



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
SOLOMON ISLANDS COMMUNITY GOVERNANCE AND GRIEVANCE MANAGEMENT PROJECT  
APPROVED ON SEPTEMBER 29, 2014  
TO  
SOLOMON ISLANDS

GOVERNANCE

EAST ASIA AND PACIFIC

Regional Vice President:	Victoria Kwakwa
Country Director:	Michel Kerf
Senior Global Practice Director:	Deborah L. Wetzel
Practice Manager/Manager:	Fily Sissoko
Task Team Leader:	Virginia Horscroft



## ABBREVIATIONS AND ACRONYMS

APIP TF	Australian-Pacific Islands Partnership Trust Fund
CD	Country Director
CGGM	Community Governance and Grievance Management
CO	Community Officer
EA	Environmental Assessment
MPGIS	Ministry of Provincial Government and Institutional Strengthening
MTR	Mid-Term Review
PDO	Project Development Objective
PMU	Project Management Unit
POM	Project Operations Manual
PRAB	Australia-Pacific Islands Partnership Trust Fund
PSC	Project Steering Committee
TF	Trust Fund
USD	United States Dollar



**BASIC DATA**

**Product Information**

Project ID P147005	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category
Approval Date 29-Sep-2014	Current Closing Date 30-Apr-2019

**Organizations**

Borrower Solomon Islands	Responsible Agency Ministry of Provincial Government and Institutional Strengthening
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**Financing (in USD Million)**

**SUMMARY**

<b>Total Project Cost</b>	3.08
<b>Total Financing</b>	0.00
<b>Financing Gap</b>	0.00

**DETAILS**

**Project Development Objective (PDO)**

Original PDO

The development objective of the project is to strengthen community grievance management capabilities and enhance the effectiveness of linkages with government in targeted communities.



Summary Status of Financing

TF	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-18206	04-Nov-2014	05-Nov-2014	05-Nov-2014	30-Apr-2019	3.08	2.45	.63

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status and Rationale for Restructuring

1. This restructuring paper is to restructure the project for: (i) the provision of additional financing of US\$934,583 from the existing Australia-Pacific Islands Partnership Trust Fund (APIP TF) to fill the financing gap created by the slower than anticipated implementation progress and the limitation on the original grant (TF018206) whereby its closing date could not be extended; and (ii) changes to the results framework and grant disbursement estimates to take into account the extended period of implementation and proposed additional financing. This is the first restructuring of this project. No changes are proposed to the Project Development Objective (PDO). The Recipient is in compliance with all legal covenants.

2. The PDO of the Solomon Islands Community Governance and Grievance Management (CGGM) Project is to strengthen community grievance management capabilities and enhance the effectiveness of linkages with government in targeted communities. The project supports participating provincial governments to fulfill key responsibilities associated with the selection, contracting, coordination, reporting, performance management and supervision of Community Officers (COs). COs are people with knowledge of local custom and law who enjoy the confidence of all sectors of their communities. They are 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 also supports the Ministry of Provincial Government and Institutional Strengthening (MPGIS) to coordinate project plans and manage project funds.

3. According to the latest ISR archived on December 22, 2018, Progress towards achieving the PDO and Implementation Progress are both rated Moderately Satisfactory. Grant disbursement is at 77.5 percent to date. The achievements of the project, evidenced by the beneficiary survey conducted during the Mid-Term Review (MTR) of May 2017, includes:

- **Improved coverage of the project beneficiaries** (measured by the first PDO-level results indicator) – 76 percent of citizens in the communities covered reported direct benefits from the project, with relative gender equity (80 percent for males, 71 percent for females).
- **Strengthened accessibility and effectiveness of community grievance management mechanisms** (measured by the second PDO-level results indicator) – 59 percent of citizens experienced improvements in the accessibility of



community grievance management mechanisms, and 77 percent experienced improvements in their effectiveness.

- **Improved linkages with government** (measured by the third PDO-level results indicator) – 68 percent of citizens perceived improvements in linkages with government, driven primarily by improvements in linkages with police, but also by improved linkages with provincial authorities.

4. Implementation arrangements have been strengthened since the MTR was conducted, including an increase in the staff complement of the Project Management Unit (PMU) in priority areas such as monitoring and evaluation. Additionally, a gender and social inclusion strategy has developed and adopted, and is being implemented.

5. The project was originally designed to be implemented in two provinces with two more provinces expected to be added at the time of the MTR. The MTR confirmed the appropriateness of adding two more provinces. Implementation in these two additional provinces was delayed, largely due to the time taken for MPGIS to negotiate participation agreements with these two provinces, in accordance with provincial government timetables, including their budgetary processes for incorporating the remuneration of COs in provincial budgets. According to the original design, the inclusion of two additional provinces at the MTR would have enabled the consolidation of project activities in these provinces during the second half of the project. The consolidation of project activities is key to the success and sustainability of the project. COs learn both through training and on-the-job experience. It is not effective to provide all the training at the outset; instead, it is more effective if the training spread over the first year of COs' work – so that at progressive trainings on different skills and topics, COs bring progressively more experience which enables them to get more from trainings and the peer learning they facilitate. Similarly, the way COs work within their communities and with provincial authorities needs to be refined according to the experience and learning of COs, their communities and provincial authorities in the early phase of COs' tenure, making follow-up community consultations critical. Due to longer than expected lead time for the participation agreements, COs in the third participating province commenced work in September 2018, and in the fourth participating province commenced work in March 2019, leaving inadequate time for the consolidation of project activities in those provinces prior to the scheduled close of the project on April 30, 2019.

6. With the considerable increase in the rate of disbursement over the last six months as the project has begun to undertake activities in the third and fourth provinces, additional financing has become necessary to complete the project and to ensure the achievement of the project objectives. The proposed additional financing from the APIP TF will be utilized for the consolidation of project activities, particularly in the two new provinces, including progressive rounds of training for the COs, and stakeholder consultations to inform the adaptation of COs' activities to ensure they become fully embedded in the provincial administration and in their communities.

7. A summary of the current status for each component of the project is provided in the paragraphs below.

8. *Component 1: Revitalizing Government-Community Linkages.* The objective of this component is to support participating provincial governments to strengthen linkages and information flows between communities and provincial and national government agencies. Additionally, the project provides support to participating provincial governments to fulfill key responsibilities associated with the recruitment, support, supervision and performance management of COs, including taking into account gender considerations. Community awareness activities expressly elicit issues of most concern to women, by including women in the MPGIS/provincial community awareness 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 gender-based violence. To date, Makira-Ulawa, Rennell and Bellona, Malaita and Central provinces have each been assisted to recruit COs in consultation with the communities they will serve, with COs working in Makira-Ulawa and Rennell and Bellona provinces since 2015, working in Malaita since late 2018, and due to start work in Central in early 2019. Sustainability considerations have been built into the project from



the outset, with provincial governments paying the salaries of COs from their own budgetary resources. While this has limited the scope of the project (with 57 COs expected to be employed by project close, rather than 80 as in the original design), it does support sustainability by aligning CO numbers with the resources available at provincial level.

9. *Component 2: Strengthening the Capabilities of Community Officers and Local Authorities.* 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 is largely achieved by a combination of group training activities and one-on-one, on-the-job mentoring implemented by the PMU at MPGIS in collaboration with provincial authorities – and increasingly also with police, chiefly, church and women’s group authorities. In addition to providing induction training, including on direct conflict mediation and on effective engagement with local authorities to support their dispute resolution roles, the PMU has provided progressive rounds of training and capacity building on specific topics. These have included gender-based violence and the implementation of the Family Protection Act.

10. *Component 3: Project Management, Evaluation and Learning.* This component provides management support for the implementation of the project, including the establishment and operations of the PMU within MPGIS, secretarial support for the Project Steering Committee (PSC), holding of community awareness activities in provinces joining the project, all monitoring, evaluation and learning activities, and an independent external audit of the project’s accounts (conducted annually and at project completion). From inception, the Project Steering Committee has been active and engaged, carefully reviewing activity and financial reports from the PMU and providing leadership and guidance to MPGIS and the PMU. Monitoring, evaluation and learning activities that have been completed have included: (i) baseline surveys in Makira-Ulawa and Rennell and Bellona at the outset of the project, and a baseline survey in Malaita in mid-2018; (ii) a mid-term review of implementation progress and sustainability, informed by a mid-term beneficiary survey in Makira-Ulawa and Rennell and Bellona, and a Sustainability Study; (iii) establishment of an ongoing monitoring and evaluation system. The PMU is now in the process of reforming the monitoring and evaluation system to include a custom-designed text-based mobile phone app for COs, to enable real time submission and analysis of dispute incidence and government linkage activity data. The PMU has also prepared a Gender and Social Inclusion Strategy which has been adopted by the PSC, and adopted and rolled out a Complaints Handling Mechanism. There are no outstanding audits of project accounts.

11. The risk rating for the project remains unchanged, at substantial. The key risks are posed by: (i) the weak capacity of MPGIS and provincial governments; (ii) the complexity of coverage and institutional arrangements; and (iii) delivery monitoring. The main risk mitigating measures are the design of institutional arrangements for project implementation and coordination, careful phasing of project activities, direct support through project components, intensive supervision and oversight, and clear monitoring and evaluation mechanisms. As mentioned earlier, the mitigation measures were bolstered based on the MTR findings, particularly by adding more staff to the PMU.

## **II. DESCRIPTION OF PROPOSED CHANGES**

### **B. Proposed Changes**

12. The changes proposed under this Level 2 restructuring include the provision of additional financing of US\$934,583 from the APIP TF to fill the financing gap created by the slower than anticipated implementation progress and the limitation on the original grant (TF018206) from the East Asia and the Pacific Justice for the Poor Initiative Trust Fund for the Community Governance and Grievance Management Project in Solomon Islands (J4P Trust Fund), whereby its closing date could not be extended. While the closing date of the original grant (TF018206) is retained as April 30, 2019, the closing date of the proposed additional financing is October 31, 2020. This will extend the project by 18 months to ensure



that project activities are consolidated satisfactorily and the PDO is achieved. In addition, the grant disbursement estimates<sup>1</sup> and the results framework will be revised to take into account the extended period of implementation and proposed additional financing. The additional financing will be received into the APIP TF in instalments. The first grant agreement will be processed and executed by the Recipient and the Bank for an amount of US\$201,869. The second and third instalments will be received at the beginning of FY20 and FY21, respectively. The Bank and Recipient will execute amendments to the grant agreement to effect the increase in the financing amount once these subsequent instalments have been received in the APIP TF. The revised results framework will be reflected in a Supplemental Letter to be signed at the same time as the legal agreement for the additional financing.

13. With respect to the proposed additional financing: (i) the activities under the additional financing will follow the same safeguards arrangements as under the original grant; (ii) procurement under the additional financing will follow the World Bank's Procurement Regulations for IPF dated July 2016, revised November 2017 and August 2018, and the provisions of the Recipient's Procurement Plan; (iii) the institutional and financial management arrangements of the original grant will be retained for the additional financing; and (iv) the disbursement arrangements and categories of expenditures under the additional financing will also be the same as under the original grant.

14. For the results framework for the project, all indicators remain the same as those defined originally. However, the target values will be revised to reflect the lower number of COs now expected to be appointed by the four participating provincial governments (in accordance with the resources available at provincial level), and recalibrated to reflect the evidence of the project's impact provided by the mid-term beneficiary survey. The following list summarizes the proposed changes:

- (a) The first PDO indicator (direct project beneficiaries) is revised to decrease the level of ambition in keeping with the lower number of COs now expected to be appointed by the four participating provincial governments, partially offset by the increased number of beneficiaries now expected per CO, based on the evidence provided by the mid-term beneficiary survey. (The target disaggregated by gender remains the same, at 50 percent.)
- (b) The first intermediate indicator (project component one) is revised as follows:
  - (i) The number of COs recruited and inducted is revised to decrease the level of ambition as above; and
  - (ii) The number of provincial/national public officials visiting communities facilitated by the project is revised to increase the level of ambition, based on evidence to date of the frequency of visits, even accounting for the lower number of COs appointed by the four participating provincial governments.
- (c) The second intermediate indicator (project component two) is revised as follows:
  - (i) The number of community agreements reached is revised to decrease the level of ambition as above.

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<sup>1</sup> Note that the sum of the proposed disbursement estimates in Section IV below does not equal the sum of the original grant and the additional financing, because the closing date of the original grant cannot be extended, so the part of the original grant that remains unused at April 30, 2019 will automatically be cancelled. The difference reflects the amount expected to be cancelled.



**III. SUMMARY OF CHANGES**

	Changed	Not Changed
Results Framework	✓	
Additional Financing Proposed	✓	
Disbursement Estimates	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓

**IV. DETAILED CHANGE(S)**

**RESULTS FRAMEWORK**

**Project Development Objective Indicators**

Direct project beneficiaries (number)

Unit of Measure: Number

Indicator Type: Custom

Baseline

Actual (Current)

End Target

Action



Value	0.00	6801.00	11270.00	Revised
Date	05-Nov-2014	28-Nov-2018	31-Oct-2020	

of which female (percentage)  
Unit of Measure: Percentage  
Indicator Type: Custom Supplement

	Baseline	Actual (Current)	End Target	Action
Value	0.00	46.00	50.00	No Change

Beneficiaries who experience improvements in (a) accessibility  
Unit of Measure: Percentage  
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	59.00	70.00	Revised
Date	05-Nov-2014	28-Nov-2018	31-Oct-2020	

and (b) effectiveness of community grievance management mechanisms (percentage)  
Unit of Measure: Percentage  
Indicator Type: Custom Supplement

	Baseline	Actual (Current)	End Target	Action
Value	0.00	77.00	70.00	No Change

Beneficiaries who perceive improvements in linkages with government (percentage)  
Unit of Measure: Percentage  
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	68.00	70.00	Revised
Date	05-Nov-2014	28-Nov-2018	31-Oct-2020	

**Intermediate Indicators**

(Component 1: Revitalizing Government-Community Linkages) Participating provincial governments (number)  
Unit of Measure: Number



Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	4.00	4.00	Revised
Date	05-Nov-2014	28-Nov-2018	31-Oct-2020	

<b>Community Officers recruited and inducted (number)</b>				
Unit of Measure: Number				
Indicator Type: Custom Supplement				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	52.00	49.00	Revised

<b>Number of provincial/national public officials visiting communities facilitated by the project</b>				
Unit of Measure: Number				
Indicator Type: Custom Supplement				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	619.00	782.00	Revised

<b>Component 2: Strengthening the Capabilities of Community Officers Community agreements reached (number)</b>				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	52.00	49.00	Revised
Date	05-Nov-2014	28-Nov-2018	31-Oct-2020	

<b>Community Officers that achieve a satisfactory rating of performance (percentage)</b>				
Unit of Measure: Percentage				
Indicator Type: Custom Supplement				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	63.00	70.00	No Change



UP3\_DETAILSCHANGES\_ADDITIONAL\_FINANCING\_TABLE

**ADDITIONAL FINANCING**

Source	Currency	Amount	USD Equivalent
Australia-Pacific Islands Partnership Trust Fund(PRAB)	USD	934,583.00	934,583.00
<b>Existing Net Commitment USD Amount</b>			<b>3,080,000.00</b>
<b>Total</b>			<b>4,014,583.00</b>

**DISBURSEMENT ESTIMATES**

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2015	199,629.64	329,500.00
2016	399,259.28	205,045.07
2017	598,888.88	553,977.08
2018	1,026,666.68	631,144.12
2019	855,555.56	959,397.67
2020	0.00	571,131.61
2021	0.00	259,605.28

**C. Detailed Changes**

15. *Details of changes to PDO indicators.* The following changes have been made to the PDO indicators:

- (a) Two changes have been made to the first PDO indicator and sub-indicator (“direct project beneficiaries”, “of which, female”), reducing the expected number of project beneficiaries from 15,200 to 11,270 in keeping with the lower number of COs now expected to be appointed by the four participating provincial governments, partially offset by the higher number of beneficiaries now expected per CO, and realigning the end target date with the extension to the project;
- (b) One change has been made to the second PDO indicator (“beneficiaries who experience improvements in (a) accessibility”), which also applies to the sub-indicator (“and (b) effectiveness of community grievance management mechanisms”), realigning the end target date with the extension of the project; and
- (c) One change has been made to the third PDO indicator (“beneficiaries who perceive improvements in linkages with government”), realigning the end target date with the extension of the project.



16. *Details of changes to intermediate indicators.* The following changes have been made to the intermediate indicators:
- (a) Three changes have been made to the first intermediate indicator and sub-indicators (“Component 1: Revitalizing Government-Community Linkages – Participating provincial governments”, “Community Officers recruited and inducted”, “Number of provincial/national public officials visiting communities facilitated by the project”), reducing the expected number of COs recruited and inducted from 80 to 49, increasing the number of provincial/national public officials visiting communities from 480 to 782, and realigning the end target date with the extension to the project; and
  - (b) Two changes have been made to the second intermediate indicator (“Component 2: Strengthening the Capabilities of Community Officers – Community agreements reached”, “Community Officers that achieve a satisfactory rating of performance”), reducing the expected number of community agreements reached from 80 to 49 to align with the lower number of COs expected to be appointed, and realigning the end target date with the extension of the project.

17. *Project Operations Manual (POM).* Within three months of the countersignature date of the Letter Agreement for the additional financing, the Recipient will update the Project Operational Manual (POM) of the project financed under the original grant, provide it to the World Bank for review and no-objection, and adopt the POM as accepted by the World Bank.

18. *Allocation of additional financing by component.* The additional financing will be allocated to the three project components as follows:

<b>Component</b>	<b>Original (US\$)</b>	<b>Additional (US\$)</b>	<b>Total Allocation (US\$)</b>
Component 1: Revitalizing Government-Community Linkages	920,000	250,000	1,170,000
Component 2: Strengthening the Capabilities of Community Officers and Local Authorities	1,210,000	250,000	1,460,000
Component 3: Project Management, Evaluation and Learning	950,000	434,583	1,384,583
<b>TOTAL</b>	<b>3,080,000</b>	<b>934,583</b>	<b>4,014,583</b>

19. *Disbursement forecasts.* Disbursement estimates have been updated to reflect the proposed project extension and additional financing.

20. *Audited Financial Statements and Financial Management Arrangements.* The audited financial statements for the year ended December 31, 2017, were received by the World Bank within the time prescribed under the Grant Agreement. The financial statements received an Unqualified Audit Opinion and were acceptable to the World Bank. There are currently no outstanding audit reports for this project and the 2018 audited financial reports are due to be received by the World Bank by June 30, 2019. There will be no changes to the financial management arrangements as a result of the restructure.