



DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
SOLOMON ISLANDS RURAL DEVELOPMENT PROGRAM II
APPROVED ON NOVEMBER 21, 2014
TO
SOLOMON ISLANDS

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

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**I. BASIC DATA****Product Information**

Project ID P149282	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 21-Nov-2014	Current Closing Date 28-Feb-2020

Organizations

Borrower Solomon Islands	Responsible Agency Ministry of Agriculture and Livestock Development, Ministry of National Planning and Development Coordination
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Project Development Objective (PDO)

Original PDO

The proposed development objective for the project is to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
COFN-C1360	07-May-2015	07-May-2015	07-May-2015	30-Jun-2020	4.30	4.28	.02
IDA-55740	21-Nov-2014	29-Jan-2015	27-Feb-2015	28-Feb-2020	5.00	4.57	0
IDA-D0220	21-Nov-2014	29-Jan-2015	27-Feb-2015	28-Feb-2020	4.00	3.75	0
TF-A5083	14-May-2017	29-Sep-2017	29-Sep-2017	28-Aug-2019	5.10	4.35	.75
TF-19256	21-Nov-2014	17-Apr-2015	17-Apr-2015	28-Feb-2020	10.50	9.45	1.05



Policy Waiver(s)

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

No

I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

1. This Restructuring Paper seeks the approval of the Country Director to proceed with a Level Two restructuring of the Solomon Islands Rural Development Program II (RDP II – P149282). The restructuring will extend the closing date of the European Union Grant (TFOA5083, hereafter referred to as the Grant) from August 28, 2019 to February 28, 2021. This will be the first extension of the Grant's closing date. The extension of the Grant will accordingly extend RDP II's closing date to February 28, 2021. No other changes are proposed.

2. The RDP II is the largest rural development investment in the Solomon Islands and the only one which operates in all 172 rural wards of the country. It consists of three components: Component 1: Community Infrastructure and Services; Component 2: Agriculture Partnerships and Support; and Component 3: Program Management. RDP II's Project Development Objective (PDO) is to assist the Recipient to improve basic infrastructure and services in rural areas and to strengthen the linkages between smallholder farming households and markets. The project is on track to meet its PDO. To date, RDP II has benefitted 65,788 people (around 10.3 percent of the population) through 129 completed sub-projects. Linkages to markets are being strengthened for more than 7,000 people through 35 agribusiness partnerships currently under implementation. Under the disaster risk recovery activities, 2,846 beneficiaries affected by the floods in April 2014 have received agriculture and livestock recovery assistance, exceeding the expected number of beneficiaries for this activity.

3. The project was approved by the World Bank's Board in 2014 and is financed by an IDA credit (Credit Number 5574-SB) in an amount of SDR 3.3 million (US\$ 5.0 million equivalent at the time of the appraisal; and US\$ 4.6 million equivalent as of the date of this Restructuring Paper); an IDA grant (Grant Number D022-SB) in an amount of SDR 2,700,000 (US\$ 4.0 million equivalent at the time of the appraisal; and US\$ 3.7 million equivalent as of the date of this Restructuring Paper); co-financing from the International Fund For Agricultural Development in a total amount of SDR 3,100,000 (US\$ 4.6 million equivalent at the time of the appraisal; and US\$ 4.3 million equivalent as of the date of this Restructuring Paper); the EU Grant (TFOA5083) in a total amount not to exceed US\$ 5.1 million (estimated at the time of the appraisal that the project will be support by the grants from the EU in an amount of EUR 9.7 million or US\$ 13 million equivalent); grant from the Commonwealth of Australia, acting through the Department of Foreign Affairs and Trade (DFAT) (TF019256), in a total amount not to exceed US\$ 10.5 million (estimated at the time of the appraisal that the project would be supported by grants from DFAT in an amount of AUD 15 million or US\$ 13.3 million equivalent); and counterpart financing by the Solomon Islands Government (SIG) in a total amount of SBD 46.3 million (US\$ 5.8 million equivalent as of the date of this Restructuring Paper; and estimated at the time of the appraisal that the project would be supported through counterpart financing in an amount of SBD 50 million or US\$ 7 million equivalent).

Rationale for Restructuring

4. The extension of the Grant's closing date is in response to a letter from the SIG dated July 23, 2019 requesting the extension to February 28, 2021. The Grant funds RDP II's operating costs such as the salaries of the Project Coordination Unit, Community Helpers, project consultants and all centrally-procured activities. These are essential for



project implementation. To date, the Grant has received US\$5.1 million and disbursed US\$ 3.9 million (approximately 77 percent). The extension of the Grant's closing date will allow the Grant to fully disburse all available funds, and help the project meet its development objective. RDP II's progress towards achievement of its PDO and overall implementation progress are both rated Moderately Satisfactory.

5. A revised budget and procurement plan for the proposed extension period have been approved by the World Bank. Financial audits received to date have been unqualified, and there are no outstanding financial audits for the project. The project is rated Moderately Satisfactory for financial management, procurement and monitoring and evaluation.

II. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
COFN-C1360	Effective	07-Nov-2020	30-Jun-2020	28-Feb-2020	28-Jun-2020
IDA-55740	Effective	28-Feb-2020		28-Feb-2020	28-Jun-2020
IDA-D0220	Effective	28-Feb-2020		28-Feb-2020	28-Jun-2020
TF-19256	Effective	28-Feb-2020		28-Feb-2020	28-Jun-2020
TF-A5083	Effective	28-Aug-2019		28-Feb-2021	28-Jun-2021