REPORT NO.: RES36692

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
COMMUNITY RESILIENCE TO CLIMATE AND DISASTER RISK IN SOLOMON ISLANDS PROJECT
APPROVED ON MARCH 6, 2014
TO
SOLOMON ISLANDS

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE
EAST ASIA AND PACIFIC

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Practice Manager/Manager: Abhas Kumar Jha
Task Team Leader: Tevi Maltali Obed
I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
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<tr>
<td>P112613</td>
<td>Investment Project Financing</td>
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<th>Approval Date</th>
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Organizations

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<td>Solomon Islands</td>
<td>Ministry of Environment, Climate Change, Disaster Management and Meteorology</td>
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Project Development Objective (PDO)

Original PDO

To increase the resilience of selected rural communities to the impacts of natural hazards and climate change.

Summary Status of Financing

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Policy Waiver(s)

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

No

I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES
Implementation progress has been slow since the project became effective on April 1 2014, but accelerated after the Mid-Term Review (MTR) in June 2017 with disbursement having increased from 28% to 80% by April 15, 2019 to support the establishment of the first national seismic monitoring system and implementation of provincial and community-led climate and disaster resilience investments. After the MTR, bulk procurement of goods for community investments was introduced and supported through the Project Management Unit (PMU) to attract large suppliers and lower cost of materials and ensuring efficiency in terms of transportation. This also addressed the issue of slow acquittal of community grants (which had previously impacted the overall cash flow negatively) resulting in increased disbursement and implementation acceleration. The project is currently rated Moderately Satisfactory for both implementation progress and progress toward achieving the Project Development Objectives (PDO).

There have been two previous project restructurings, one to extend the closing date of the GFDRR TF016425 from December 31, 2016 to October 30, 2018; and a second approved in May 2018 to: (i) amend the results framework; (ii) change the name and update the description of Component A; and (iii) change the procurement procedures and arrangements of community-led investment projects under Component C.2.

Component Progress and Current Status

Component A—Integration of Climate Change Adaptation and Disaster Risk Reduction in Government Policies and Operations. Most activities under Component A are complete. The achievements of completed activities include:

- Cabinet approval of the National Disaster Management Plan 2018 on February 16, 2018;
- Cabinet direction to Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) to review the National Disaster Council Act (1989) to bring it in line with the new Plan;
- A draft framework for disaster and resilient development in the Solomon Islands developed and noted in the February 16, 2018, Cabinet minutes. The Government is now taking over consultations and final approval of the framework using its own resources; and
- Completion of a national awareness campaign on risk resilience.

The ongoing activity under Component A relates to mainstreaming of risk resilience in the Ministry of Health and Medical Services (MHMS). Progress highlights include:

- Completing GIS risk maps for Guadalcanal and Central Provinces. The risk maps, hosted by MECDM, will soon be integrated with the Public Health Emergency and Surveillance Unit, MHMS;
- Preparing a vulnerability index for MHMS health facilities in Guadalcanal and Central Provinces;
- Developing a manual to guide in-streaming of risk resilience in Government Departments, including a version dedicated to health services; and
- Preparing an advisory health risk resilience brochure which has been distributed in 10 Provinces with support from Provincial Health Promotion Officers.

Component B—Strengthening of Climate and Disaster Risk Information and Early Warning Systems. All major planned activities under Component B are complete. The highlights of completed activities include:

- The Solomon Islands National Seismic, Volcanic, and Tsunami early monitoring system established and in full operation;
- Registration of the seismic network with the Global Federal Seismology Digital Network;
- The National Seismic Data Centre is hosted on Solomon Islands Government network (SIG Connect);
- National Disaster Management Office (NDMO) and the Climate Change Division of MECDM, and the Seismology Division of the Ministry of Mines, Energy and Rural Electrification (MMERE), are all connected through SIG Connect to receive earthquake email alerts from the National Seismic Data Centre;
- Strengthened collaboration between the Seismology Division of MMERE and the NDMO and Meteorological Division of MECDM through sharing of data and dissemination of warning messages;
The MECDM risk information system is strengthened and more climate and risk data are added to the portal for risk analysis. The portal is now available and in full operation. The NDMO and Climate Division are now connected to the portal through a fiber optic internet cable.

The few residual activities under Component B cover: (i) upgrading a data server; (ii) upgrading the energy supply for the National Seismic Data Centre using solar panels; and (iii) ongoing technical support for the ICT Support Unit.

Component C—Climate Change Adaptation and Disaster Risk Reduction Investments. After the MTR the number of community-led subprojects (CLPs) targeted was revised down from 70 to 59 and provincial-led subprojects (PLPs) increased from 4 to 7. Of the CLPs, 49 are rain water harvesting systems, seven are for Evacuation Centers, two are for Community Access Footbridges and one is for shoreline protection. For the PLPs, one is for shoreline protection, three are for rain water harvesting systems and gravity-fed systems. As of April 29, 40 CLPs are complete, five nearing completion and 14 are ongoing with all procurement activities completed. For the PLPs, one is complete, five are ongoing and one is in the final stage of procurement. Implementation progress of this component has slowed since January due to severe weather events and the negative impacts of Tropical Cyclone Oma from February to March 2019.

Component D—Project Management. The project ratings for progress toward the PDO and implementation progress were upgraded to moderately satisfactory in November 2018. The Project Coordinating Committee last met on November 21, 2018 as required to review implementation progress and provide guidance on the actions required to accelerate and complete remaining activities. On the financial front, the Bank has accepted the 2017 external audit. However, several points raised in the auditor’s opinion letter need addressing. The contract for the 2018 audit is being finalized and financial statements prepared. The GFDRR grant (TF016425) closed on October 30, 2018 and all funds have been disbursed. The budget forecast for the remaining trust funds and expenditures has been updated.

Rationale for restructuring
This proposed restructuring is in response to a request received from Government of Solomon Islands, dated March 14, 2019 to extend the Least Developed Countries Fund Grant (TF016614) closing date by six months from May 31, 2019 to November 28, 2019 and to amend the disbursements forecast slightly to align it with the new closing date. There are no other changes to the grant financing arrangements or to the scope of activities. The extension will allow sufficient time to complete the remaining activities that are necessary to achieve the PDO and that were delayed due to severe weather from January to March 2019. The Solomon Islands Government and the PMU have given their assurance to continue to provide implementation support to the communities and closely monitor the works contract for the PLPs to ensure all remaining activities are completed within the extension period. The Bank and the client have agreed on a Plan of Action to be undertaken before the proposed closing date of November 28, 2019 to ensure all remaining subprojects are completed satisfactorily and issues identified during the November mission are properly addressed. The budget has been revised to cover the additional operations cost for the extension period. Out of USD1.8m undisbursed, approximately 52% has been committed through signed works contract for the PLPs and 28% under ongoing CLPs. The revised budget forecast has a contingency of USD192000 to cater for fluctuations in the foreign exchange rate during the proposed extension.

II. DETAILED CHANGES

LOAN CLOSING DATE(S)
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