenters will be invited to deliver training on relevant topics such as provincially-based magistrates, police, forestry officers, church leaders and the like. Relevant provincial officials will also be invited to attend training sessions at the provincial headquarters. Topics that are likely to be covered during group training events are outlined above. It is intended that training be interactive and utilize the experience and skills of serving COs. COs will receive certification to indicate successful completion of the various training modules.

19. In addition to project organized training, the PMU will coordinate with other central and provincial actors, including donors, to link COs to relevant training activities that may be taking place at the provincial level and which can be accessed at no or minimal cost to the project. This may include training conducted by RSIPF, the Solomon Islands' Institute of Public Administration and Management, provincial administrations and various NGO or donor projects.

20. Included in training activities will be a mechanism for the sharing of lessons learnt across provinces. During the life of the project a single cross-provincial learning event will take place to enable COs to share experiences and learn lessons from one another. This will most likely coincide with the mid-year review of the project. It will also provide an opportunity for a collective of COs to provide advice and feedback on the project, feeding into the project's M&E and learning activities. In order to promote the project with non-participating provinces, a small number of executive/administration officials from those provinces will be invited to the cross-provincial learning event. This will provide them with an opportunity to learn about the project and determine its suitability for their own province. This event will include a community visit, giving officials the opportunity to hear first-hand from the primary project beneficiaries.

Equipping Community Officers

21. A further activity supported under this component will be providing various tools to enable COs to effectively carry out their role. These will be relatively small items and will include a uniform, communication equipment (either a phone and credit or a two-way radio depending on the location of the CO), stationary and a storage unit. Transport assets will not be acquired under the project. A routine report will be completed by COs using a template designed by the PMU with the assistance of a short-term Monitoring and Evaluation Specialist. The report will capture key project data, including data which will feed into the project's Results Framework.

Component 3: Project Management, Evaluation and Learning (US\$0.95 million)

22. This component will provide management support for the implementation of the project. Activities supported under this component will include:

- (a) the establishment of a PMU within MPGIS including the requisite equipment and operational budgets to facilitate PMU activities;
- (b) secretarial support for the Project Steering Committee chaired by MPGIS;
- (c) a mid-term review including the contracting of consulting services for an in depth assessment of implementation progress and sustainability;
- (d) holding provincial start-up activities to prepare for the addition of further provinces in year three;
- (e) the establishment of a Project Monitoring System and the contracting of consultants to undertake two beneficiary surveys (at mid-term and completion) to assess PDO level results while also enabling communities to be engaged in the monitoring and evaluation of the project; and
- (f) an independent external audit of the project's accounts, conducted annually and at project completion, which meets the requirements of the Bank.

PMU

23. The PMU will provide support to MPGIS in core project management and fiduciary functions, primarily financial management, procurement, environmental and social safeguards management, and monitoring and evaluation. Project finances will be managed centrally through the PMU. The PMU will act as a secretariat for the Project Steering Committee. This component will also include the equipment and operating costs associated with running the PMU. Details on implementation arrangements follow in Annex 3.

Mid-term Review

24. The mid-term review to assess implementation progress will be held at the end of the second year of implementation. It will be managed by the PMU and implemented by consultants. One focus of the mid-term review will be sustainability. To coincide with, and feed into, the mid-term review a sustainability assessment workshop will be conducted in Honiara with key project stakeholders. This will examine factors bearing on sustainability, including: a) government ownership and leadership (both national and provincial); b) government investment (e.g. line ministry co-financing through agency agreements); c) MPA and/or MP political commitment; d) the phasing of the transition of project responsibilities to mainstream government systems, and; e) likely investments which may need to remain subject to external support following the initial project phase, so as to support the up-scaling of initiatives and arrangements that have proven to be effective. The workshop will be informed by analytic work conducted by the Bank on topics such as the actual cost of policies adopted by the first two provinces and financing options to sustain effective reforms following the completion of the project. Outcomes of this workshop and further information relevant to sustainability will be incorporated into the mid-term review report and provided to the Project Steering Committee so as to feed into policy dialogue and reflect them in the last two years of the project.

Provincial Start-up Activities

25. Prior to the addition of further provinces (currently scheduled to occur from year three), a series of provincial-level activities will reach and document agreements to ensure that project activities are fully consonant with existing and proposed province local governance arrangements. This is in recognition of the unique provincial contexts and the accompanying need for the project to be tailored to existing provincial-level systems. These activities will include an assessment of existing provincial governance structures (whether legislatively prescribed or otherwise) and discussions around how the activities supported by the project best ‘fit’ with this context. This discussion will engage with provincial executive members and local authorities. Advice will be provided to provincial-level actors, based on experience, about what has to that point best worked in terms of CO numbers and coverage and the interaction between COs and existing community-level governance structures.

Audit

26. The PMU will also contract an independent external auditor with qualification and experience satisfactory to the Bank to conduct an annual and final audit of the project’s accounts.

Annex 3: Implementation Arrangements

Solomon Islands: Community Governance & Grievance Management Project

Project Institutional and Implementation Arrangements

1. MPGIS will be the implementing agency responsible for the overall coordination and implementation of the project in accordance with the legal agreement between the Bank and SIG. The Permanent Secretary of MPGIS will be the overall **Project Director**.
2. A **Project Steering Committee** chaired by the Project Director, the Permanent Secretary of MPGIS, with secretariat support provided by the PMU, will be created to support higher-level coordination and policy dialogue arising from project implementation experience. The Steering Committee will comprise Permanent Secretaries of relevant line ministries involved in the project—Police; Justice; Home Affairs; Women, Youth, Children and Family Affairs; National Unity, Reconciliation and Peace; Finance and Treasury; and Development, Planning and Aid Coordination. These ministries will also represent relevant civil society organizations. Additional members could be invited as the project progresses. The Steering Committee will meet at least annually to review progress and make recommendations for reform and for policy changes required to improve project sustainability.
3. A **Technical Committee** will oversee implementation, provide operational coordination and inform the Steering Committee's deliberations. The Technical Committee will consist of relevant MPGIS and provincial officials and initially include the Project Coordinator, the Undersecretary and/or the Director of Governance, MPGIS; and the Provincial Secretaries and/or the Provincial Coordinators of participating provinces.
4. It was agreed that arrangements for **provincial level coordination** should align with rather than duplicate existing provincial administrative and executive decision making arrangements (where such arrangements exist and are functional). Arrangements for provincial level coordination will be included in each province's Participation Agreement.
5. **MPGIS** responsibilities will include: planning, coordination and implementation of project activities; monitoring and evaluation of project results; procurement of goods and services; financial management and reporting; intra-governmental coordination and policy dialogue; and ensuring that Bank guidelines on social and environmental safeguards are adhered to.
6. Given the staffing and capacity constraints in MPGIS, and at the request of the government, a **PMU** will be established within the Governance Division of MPGIS and physically located alongside ministry officials. The PMU will provide support to MPGIS in core project management and fiduciary functions, primarily financial management, procurement, environmental and social safeguards management, and monitoring and evaluation. The PMU will be staffed by a full-time Project Coordinator, Finance Officer and Community Outreach and Training Specialist contracted by the project. Other specialized technical assistance will be engaged on a short-term basis as required including a Monitoring and Evaluation Specialist, Procurement Officer and Training Curriculum Specialist. PMU staff will draft and implement

project plans in coordination with participating provincial governments and manage project resources.

7. Additionally, **Bank** fiduciary staff based in Sydney will assist MPGIS in meeting its fiduciary requirements, including training MPGIS and PMU staff in Bank fiduciary guidelines, and will support MPGIS through a Bank-executed program of impact evaluation and empirical research to support continued dialogue on policy issues. In addition, PMU staff will benefit from the advice and experience of project staff working on other Bank-financed projects and the assistance of Bank staff based in the Solomon Islands' Country Office.

8. Agreements will be signed between MPGIS and participating **provincial governments** setting out key responsibilities for project implementation and support. Participation Agreements will specify the responsibilities of participating provincial governments including: customizing job descriptions for COs; raising public awareness about the roles and responsibilities of COs; recruiting COs in collaboration with host communities; agreeing with communities on how COs' work will be tailored to the local context; budgeting for and paying CO salaries or allowances; reviewing and consolidating reports received from COs; organizing and undertaking periodic supervision and training visits; organizing and facilitating provincial training activities; monitoring the performance of individual COs and providing support as required to improve their effectiveness; reporting on CO performance to the Provincial Secretary; and overseeing the project feedback and grievance redress mechanism at the provincial level. In many instances these responsibilities will be carried out in conjunction with the PMU.

9. In relation to the first two participating provincial governments, the Community Governance and Social Services Division of Makira Ulawa province and the Office of the Provincial Secretary in Renbel province, will support the implementation of the project at the provincial level. Within each province, a **Provincial Coordinator** will act as the primary point of contact between the provincial government and the PMU in MPGIS, liaising closely with PMU staff. Provincial Coordinators have been identified by the first two participating provincial governments as follows: the Head of the Community Governance Division in Makira Ulawa province and the Deputy Provincial Secretary in Renbel province. Project preparation has focused intensively on institutional and capacity issues at provincial level. Institutional and fiduciary capacity assessments have concluded that there are basic systems and capacities at provincial level and that implementation risks can be mitigated to acceptable levels.

10. Formally, **COs** will be answerable to Provincial Secretaries who will make decisions in relation to their engagement, discipline, dismissal and renewal of contract, and will be responsible for facilitating linkages with other provincial departments. It is envisaged that Provincial Secretaries will seek advice from local authorities and the police when exercising these responsibilities.

11. **Component 1** will be implemented by MPGIS through the PMU, which will undertake all required financial management and procurement activities. Participating provinces will also play an important coordinating and 'on-the-ground' facilitation role. Implementation responsibilities for key activities will be as follows:

- (a) **Community start-up activities.** The PMU will be responsible for liaising with provinces with regard to the initial selection of host communities and the scheduling of community start-up visits. Responsibility for organizing and facilitating start-up activities will be shared between the PMU and provincial administration staff.
- (b) **On-the-job supervision/mentoring.** A program of on-the job supervision and mentoring of COs will be organized by the PMU, with a schedule of visits disseminated in advance to enable adequate time for preparation at the provincial level and so as to ensure that communities are kept abreast of the timing of visits. Provincial Coordinators will be consulted in the preparation of the schedule of visits and will be expected to facilitate provincial involvement, including liaising with police and others concerning their involvement.
- (c) **Provincial resourcing.** The resourcing of the provincial departments/administrative units that will act as a focal point for the project will be the responsibility of the PMU. Following consultation with Provincial Coordinators, the PMU will source appropriate office and communication equipment in Honiara and arrange shipment to the provinces. The provision of recurrent office supplies for provincial offices, such as toner and stationary, will also be the responsibility of the PMU which will again source items in Honiara for shipment.
- (d) **Awareness and grievance redress.** A feature of this component will be the establishment of a community awareness program around the roles and responsibilities of COs as well as the implementation of a grievance redress mechanism. The PMU will have primary responsibility for both activities with the involvement of relevant provincial and other stakeholders. The project grievance redress mechanism will be developed in close association with provinces to reflect the role that they will play in meeting the recurrent costs of COs who will ultimately be answerable to Provincial Secretaries and who will make decisions in relation to their engagement, discipline, dismissal and renewal of contract. The production of project-related awareness materials, sourced in Honiara, which will be an on-going activity throughout the life of the project, will also be the responsibility of the PMU.

12. **Component 2** will be implemented by MPGIS, largely through the PMU, with provinces also contributing, especially around facilitating relevant provincial training events.

- (a) **Training.** The PMU will engage a short-term international consultant to develop a training package, including liaising with relevant stakeholders. The delivery of group training will be organized by the PMU with assistance from Provincial Coordinators. The latter will be particularly important in assisting with the logistics involved in bringing together COs from across the province. The delivery of training will be primarily facilitated by the Community Outreach and Training Specialist with the assistance of various provincial actors, including Provincial Coordinators. Different modules or subjects may be facilitated by other relevant actors, such as provincially-based magistrates, relevant line ministry staff or police. The one-off cross-provincial learning event will also be organized by the PMU. All group training on financial management and procurement will be the responsibility of the

PMU, based on the procedures and controls outlined in the Operational Manual for undertaking provincial travel and the payment of allowances.

- (b) **Equipment.** The PMU will be responsible for sourcing and providing equipment for COs, in accordance with the project's procurement plan. Items will be purchased in Honiara and shipped to the provinces. Agreements, devised by the PMU, will be entered into with individual COs about the care and use of equipment.

13. **Component 3** will provide the human, logistical, and financial resources for project management, monitoring and accountability at national and provincial levels, and to meet specific technical assistance needs identified during implementation.

Financial Management, Disbursements and Procurement

Financial Management

14. **Financial Management Arrangements.** The financial management assessment was carried out in accordance with the "Principles Based Financial Management Practice Manual" issued by the Board on March 1 2010. Under the Bank's OP/BP 10 with respect to projects financed by the Bank, the borrower and implementing agency are required to maintain financial management systems—including accounting, financial reporting, and auditing systems—adequate to ensure they can provide the Bank with accurate and timely information regarding the project resources and expenditures.

15. **Retroactive Financing.** If requested by the recipient, the Bank may provide retroactive financing under a grant. Retroactive financing may only be provided when: (a) the activities financed by retroactive financing are related to the PDO and are included in the project description; (b) the payments are for items procured in accordance with the applicable Bank procurement procedures; (c) the total amount of retroactive financing is 20 percent or less of the grant amount (40 percent for Projects covered by paragraph 12 of OP10.00); and (d) the payments are made by the recipient not more than 12 months before the expected date of the signing of the legal agreements for the Bank Loan.

16. **Risk.** Overall, the financial management arrangements for the project satisfies the financial management requirement as stipulated in OP/BP 10 subject to implementation of agreed actions and mitigating measures. The assessed financial management risk of the project before the mitigating measures is considered substantial and could be reduced to moderate after the proposed mitigating measures are implemented and have shown effective impact. The mitigating measures to be implemented to reduce the risks associated with the current Financial Management System are: (a) the FM requirements are undertaken through a PMU; (b) a dedicated Finance Officer is employed if required, (3) a Financial Operations Manual will be developed which outlines the FM controls for activities, in particular field based training and supervision.

17. **Implementing Agency.** The implementing agency for this project will be MPGIS. There are five finance staff: a Director of Finance or Financial Controller, a Chief Accountant, a

Principal Accountant and two Senior Accountants. Based on the additional workload this project would place on the existing small number of finance staff and the limited staff experience in the accounting functions outside the current requirements a full-time Finance Officer will be employed by the project to maintain the project records.

18. **Budgeting Arrangements.** Oversight and hands-on responsibility for managing the budget will be with the Project Coordinator and the Finance Officer. The budget will be reviewed at least annually and monitored as part of the quarterly reporting process.

19. **Accounting Arrangements.** The implementing agency does not use an accounting software package and all transactions, at a Ministry level, are processed manually using a commitment card system. This arrangement will not meet the Bank's accounting requirements. It is recommended the project accounting records are maintained using an "off the shelf" accounting package. The Finance Officer, who will need to be employed at the time of the initial disbursement, will be required to determine the most appropriate accounting package and then develop the project chart of accounts to enable reporting by component and by activity/sub projects and maintain the day to day accounts. Records will be maintained on a cash basis. Project accounts will be separate from MPGIS accounts. A potential FM implementation risk will be the lack of adequate documentation for the provincial based training/supervision visits which will require the development of a Financial Operations Manual specifically to outline the procedures, controls and required documentation for undertaking provincial travel and the payment of allowances.

20. **Internal Controls:** Where possible the project procedures will be consistent with MPGIS controls. Given the small size of the proposed PMU there are possible concerns over the segregation of duties so all checks and payment vouchers will need to be authorized by staff from MPGIS and any goods received will need to be sighted and signed off by MPGIS staff. Signatories on Withdrawal Applications will also need to be independent of the Finance Officer.

21. **Financial Reporting:** The project will require reporting of income, based on disbursement, and expenditure by component and activity on a quarterly, year to date and cumulative basis, commitment reporting and expenditure and commitment to budget reporting. Reporting by category will also be required if there is more than one disbursement category. A commitments register will be maintained for all contracts. The project will be required to prepare quarterly Interim Financial Reports (IFRs) in a format agreed to with the Bank. The reports will be required to be submitted not later than 45 days after the end of the reporting period.

22. **External Audit:** Annual audited financial statements for each fiscal year of the project will be required and must be furnished to the Bank within six months of the end of the fiscal year for which the reports have been audited. MPGIS will be ultimately responsible for ensuring program funds are audited.

Disbursements

23. **Project funds will be disbursed directly into a designated account (DA) in a commercial bank, acceptable to the Bank.** The DA will be operated on an advance basis and

the initial advance will be made through the completion of a Withdrawal Application. The DA will be held in Solomon Islands Dollars (SBD). Subsequent replenishments will be made through submission of withdrawal applications providing details on the use of funds previously advanced, based on Statements of Expenditures and bank reconciliation of the DA. Further details are provided in the Disbursement Letter.

Procurement

24. ***Procurement Arrangements.*** Procurement for the project will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits," dated January 2011 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers," dated January 2011 (Consultant Guidelines); and the provisions stipulated in the Financing Agreement. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, estimated costs, prior review requirements, and time frame will be agreed between the Recipient and the Bank project team in the Procurement Plan.

25. ***Procurement of Goods and Non-consultant Services.*** International Competitive Bidding (ICB) procedures will be used for procurement of goods estimated to cost US\$500,000 or more per contract. Shopping may be used to procure goods and non-consulting services estimated to cost less than US\$500,000 per contract. However, small value items, costing less than US\$5,000 per purchase from local suppliers will be permitted, when obtaining and comparing three quotations is not practical due to quality and market constraint. Direct Contracting may be used in exceptional circumstances as stated in paragraph 3.7 of the Procurement Guidelines.

26. ***Selection of Consultants.*** Consulting contracts expected to cost more than US\$300,000 equivalent per contract would use the Quality and Cost Based Selection (QCBS) or Quality Based Selection (QBS) in conformity with the Consultants Guidelines. Consulting services estimated under US\$300,000 equivalent per contract would follow the Selection Based on Consultants Qualifications (CQS). Under the circumstances described in paragraph 3.9 of the Consultants Guidelines, consultants may be selected and awarded on a Single-Source Selection (SSS), subject to the Bank's prior approval. Individual consultants would be selected and contracts awarded in accordance with the provisions of paragraphs 5.1 through 5.5 of the Consultants Guidelines. Under the circumstances described in paragraph 5.6 of the Consultants Guidelines, individual consultants may be selected and awarded on a single-source basis, subject to the Bank's prior approval.

27. ***Procurement Risks and Mitigation Measures.*** The principal risks identified by the procurement capacity assessment are: (i) lack of procurement capacity, (ii) delay in procurement due to unfamiliarity with Bank procurement procedures and limited local market capacity, and (iii) non-compliance with agreed procedures. The following mitigating measures will be implemented: (i) establishment of a PMU within the MPGIS. The PMU will work jointly with the staff of Governance Division to implement the project; (ii) hire a qualified procurement officer in charge of procurement and project implementation, (iii) take full use of the shopping thresholds, the standard templates developed for the Pacific for procurement of goods under Shopping and selection of consultants as well as the simplification initiatives allowed for the

fragile and small states in the Pacific provided in the Procurement Guidance Note *Making Procurement Work for Fragile and Small States in the Pacific*, issued on January 2013. In addition, the Bank team will (i) provide training on appropriate use of the templates for shopping and selection of consultants, (ii) provide a standard procurement filing check list for procurement recordkeeping, and (iii) provide intensive implementation support during implementation.

28. **Risk:** The overall procurement-related risk is substantial.

29. **Prior Review Thresholds.** Prior review and procurement method thresholds for the project are shown below.

Table A3.1: Prior review and procurement method thresholds

I. Procurement Methods	Procurement Thresholds	Prior Review Thresholds
Goods:		
International Competitive Bidding	≥US\$500,000	All contracts subject to prior review
Shopping	<US\$500,000	First two contracts
Direct Contracting	Meet the criteria set out in para. 3.7 of Procurement Guidelines	All contracts subject to prior review
II. Selection of Consultants:		
Selection Methods	Procurement Thresholds	Prior Review Thresholds
Firms (QCBS, QBS, LCS, CQS and SSS)	In accordance with the Bank's Consultants Guidelines	≥US\$100,000, and all SSS contracts
Individual Consultants		≥US\$50,000(exception made to SSS contracts, legal and procurement related assignments, where all contracts are subject to prior review)

30. **Frequency of Procurement Supervision.** In addition to the prior review supervision to be carried out by the Bank, procurement supervision missions will visit the project once a year to carry out post reviews with a sampling ratio of one out of ten contracts.

31. **Procurement Plan.** MPGIS has developed a Procurement Plan for the project which provides the basis for the procurement methods and is acceptable to the Bank. The Procurement Plan is available in the project's database and on the Bank's external website. The Procurement Plan will be updated in agreement with the Bank annually or as required to reflect project implementation needs and improvements in institutional capacity. A summary table of procurement plans is presented in the below two tables.

Table A3.2: Goods and Non-Consulting Services

Ref. No.	Contract Description	Estimated Cost (US\$)	Procurement Method	Bank Review (Prior/Post)
Procurement of Goods:				
G1	Office equipment, training and safety equipment	23,620.	Shopping	Prior
G2	Office furniture	32,760.	Shopping	Post
G3	Communication equipment	220,990.	Shopping	Prior

Ref. No.	Contract Description	Estimated Cost (US\$)	Procurement Method	Bank Review (Prior/Post)
G4	Uniform	9,930.	Shopping	Post
G5	Storage Unit	65,520.	Shopping	Post
G6	Accounting Software	1,230.	Direct Contracting	Prior

Table A3.3: Consulting Services

Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Bank Review (Prior/Post)
C1	Community level Awareness Program Design	9,560.	IC	Post
C2	Design Package Development Specialist (international)	49,140.	IC	Prior
C3	Training/supervision Specialist (national)	163,800.	IC	Prior
C4	Design and Printing of Materials	27,300.	IC	Post
C5	Training/supervision Specialist (national)	81,900.	IC	Prior
C6	Project Coordinator	196,560.	IC	Prior
C7	Finance Specialist	170,350.	IC	Prior
C8	M&E Consultant (international)	110,570.	IC	Prior
C9	Procurement Specialist	47,640.	IC	Prior
C10	Other short term consultant	27,300.	IC	Post
C11	External Audit	20,480.	CQS	Prior
C12	Beneficiary Survey	49,350.	CQS	Prior

Environmental and Social (including safeguards)

32. The project will have no physical impacts. However, OP/BP4.01, Environmental Assessment, OP/BP4.10, Indigenous Peoples, and OP/BP 4.12, Involuntary Resettlement have been triggered, because alongside Solomon Islands' law, their principles are relevant to the issues COs are likely to encounter and the actions required to address them. These include promoting environmental sustainability of development interventions, mitigation of involuntary resettlement impacts, effective community consultation and equitable distribution of project benefits. Safeguards policy principles will inform the establishment under Component 2 of objective criteria for intervention and mediation and the development of a standard CO training package. The training curriculum to be developed will include modules on raising COs awareness, and through them, community awareness in relation to development projects of sound environmental management and good practice in management of any resettlement impacts, the legal underpinnings for these requirements, rights of communities and individuals to free prior informed consultation and to hearing of grievances. A grievance redress mechanism accessible to all groups in communities will be designed, and will help to act as a mechanism for the evaluation of COs.

33. Provincial Governments will select, contract, remunerate, coordinate, report on, manage the performance of, and supervise COs. Some of these activities will be joint responsibilities with host communities. COs will be ultimately responsible to the Provincial Secretary. They will report regularly to their Provincial Coordinators. The Provinces will consolidate reports via the

relevant Provincial Coordinator, who will liaise closely with project staff in the central PMU in MPGIS. The PMU will undertake overall monitoring and evaluation of the program against the performance indicators. Two impact surveys are planned, one at mid-term, which will give an opportunity to fine-tune the program.

34. Beyond safeguard policy coverage, responding to gender-based violence and conflict within and between family and kin are important issues to be addressed. To assist with reconciling tensions between *kastom* practices and legal and human rights, CO training will include mediation skills, including striving for a community consensus on principles governing management of conflicts involving families, kin and friends. This consensus, and agreement on where COs operate within the given community—with whom they interact locally, what disputes and grievances they will focus on, how they are expected to behave—will assist beneficiary communities to self-regulate more effectively, and will provide the basis for acceptance and legitimacy of CO interventions. As COs are likely to work in areas where they have kin, know community members and are known and respected, they will receive training in management of the potential for conflict of interest with reference to the objective criteria and agreements that will be developed with project beneficiaries.

Monitoring and Evaluation

35. Overall responsibility for monitoring and evaluation of the project will rest with the Project Coordinator, including the regular reporting on progress to MPGIS and the Bank timed to coincide with the Bank's six-monthly implementation support missions. The Project Coordinator, assisted initially by a short-term Monitoring and Evaluation Specialist, will oversee the establishment of a simple Project Monitoring System for the collation, maintenance, retrieval, analysis and evaluation of data received from participating provinces.

36. Data for the project's outcome and results indicators will come from several sources:

- (a) At the community start-up phase, provincial government staff, assisted by the project, will collect baseline data on selected indicators including the most significant problems facing communities, use of and satisfaction with existing community grievance management mechanisms and satisfaction with current government-community linkages.
- (b) Routine reports prepared and submitted to the Project Coordinator from each of the Provincial Coordinators, who will be responsible for reviewing and collating regular reports received from individual COs.
- (c) Two surveys of beneficiaries (using an appropriate sampling methodology) at mid-term and project completion, which will assess PDO level results while also enabling communities to be engaged in the monitoring and evaluation of the project. Additionally, an in depth assessment of implementation progress and sustainability issues will inform the project's mid-term review. Consulting services for these surveys and assessment will be contracted by the PMU and financed with project resources.

- (d) A Bank-executed program of learning and policy dialogue will enable in-depth empirical understanding of sustainability issues and the impact of the project on community-level disputes, conflicts and social cohesion, with a particular focus on sexual and gender based violence and community governance.

37. The capacity of COs to prepare reports is anticipated to be variable, even though eligibility requirements for the CO role will include basic literacy and numeracy skills. Therefore, the project will provide very simple templates and procedures for routine reports and will provide initial training and regular on-the-job coaching on the collection of data and the preparation and submission of reports to Provincial Coordinators. The project will also provide basic stationary and communications equipment to COs to facilitate the data collection process. The capacity of Provincial Coordinators to review and collate reports is expected to be adequate to fulfill their responsibilities for M&E, and their capacity will be further strengthened with training and support from the PMU. Provincial Coordinators will also benefit from stationary, communications and other office equipment financed by the project.

38. Within MPGIS, capacity for M&E will be supplemented by recruiting a short-term Monitoring and Evaluation Specialist tasked with designing and establishing the Project Monitoring System in the first year of implementation, including the preparation of all M&E templates and tools. The Monitoring and Evaluation Specialist will train relevant MPGIS and PMU staff to ensure that the system remains up to date and can be effectively used for reporting on, and management of, the project. The Monitoring and Evaluation Specialist will also provide input into the training of Provincial Coordinators and COs to ensure they know how to use M&E templates and procedures.

39. Proposed M&E activities including the recruitment of a short-term Monitoring and Evaluation Specialist, two beneficiary surveys, and the mid-term review assessment have been included in the project costing.

40. Data on intermediate indicators will be used to regularly assess implementation progress. Assessments of the impact of project interventions and progress towards achieving the project objectives will be based largely on beneficiary surveys, the mid-term review consultancy and the complementary Bank-executed learning and policy dialogue activities. Additionally, the feedback and grievance mechanism will record information related to potential conflicts arising from project implementation and will enable MPGIS and provincial governments to take action where appropriate. It will also be used to inform assessments of the impact of the project.

Role of Partners

41. The key project partner is DFAT. The project will be funded by the East Asia and the Pacific Justice for the Poor Initiative Trust Fund (TF071124) with financing from DFAT. Representatives of DFAT have been, and will continue to be, invited to take part in various project activities, including annual supervision missions, the mid-term review and similar events.

Annex 4: Evaluation and Learning Technical Assistance (Bank-Executed)

Solomon Islands: Community Governance & Grievance Management Project

1. **Rationale and objectives.** The government's monitoring and evaluation of project results will be focused largely on assessing intermediate and PDO outcome indicators defined in the project's Results Framework. Under Component 3 of the project, support will be provided to establish a Project Monitoring System, provide training to government officials and project staff involved in the collection and reporting of data on project progress and results, and to contract consulting services to undertake a mid-term assessment (with a particular focus on sustainability) and two beneficiary surveys (at mid-term and completion).

2. The government and the Bank recognize that the project responds to a wide range of persistent issues and policy commitments and that it provides a unique opportunity to build an empirical base from which to advance learning and policy dialogue in Solomon Islands, Melanesia and beyond. At the same time, whilst project preparation has revealed strong ownership amongst national and provincial officials and participating communities, there exist formidable challenges which will need to be addressed to ensure the sustainability of activities supported by the project. Thus, in light of the capacity constraints in MPGIS, the government's monitoring and evaluation activities will be supplemented by a complementary program of technical assistance undertaken by the Bank, which would include policy-oriented research and learning activities to exploit the opportunities the project provides and address key challenges. The objective of the technical assistance program would be to provide a sound and verifiable basis for: (a) addressing outstanding knowledge gaps in relation to the thematic areas targeted by the project; (b) empirically assessing the impact of the project; (c) informing policy discussions and decisions by government, including regarding subsequent national up-scaling and sustainability of key elements of the project; and (d) guiding decisions regarding future Bank and development partner support.

3. **Activities.** It is anticipated that three sets of analytic and evaluation activities will support these objectives.

i). *Longitudinal impact evaluation.* The Bank intends to draw upon internal resources dedicated to impact evaluation in fragile and conflict-affected countries to support a rigorous longitudinal study of the project's impact on sexual and gender based violence (SGBV) and social order outcomes. This is envisaged to involve:

- (a) Design and application of rigorous tools to evaluate the impact of project interventions to enable, for the first time, the systematic accumulation of evidence of the efficacy and scalability of a novel approach to central-local linkages and fostering local capacity to regulate and mediate disputes.
- (b) Assessing how COs, including female COs, are favorably impacting on the ability of women in targeted communities to negotiate and contest customary and religious norms and legislative rights around SGBV. Secondary questions would include: (i) what impacts, positive and negative, are COs having on the realization of women's rights; and (ii) are these impacts enhancing the economic and social welfare of

women and children, in relation to access to services, the benefits of land and natural resource transactions, and improved livelihoods.

It is intended that this work will be initiated in the first year of the project and continue through the life of the project. The primary purpose is to provide an empirical basis on which to evaluate the achievement of the PDO: to strengthen community grievance management capabilities and enhance the effectiveness of linkages with government in targeted communities. The quantitative indicators to measure this, as defined by the project's Results Framework (and the instruments to measure these outcomes) are as follows:

- Actual and perceived improvements in the accessibility and effectiveness of community grievance management mechanisms (community survey); and
- Actual and perceived increase in linkages with government (community survey).

These indicators will be captured by two surveys of beneficiaries (using an appropriate sampling methodology) at mid-term and project completion.

Beyond the project's Results Framework, additional indicators will be defined around:

- Actual and perceived improvements in security, especially a reduction in the incidence of SGBV (community survey, community observation).
- Improvements in social cohesion and social capital (community survey, community observation and behavioral activities).

ii). *Analytic work and dialogue on sustainability.* Whilst it is envisaged that the project is the first of a series of engagements in support of the PDO, a key design principle has been to ensure that key elements of activities supported by the project have regard to their likely institutional, fiscal and political sustainability. These elements include: i) national strategic leadership, coordination, training and advocacy, ii) coordination, training, supervision and linkages between province and local authorities, and iii) the ongoing embedding of COs within village, area and ward level governance initiatives on a province by province basis. Thus, a second stream of the Bank's technical assistance will help inform the Project Steering Committee and the executives of participating provinces on project experience, and potential innovations, with respect to the following issues:

- (a) Analysis of the fiscal implications of policy options regarding the number, scope of responsibilities and intensity of CO activities and of different configurations of ward/area and village governance.
- (b) Innovative ways of enhancing Province–Local linkages so as to respond to the challenges of geographic distance and local diversity with respect to supervision and mentoring of COs and their relationships with sub-provincial, local authorities, including protocols and incentives to maximize use of existing travel and transport within the province.
- (c) Financing, cost-sharing and co-financing options, including both: i) ongoing recurrent financing of COs and associated local governance arrangements, and ii)

overheads associated with national strategic and operational support to provinces, and province training/mentoring and supervision. These options may include cost-sharing with national agencies (e.g., RSIPF); creation of special purpose grants within the national-provincial fiscal transfer system; and stable commitments by donor partners to co-finance local governance outcomes, similar to those achieved in other sectors, such as health and education.

iii). Thematic analytic work and learning activities. A third stream of the Bank’s technical assistance would be oriented to informing policy discussions on themes of relevance to project stakeholders (communities, national and provincial governments, and development partners). These thematic priorities would be defined and agreed with MPGIS on an annual basis. They would be drawn from the following ‘menu’ of three topics that have provided the foundation for the design of the project:

- (a) Sources and dynamics of conflicts within communities, including disputes relating to: (i) the regulation of market transactions, (land, forests, minerals), and related disputes about the allocation of royalties, rents or access fees; (ii) social order problems (drug and alcohol abuse, sexual and gender-based violence, and intergenerational conflicts); and (iii) competition for development spending. While public opinion surveys and the Bank’s analytic work¹⁵ confirm the salience of these issues, there has been minimal effort to accumulate empirical evidence around the causes of these conflicts and the efficacy of different responses. This is particularly the case in rural areas but also in urban areas and the mining enclaves, where the incidence of conflict is likely to increase. These knowledge gaps have meant that contextually relevant interventions, utilizing a variety of local and state actors are still to be devised, debated and tested.
- (b) Government policy priorities in relation to community governance, which currently include efforts to: (i) promote and encourage community policing, fully utilizing chiefs and community leaders where possible; (ii) strengthen traditional leadership and church governance systems by recognizing and providing support for the three pillars of traditional leaders, church and provincial governments; (iii) enhance the knowledge of chiefs and leaders on the principles of good governance (transparency and accountability); and (iv) develop and strengthen provincial stakeholders’ participation and consultations in governance.
- (c) The structure of government, including the assignment of responsibilities amongst national-provincial-local agencies, and the horizontal relationships between different agencies with interests or mandates at the local level. Significant changes are occurring in the way state authority is being projected at the local level—most notably through a reallocation of central administrative budgets to Constituency Development Funds. At the same time devolution and provincial autonomy—

¹⁵ See the RAMSI-Solomon Islands Government *People’s Surveys* for the years 2010 to 2013 (ANU Enterprise, Canberra); Allen et al. 2013. *Justice Delivered Locally: Systems, Challenges and Innovations in Solomon Islands*, The World Bank, Washington DC, available at <http://www.worldbank.org/justiceforthe poor>; Porter et al 2014. *Learning from Logging: toward equitable mining in Solomon Islands*, *JAP Briefing Note*, World Bank, Washington DC.

‘federalism’— has remained one of the most disputatious topics leading up to and since Independence in 1978 as resource rich provinces—Western and Guadalcanal—have continued to press for devolution, while power, resources and status have continued to shift in favor of national government and national MPs. All actors, including political leaders, citizens and donor partners agree on the need for improved understanding of how existing sub-national and local institutions are responding and/or being transformed and how might contribute to the resolution of long standing issues relating to the local, provincial and national relationships.

4. **Implementation arrangements.** These three streams of activities (longitudinal impact evaluation, sustainability, and thematic analytic work) will be implemented as follows.

- (a) The longitudinal impact evaluation will be designed during the first year of project implementation, agreed with MPGIS and implemented through annual surveys and analysis. Reports will be furnished to MPGIS, relevant government agencies/institutions, the Bank task team and other interested stakeholders.
- (b) The analytic work and dialogues on sustainability will principally occur in conjunction with the project mid-term review process. A draft Terms of Reference for this will be prepared by the Bank in the first year of implementation, to enable sufficient time for thorough discussion with national and provincial agencies, before endorsement by the Steering Committee. However, it is likely that these analytic activities and the dialogues they foster will be most productive if provision is also made to respond to ‘just in time’ requests for advice by participating provinces. Provinces, for example, Makira Ulawa, have already embarked on implementing local ordinances on ward/village governance, and have flagged the value of specific, short term technical assistance to enable them to consider the fiscal/institutional sustainability issues arising from these initiatives. Proposals for specific activities will be reviewed and endorsed by the Project Steering Committee.
- (c) The thematic analytic work would be supported by a stakeholder advisory group identified by MPGIS in consultation with the Bank during the first year of project implementation. It would be convened at least annually (more frequently if issues emerge from the monitoring and evaluation of the project) to: (a) review analytical findings; (b) review and adjust the menu of thematic topics; and (c) propose priorities for analytical work and learning activities. The stakeholder advisory group of no more than five members would include representatives from national and provincial government, development partners, academia and civil society organizations. Terms of reference for individual pieces of analytical work would be reviewed jointly by the Bank, the stakeholder advisory group, and MPGIS. The terms of reference for each piece of work would include a strategy for dissemination and using findings to influence policy. Such strategies might include preparation and dissemination of policy briefs, engaging policy makers in field activities or convening coalitions between policy makers and other stakeholders. The Bank would be responsible for any contracting of consulting services and providing quality assurance of consultant products.

5. **Estimated costs and sources of financing.**

Longitudinal Impact Evaluation: estimated cost, \$25K preparation, plus \$50K/year implementation.

Analytic Work on Sustainability, and Thematic Analytic work: estimate cost, \$300K, from years 2 to 4 inclusive.