Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 06-Apr-2022 | Report No: PIDA32917

Public Disclosure Authorized

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Solomon Islands	P177239	Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EAST ASIA AND PACIFIC	29-Mar-2022	25-May-2022	Environment, Natural Resources & the Blue Economy
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Solomon Islands	Ministry of Fisheries and Marine Resources (MFMR)	

Proposed Development Objective(s)

The Development Objective of the Series of Projects is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.

For Solomon Islands second phase's project ("SB PROPER"), the proposed Project Development Objective (PDO) is to strengthen regional collaboration and national capacity for the management and the sustainable development of the oceanic and coastal fisheries sector in the Solomon Islands.

Components

Component 1 - Strengthening Regional Collaboration and National Capacity for Oceanic Fisheries
Component 2 – Strengthening Regional Collaboration and National Capacity for Coastal Fisheries
Component 3 - Project Management

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	13.50
Total Financing	13.50
of which IBRD/IDA	13.50
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	13.50
IDA Credit	5.00
IDA Grant	8.50

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

Regional context

The Western and Central Pacific Ocean (WCPO) region covers 11 percent of the world's ocean area and is home to 22 small island countries and territories. The geography of the Pacific Island Countries (PICs) creates common challenges and opportunities. The PICs are small, with limited natural resources, narrowly based economies and distant from major markets. They are also vulnerable to external economic and environmental shocks, such as the coronavirus disease (COVID-19) pandemic. The region has a high concentration of fragile states, and in 2019 a quarter of Pacific Islanders were estimated to live below 'basic needs poverty lines' according to the United Nations High-level Political Forum on Sustainable Development. While fisheries are the single most important revenue source for many PIC economies and are an essential source of food and income for households, the coastal and archipelagic ecosystems of PICs are under increasing global threats from climate change and local threats from increasing human populations and urban expansion, associated with solid waste and water pollution, as well as local overfishing and habitat degradation from land use conversion and reef mining for construction material. PICs are among the world's most vulnerable to the effects of climate change and disasters, with the World Risk Index 2020 ranking six PICs among the top 20 most at-risk countries, with Solomon Islands ranked in fifth place behind Vanuatu (first) and Tonga (second). Fisheries are the single most important revenue source for PICs' economies and are an essential source of food and income for households. WCPO PICs' public revenue from oceanic tuna license fees amounted to US$465 million in 2016, representing more than 40 percent of government revenue for six of the ten countries, according to the Pacific Community (SPC).[1] PICs' revenues depend on oceanic resource productivity, in particular tuna, and on regional and national capacities to enforce fisheries management and access rules, and to anticipate and adapt to climate change

[1] https://iwlearn.net/resolveuid/5f5bfe20-4169-48ef-bf59-f4b35f576aa5

impacts on fisheries' resources and habitats. The well-being of island populations depends on coastal fisheries productivity and national and local capacities to manage these resources sustainably, while promoting alternative sources of livelihoods to reduce pressure on fish stocks based on lessons learned and expertise shared at the regional level. Their well-being would also benefit from addressing competition and promoting synergy with non-consumptive uses of living aquatic resources and habitats for tourism.

National context

Solomon Islands consists of six major islands and over 900 smaller islands (grouped in nine provinces), to the east of Papua New Guinea (PNG) and northwest of Vanuatu, with a landmass of over 28,400 square kilometers (km^2) and around 1.6 million km^2 of marine area within its national jurisdiction including the archipelagic waters, the territorial sea, and the Exclusive Economic Zone (EEZ). The population of 721,455 (2019 National Population and Household Census) is young (over one-half is under 20 years of age), largely rural (around 80 percent), and most lives in small villages of just a few hundred people.

Solomon Islands is a lower middle-income country with an economy based on logging, agriculture, fishing, and tourism. It experienced a significant economic contraction in 2020 resulting from the effects of the COVID-19 pandemic. Economic activity in the formal sector is narrowly based and heavily concentrated on the island of Guadalcanal, dominated by public service employment in Honiara. Plantation, logging, and fishery-based commercial activities have dominated since Independence in 1978. The economy is vulnerable to external shocks because of its dependence on imports of critical commodities and fuel, combined with volatility in the prices of export commodities. Revenues generated by logging, which is the main export commodity[2], are expected to decline in the medium term as production is well above sustainable levels[3]. The oceanic tuna fisheries contribute 12 percent of government revenue and employs more than 1,800 residents[4], while coastal fisheries are central to food security and nutrition, as well as income for households.

Solomon Islands is categorized as a fragility, conflict and/or violence affected (FCV) country. It underwent "the Tensions", a period of civil conflict from 1998 to 2003, during which the Gross Domestic Product (GDP) declined by nine percent. There has been no recurrence since then; however, no government has lasted a full term and several national elections or periods have been marred by rioting and other violence. In November 2021, protests and riots took place in Honiara and close to 1,000 employees faced temporary job loss. The destruction of the capital stock and infrastructure were estimated at 2.3 percent of GDP, up to 1.8 percent of GDP in government revenue losses were expected in the following three months. As a result, austerity measures were introduced, restricting most non-salary payments, while the government's relief package to assist the affected businesses led to an unanticipated financing gap. Support from the development community remains critical to meet the urgent financing needs.

Aggregate poverty has declined in the past 15 years; however, a high proportion of Solomon Islanders are vulnerable to falling into poverty.[5] The poverty rate, based on the national poverty line, has reduced from 22 percent in 2005/06 to 12.7 percent in 2012/13, implying that some 45,000 people were lifted out of poverty over that period. Youth unemployment and under-employment, as well as economic stagnation in the more remote areas, are enduring challenges. Subsistence and artisanal fishing activities are widespread and are of

[2] In 2019, rough wood accounted for 65.8 percent of export or US$419 million, while fish (processed or frozen) accounted for 15.0 percent or US$95.8 million, respectively US$65.1 million and US$30.7 million. Meanwhile import of frozen fish accounted for US$16 million, most probably for local canning. (Source: oec.world)

[3] Last estimated in 2011 at 250,000 cubic meters a year, while export reached a record high 2.7 million cubic meters in 2018.

[4] OECD statistics (2021). https://stats.oecd.org/Index.aspx?DataSetCode=REVSLB

[5] The World Bank, Solomon Islands Systematic Country Diagnostic (Report No. 115425-SB), June 2017.

great importance.

Solomon Islands is highly susceptible to climate change and natural disasters, such as earthquakes, volcanic eruptions, cyclones, tsunamis, coastal and river flooding, and landslides. Located in the Pacific Ring of Fire and within the Pacific cyclone belt, the country is prone to natural disasters; recent examples include earthquake-triggered tsunamis in 2007 and 2013, deadly floods in 2014 caused by a tropical cyclone, and a volcanic eruption near Temotu province in October 2017. Given its location and physical characteristics, it suffers from extreme events associated with climate vulnerability, including storm surges, and increased precipitation and flooding. With climate change, it is anticipated that average annual and seasonal rainfall will increase over the course of the 21st century, and extreme rainfall days are likely to occur more often. The general projection is a decrease in cyclone frequency, yet an increase in the maximum wind speed of cyclones. Interactions of cyclones with other climate change impacts such as rising sea levels and increased storm surges have the potential for cyclone hazards to be experienced in unprecedented locations, impacting economic development in low lying and coastal areas.

In addition, across the Pacific, temperatures are projected to increase between 1.4°C and 3.1°C and under the highest emissions pathway modelling, Solomon Islands is projected to reach a 2.8°C increase by the 2090s. The intensity and frequency of days of extreme heat are also projected to increase.[6] From 1925 to 2016, global average marine heat wave frequency and duration increased by 34 percent and 17 percent respectively, resulting in a 54 percent global increase in annual marine heat wave days. The consequences of these trends in the Solomon Islands may be serious particularly for the marine ecosystems, and the fisheries they support. The changes in WCPO's oceanic tuna fisheries have been modelled showing a projected shift of marine fish poleward along with a westward shift for tuna and other straddling fish stocks and significant reductions in stock sizes. The average tuna catch in the PICs is projected to reduce 20 percent by year 2050 and 26 percent for Solomon Islands, if no actions are taken against greenhouse gas (GHG) emission.[7] Studies have suggested that without adaptation, the Solomon Islands faces a fish catch deficit which could not only impact the dietary health of the population; they also suggest that feasible adaptation strategies can mitigate this deficit.[8]

Sectoral and Institutional Context

Regional Sector and Institutional Context, Rationale for a Regional Approach

The WCPO oceanic fisheries supply most of the world's tuna. However, for most PICs, geographic remoteness reduces the potential profitability and competitiveness of in-country tuna processing of oceanic catches and limits the prospects of local value-addition and local market supply. In 2019, the region produced nearly 3 million tonnes of tuna (some 55 percent of the world's tuna catch), with an estimated first sale value of US$4 billion. At present, more than 99 percent of tuna caught in PICs' waters is exported. A lack of local supply and value chains also limit the contribution of oceanic tuna to PICs' food and nutrition security, and local job creation. Increased local access to oceanic pelagic resources (tuna and small pelagic species), increased supply from processors in the region, and access to bycatch from industrial vessels are needed to increase the region's domestic consumption. The *Regional Roadmap for Sustainable Pacific Fisheries*[9] sets a goal of increasing the annual supply of tuna for domestic consumption by 40,000 tonnes across the region by 2024.

[6] Pacific Climate Change Science Program: Current and Future Climate of the Solomon Islands. https://www.pacificclimatechangescience.org/wp-content/uploads/2013/06/13_PCCSP_Solomon_Islands_8pp.pdf

[7] Bell, J. et al. (2021). Pathways to sustaining tuna-dependent Pacific Island economies during climate change. Nature Sustainability (4)

[8] Dey, M. M.et al. (2016). *Economic impact of climate change and climate change adaptation strategies for fisheries sector in Solomon Islands: Implication for food security*. Marine Policy, 67, 171–178. DOI: https://doi.org/10.1016/j.marpol.2016.01.004

[9] A Regional Roadmap for Sustainable Pacific Fisheries. https://www.ffa.int/system/files/FoF%20Roadmap%20FINAL.pdf

PICs' public revenues from oceanic tuna license fees amounted to US$465 million in 2016, representing more than 40 percent of government revenue for six of the ten countries.[10] Solutions to optimize the production, revenue, and socio-economic impacts from oceanic resources and develop climate change adaptation strategies are being prioritized by the region and by PICs at national and local levels. PIC revenues depend on oceanic tuna resource productivity, and on regional and national capacities to enforce fisheries management and access rules. The main tuna WCPO stocks (skipjack, south Pacific albacore, bigeye and yellowfin) are "biologically healthy" and account for 95 percent of WCPO total tuna catches by weight. There is a move towards a generalized ecosystem approach to help manage the less abundant or resilient oceanic resources, and to adapt the harvest strategies of the Western and Central Pacific Fisheries Commission (WCPFC) to anticipate the effects of climate change.

Coastal fisheries play a crucial role in supporting local livelihoods, national food sovereignty and security, nutrition, and dietary health, with women playing a major role in the sector, but this role is jeopardized by anthropogenic pressure, climate change and inadequate management. Coastal, reef and lagoon fishing activities provide 50-90 percent of animal protein in the diet of Pacific islanders, and the first or second source of income for 50 percent of coastal households. However, nearshore marine resources show growing signs of local overexploitation, as well as impact from pollution near urban centers and more densely populated islands. These anthropogenic impacts are further exacerbated by the impacts of climate change, such as ocean acidification, increased intensity of weather events, sea level rise and storm surges. PICs will not be able to maintain fish consumption of its people considering a population growth of 50 percent by 2035 and dwindling marine resources due to overfishing and climate change. It is predicted that the population of Solomon Islands will be just under one million in 2035 and, if nothing is done, the annual fish consumption per capita will drop from 30 to about 11 kilograms. Women's livelihoods will be particularly affected in the Pacific, as their participation in fisheries is estimated to be over 50 percent, when gleaning and subsistence fishing are included. Despite their dependence on coastal fisheries for economic opportunities, women remain underrepresented in decision-making bodies in the sector.

Healthy coral reefs, seagrass beds, mangroves and coastal wetland habitats play a vital role in climate resilience and adaptation by offering protection from increasing threats from sea level rise, floods and storm events and help mitigate climate change through carbon sequestration. Coastal ecosystems in the PICs further produce some of the world's most significant marine biodiversity, yet ecosystem health is diminishing with decrease in water quality from erosion, runoffs, and marine pollution. Reef dependent communities in the Solomon Islands were also assessed to have the highest vulnerability to ocean acidification and other climate change impacts on reefs and their fisheries, aquaculture, and tourism.[11]

The wellbeing of PICs' populations depends on the productivity of coastal fisheries and regional, national and local capacities to manage these resources sustainably, address competitive usages, and anticipate and adapt to climate change impacts on fish resources and habitats. As such, reef and lagoon fisheries will need to be carefully managed, benefitting from lessons learned and expertise shared at the regional level. This is also relevant for specialized fisheries that target high-value species for export, such as sea cucumbers, trochus shells and live aquarium fish. Water-based tourism is a key element of the Solomon Islands tourism experience, as well as cultural interaction, therefore addressing competition and promoting synergy between fisheries and non-consumptive uses of living aquatic resources and habitats for tourism is important.

Support to customary and co-management arrangements and livelihood diversification, in the fish value

[10] https://iwlearn.net/resolveuid/5f5bfe20-4169-48ef-bf59-f4b35f576aa5
[11] SPREP (2016). Pacific Islands Ocean Acidification Vulnerability Assessment, Apia, Samoa

chains and beyond, will help improve the effectiveness of coastal fisheries management and adaptation to climate change. It will help cushion their potential short-term and long-term impacts, help develop environmental and economic resilience, and help release the full potential of coastal fisheries for long-term contribution to national and communities' wellbeing. Implementing these adaptation measures will build the resilience of Solomon Islands coastal fisheries to climate change through maintaining fish habitats, sustaining recruitment and production of coastal fish stocks, and diversifying fishing methods to help fill the climate change induced widening gap between the quantity of fish recommended for good nutrition and sustainable harvests from coastal fisheries.[12]

The WCPO marine fisheries are part of a larger marine ecosystem shared by all PICs. They are a regional resource, whose health and sustainability require regional coordination to limit the negative externalities and enhance the positive externalities yielded by national activities. Migratory species, such as tuna, are archetypes of this shared regional common good, and their sustainable harvesting requires coordination to avoid a "tragedy of the commons" scenario. The fisheries sector in the WCPO is already largely regional, with each country's decision impacting on the other countries.

Regional coordination is needed to foster synergy for effective management, equitable distribution of wealth and optimal sectoral investments. Countries face common constraints in their fisheries sectors: governance challenges, insufficient human and institutional capacities, and a fragile business environment. The WCPO PICs would therefore benefit from addressing these challenges jointly. Many technical dimensions of fisheries management benefit from synergy and economies of scale, if managed or organized at a regional level (e.g., Monitoring, Control and Surveillance, MCS; research and development; extension services). On the other hand, large national investments, such as ports, fishing fleets, or processing plants, are competing against each other and require regional planning for economic efficiency.

PICs already use regional platforms to agree on common management measures and to share their experience in implementing more sustainable and economically viable fisheries policies and practices. These platforms include WCPFC (with the participation of other riparian states and distant water fishing nations), the Pacific Islands Forum Fisheries Agency (FFA)[13], the Parties to the Nauru Agreement (PNA)[14], the Pacific Community (SPC) and the Forum Fisheries Committee (FFC). Reinforcing WCPO PICs' capacities to participate actively in the WCPFC forum and to implement the WCPFC, FFA, PNA and SPC resolutions is essential for the management and sustainable use of the fish resources and for further harnessing the oceanic and coastal fisheries to the regional economy, as well as enhancing their socio-economic benefits for the coastal populations.

Effective regional oceanic fisheries management efforts have facilitated significant public revenues for many PICs. As a result of the strong management of oceanic fisheries, none of the key tuna stocks in the WCPFC Convention Area is considered as overfished or experiencing overfishing.[15] The eight countries that are Parties to the Nauru Agreement operate a Vessel Day Scheme (VDS) to collectively limit fishing days - or Vessel Days (VDs) - and sell them to the operators of purse-seine vessels. PNA public revenues from the fishery increased from US$60 million to US$554 million per year between 2007-2018, with contributions to total public revenue during 2015-2018 ranging from four percent for PNG to 87 percent for Kiribati.[16;17] Opportunities to extend the

[12] Hanich, Q et al. (2018). *Small-scale fisheries under climate change in the Pacific Islands region*, Marine Policy (88) pp. 279-284
[13] Australia, Cook Islands, Federated States of Micronesia (FSM), Fiji, Kiribati, Republic of the Marshall Islands (RMI), Nauru, New Zealand, Niue, Palau, PNG, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.
[14] The eight countries that formed PNA namely, FSM, Kiribati, RMI, Nauru, Palau, PNG, Solomon Islands and Tuvalu.
[15] FFA (2020). Tuna Fisheries Report Card 2020. FFA, SPC
[16] Ruaia T. et al. (2020). Economic and Development Indicators and Statistics: Tuna Fisheries of Western and Central Pacific Ocean. FFA
[17] Bell, J. et al (2021). Pathways to sustaining tuna-dependent Pacific Island economies during climate change. Nature Sustainability (4)

scheme to longline vessels are being explored. There is also scope for increasing revenues without increasing fishing effort through, *inter alia*, ensuring that effective measures are in place to address illegal, unreported, and unregulated (IUU) fishing, and supporting adaptation to changes in abundance and distribution of fish resources associated with climate change.

Fisheries management is also a "no regrets" approach that builds resilience to climate change for the fish populations, for sensitive habitats such as coral reefs, and for dependent communities and nations, with the added bonus of creating wealth and economic growth. The uncertainties around the severity of climate change in the Pacific region calls for a robust adaptive fisheries management system for both oceanic and coastal fisheries to tackle future changes of the marine environment and the fish stocks supporting these fisheries. Generally, recovery and maintenance of fisheries resources closer to the larger stock sizes provide greater stability in fish recruitment and stock productivity, in management parameters (such as allowable catch and/or fishing effort, non-compliance by fishers) and, in the long-run, catches, while it also lowers the probability of stock decline and the need for drastic management intervention. Consequently, maintaining or restoring stocks to levels that can increase their productivity, such as the "maximum sustainable yield", contributes to adaptation to the effects of climate change and greater robustness to the effects of climatic variability.[18] It benefits fishers through more sustainable and less uncertain catches and potentially greater profits, and ultimately benefits all value chain operators and consumers.[19,20] Different climate-adaptive fisheries management scenarios have been modelled showing that the economic losses can be mitigated and, in some cases, economic gains from transboundary fisheries can be realized, if management is applied at the highest level (stringent and frequent data collection, real-time catch monitoring, yearly/seasonal allocation of catch or effort quotas in relation to the status of stock etc.).

The VDS contributes to climate change mitigation and adaptation in oceanic fisheries. The scheme is designed to control fishing effort to adjust to the fish stocks' carrying capacity, contributing to climate change mitigation by encouraging energy efficiency and assisting towards reducing overcapitalization in fishing vessels. It builds larger climate-resilient stocks, thereby increasing fishing profitability for the benefits of operators and coastal states. It also mitigates the impact of climatic phenomenon, such as El Niño[21], that greatly affect catch distribution among the PNA countries by allowing trading or selling of vessel days among the PNA countries. Improvement of the VDS would rely on more timely availability of fisheries data and more efficient participatory analysis to swiftly react to resource changes by formulating management measures. Reduction in allowable catch does not have to mean reduction in revenues from fisheries: in Iceland, a 50 percent reduction in catch from 1999-2019 was matched by a 40 percent increase in their total market value.[22]

Adaptive coastal fisheries management contributes to prepare coastal communities for the transformations induced by climate change. Tackling the challenges associated with climate change requires: (i) a relevant information system to inform management and policy; (ii) strong support from governmental agencies for coastal fisheries management; (iii) effective collaboration and coordination of stakeholders; (iv) enforcement of strong and up-to-date legislation, policies and plans; and (v) equitable access to benefits and involvement in

[18] WSSD (2002). Plan of Implementation of the World Summit on Sustainable Development. UN Department of Economic and Social Affairs, Division of Sustainable Development, New York.
[19] Anonymous (2004). Net benefits: A sustainable and profitable future for UK fishing. Cabinet Office, Strategy Unit, London, pp. 168.
[20] Pauly et al. (2003). The future for fisheries, Science, 302, 1359-1361.
[21] El Niño can cause up to 50 percent deduction in catches in the Solomon Island EEZ, which may reduce the market price of the vessel day.
[22] Ministry of fisheries, Iceland (2021)

decision-making. [23] In the regional strategy, *A new song for coastal fisheries – pathways to change: The Noumea strategy*[24], decision-makers highlighted the importance of coastal fisheries for food security and livelihoods, and called for prioritizing coastal fisheries management. Considering the anticipated impacts of population growth and climate change on food security and livelihoods, they recognize the need for an inclusive governance structure with strong social capital for adaptive management through consultation, empowerment, and involvement of communities in management. Diversification of livelihoods activities is also recognized as a key factor in offsetting the impacts of management such as temporary closure, but also building adaptive capacity to climate change, as it reduces the risk of livelihood failure by spreading risk across more than one income source.

National Sectoral and Institutional Context

The fisheries sector in Solomon Islands is a key export revenue earner and is a source of jobs and livelihoods. It provided an annual average US$41.3 million in fisheries access and administration fees to the Solomon Islands Government (SIG)[25] during 2015-2018, representing about 12 percent of tax and non-tax revenues and making it the second most important export revenue earner after forestry. Over 80 percent of the islanders[26] are engaged in small scale fisheries and agriculture, and more than 1,800 are directly employed in the tuna industry.[27] Livelihoods are dependent on fisheries, with consumption estimated at around 40 kilograms per capita per year providing a valuable source of protein[28].Women make up more than 50 percent of the workforce in subsistence fishing and about 67 percent of the onshore industrial fish processing employees.[29]

The Ministry of Fisheries and Resources Management (MFMR) manages all fisheries' activities based on the National Fisheries Policy (NFP) 2019-2029 and the Fisheries Management Act 2015, through implementing divisions for Inshore fisheries, Offshore fisheries, Provincial activities, and Aquaculture. The MFMR Corporate Plan (2020-2023) reflects the intents of the NFP, the MFMR Strategy, the National Development Strategy (NDS) 2016-2035 and the Ocean Policy (2018). The NDS identifies fisheries as a key driver in inclusive national economic growth and climate change mitigation. The NFP highlights the importance of safeguarding inshore and inland fisheries and associated ecosystems services, and increasing and diversifying benefits from offshore fisheries. The Ocean Policy defines integrated ocean governance to achieve socio-economic development, food security, climate change resilience and adaptation, environmental conservation, and protection from natural disasters. The Fisheries Management Act aims to ensure long-term management, conservation, and sustainable use of fisheries and marine ecosystem for the benefit of the people.

Representation of MFMR in the provinces remains insufficient and requires strengthening of human resources in number and skills, as well as infrastructure to accommodate the needed personnel. MFMR comprises 138 staff, 100 at central level and 38 in the provinces, and about 100 contractual observers for the oceanic tuna fisheries. This issue is particularly acute in the Malaita Province where an important tuna processing project is

[23] Hanich et al. (2018). Ibid.
[24] https://coastfish.spc.int/component/content/article/461-a-new-song-for-coastal-fisheries.html
[25] Bell, JB. et al., 2021. *Pathways to sustaining tuna-dependent Pacific Island economies during climate change*. Nature Sustainability vol. 4
[26] Solomon Islands Ministry of Fisheries and Marine Resources (2019) Solomon Islands National Fisheries Policy 2019–2029: A policy for the conservation, management, development and sustainable use of the fisheries and aquatic resources of Solomon Islands.
[27] Pacific Island Forum Fisheries Agency, *Tuna Development Indicators 2016*, https://www.ffa.int/system/files/FFA%20Tuna%20Development%20Indicators%20Brochure.pdf
[28] A Regional Roadmap for Sustainable Pacific Fisheries. https://www.ffa.int/system/files/FoF%20Roadmap%20FINAL.pdf
[29] Krushelnytska, O. (2016). Towards gender-equitable fisheries management in the Solomon Islands. SPC Women in Fisheries Information Bulletin #27.

envisaged in Bina Harbour, and where MFMR presence will be essential for certifying the tuna products and ensuring compliance of fishing and port operations with national, regional and international management obligations to access export markets.

Oceanic fisheries management has progressed significantly over the last decade; however domestic benefits from oceanic fisheries are essentially limited to fishing fees paid by shipowners. Oceanic fisheries are managed through regional cooperation in the frame of the PNA VDS and the determination of VDs for the Parties. The number of VDs allocated to Solomon Islands is around six percent of total VDs and is used by both national vessels (mostly foreign-owned) and foreign vessels. Solomon Islands receives direct economic benefits from the VDS through leasing out VDs, but very little of the catch is traded for local processing. Official national catch statistics remain limited and imprecise and require improvement for policy design and management at both regional and national levels. Systematic and timely information on oceanic fisheries can be improved and better information on catch composition and by-catch is needed to guide management decisions.

In view of the population growth and climate change challenges, coastal fisheries management is gaining increased attention and requires institutional strengthening, in particular at the provincial level. In line with the regional strategy, the Government is promoting community-based resources management (CBRM) and complementary measures including access to climate-change adaptation and livelihoods support program. Coastal fisheries management is supervised by MFRM divisions that rely on Provincial Offices to carry out management tasks and, as part of the decentralization and co-management approach, the NFP emphasizes the establishment of CBRM units to bring management issues (data collection, compliance, dissemination) closer to the resource users and other stakeholders for a more adaptive management. MFMR divisions provide technical support, training and awareness building to the Provincial Offices and CBRM units. However, the operation of Provincial offices and CBRM units is not financially secured and requires strengthening of the regulatory framework, including the adoption of Provincial Ordinances. Data collection is sporadic as associated with donor projects, and very limited data is available to support management design. The competency and availability of staff is a limiting factor to support the co-management agenda and compliance with the Fisheries Management Act.

The essential role of fisheries for livelihoods and nutrition was demonstrated during the COVID-19 pandemic. The economic impact of COVID-19 resulted in people that experienced loss of income and job opportunities returning to their villages and relying on their social networks. This back migration from urban to rural areas increased reliance and importance of coastal small-scale fisheries for livelihood and food security. However, it also demonstrates the importance of effectively managing the resources to ensure that additional extraction and fishing effort can be absorbed in times of economic shocks or following other crisis events (e.g., following weather-related disaster) to provide a livelihood buffer while maintaining long-term productivity and resilience of the resources. The proposed PROPER investments are thus timely in supporting the important role of the fisheries sector plays as a socio-economic buffer in event of crisis. It will benefit from the WB global experience in fostering fisheries management, and its unique aptitude for long-term engagement and for accessing global knowledge required for this agenda.

The Pacific Islands Regional Oceanscape Program (PROP)

The Project will be the ninth[30] under the Pacific Islands Regional Oceanscape Program Series of Projects (SOP). PROP's first phase began in 2014 with implementation in the Federated States of Micronesia (FSM), the Republic of Marshall Islands (RMI), Solomon Islands, Tuvalu and FFA (first cohort), and was expanded in 2019 and 2020

[30] While not joining the PROP Series of Projects, SAFPROM (Samoa) still benefits from, and contributes to, the regional goals of sustainable fisheries management and is aligned with the PROP objectives

to Samoa, Tonga, and Kiribati (second cohort). The SOP development objective is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend. Each project can also have a specific PDO.[31]

Key outputs achieved under the first phase PROP Project in Solomon Islands related to oceanic and coastal fisheries, on which the PROP's second phase (PROPER) will build include the successful introduction of electronic monitoring (e-monitoring or EM) and electronic reporting (e-reporting or ER) as important tools to inform oceanic fisheries management, as well as new management plans for coastal fisheries, including coral, giant clam, and sea-cucumber, all of which were based on resource assessments.

The Proposed Project, PROPER

This Project is the first in the PROP's second phase, and will build on the lessons learned from the first seven years of PROP implementation for improved, sustainable impacts. PROPER projects will be aligned with the overarching regional objectives of the original SOP and will contribute to the regional goals of strengthening sustainable oceanic and coastal fisheries management. PROPER is designed as a set of standalone projects, to be implemented by countries or regional organizations, linked in the collective aim of improved fisheries management, improved climate change adaptation and economic resilience. PROPER is structured to allow these projects to work in conjunction, and for all national projects to contribute towards regional policy objectives and focus on addressing national priorities.

The Project will benefit from programmatic advisory services and analytics as well as TA provided by the Bank-executed Pacific Ocean Advisory Program, POAP. The objective of POAP is to inform the design, financing, implementation, coordination and monitoring of priority policies and investments for a sustainable ocean economy and a healthier and more resilient environment in selected PICs. The focus is on strengthening the management and sustainable development of oceanic and coastal fisheries to optimize public expenditures in and revenue generated from these sectors and improve food security and livelihoods for local communities. A second, closely related focus is on improving the resilience of ecosystems on which fishing and other key ocean economic sectors depend, while increasing opportunities for sustainable investments to support a sustainable ocean economy (or "Blue Economy"). The POAP supports fisheries-related elements of a Public Expenditure Review in the Solomon Islands (P177554) that will help inform the institutional strengthening and support to provincial governments under PROPER.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Development Objective of the Series of Projects is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.

The Project Development Objective of the proposed Pacific Islands Regional Oceanscape Program – Second Phase for Economic Resilience (PROPER) is to strengthen regional collaboration and national capacity for the management and the sustainable development of the oceanic and coastal fisheries sector in the Solomon Islands

[31] Kiribati: To improve management of selected fisheries and seafood safety in the Recipient's territory; Samoa: To increase the productivity and access to markets by selected producers, to improve management of targeted productive natural resources and, in the event of an Eligible Crisis or Emergency, to provide an immediate response to the Eligible Crisis or Emergency. Tonga: To improve management of selected fisheries and aquaculture in the Recipient's country.

Key Results

Achievement of the PDO will be measured by the following PDO-level indicators:

- *Strengthened regional collaboration and national capacity for fisheries management and development:*
  - Fisheries management informed by timely access to data by national and regional stakeholders.
    - Minimum percentage of observer reports submitted via e-reporting.
    - Minimum number of bilateral agreements signed with neighboring countries to facilitate access to e-monitoring data.
    - Minimum percentage of licensed tuna fishing vessels reporting via Vessel Monitoring System (VMS) to the Noro MCS Center.
- *Strengthened capacity at community-level for fisheries management and development:*
  - Minimum new communities adopting climate-informed Community Fisheries Management Plans.
  - Community members participating in project-supported livelihoods and development activities. Percentage that are female.

D. Project Description

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

The environmental and social (E&S) impacts of project activities are expected to be mostly positive, and will improve the sustainability of fisheries in Solomon Islands. Environmental risks and social risks are both rated **Substantial**, with mostly temporary impacts which will be managed through conventional E&S risk management approaches; however, capacity limitations which may make E&S risk management challenging. To address these limitations, an international E&S consultant will continue to provide support to the PMU.

The E&S impacts of the proposed construction activities have been assessed via a limited Environmental and Social Impacts Assessment (ESIA) for the Noro MCS Center and via an Environmental and Social Management Framework (ESMF) for other activities. The ESMF provides a high level summary of E&S risks for construction including: (i) handling and disposal of waste and hazardous materials (e.g., potential asbestos management for renovation/ demolition works); (ii) community safety and occupational health and safety (OHS) impacts, including risks due to unexploded ordnance (UXO); (iii) COVID-19 transmission to workers/ the community; (iv) contamination of water sources and marine water via poor drainage; (v) poor management of storm water causing erosion; (vi) dust and noise nuisance; (vii) soil erosion risk; and (viii) unsustainable sourcing of materials and use of finite resources. Travel restrictions as a result of the COVID-19 pandemic could also challenge the monitoring of E&S risks. Operational impacts could include minor pollution risks (e.g., via fuel spills when refueling boats) and OHS risks. These activities will be screened via a process detailed in the ESMF which includes an eligibility screening form, impacts screening process and the requirement to develop an Environmental and Social Management Plan (ESMP) / ESIA or utilize the provided Environmental and Social Code of Practice (ESCOP) as appropriate to manage E&S risks.

Procurement of equipment and technology will require end of life management of e-waste. Should the project fund aquaculture activities, these could have some OHS impacts, minor aquatic ecology impacts as a result of aquaculture operations and marine water pollution impacts. TA activities are expected to have largely positive E&S impacts, but could have downstream impacts. These risks are expected to be readily managed via the ESMF which includes measures to address end of life waste management for equipment purchases, assessment of the risks and impacts associated with potential aquaculture investments, and procedures for screening and managing TA for E&S risks, including downstream risks.

The country context is characterized by high rates of gender-based violence. To minimize the risk of sexual exploitation and abuse or sexual harassment (SEA/SH) due to project activities, the ESMF includes measures such as awareness raising, and a code of practice. In addition, to address potential inequities in accessing project benefits, the project operational manual, and the SEP, will include procedures to promote the empowerment of women and other vulnerable groups through improved voice and agency, in the planning, prioritization and implementation of subprojects.

The project has developed a Labor Management Plan (LMP) that sets out the ways in which project workers will be managed, including consultants, contractors, sub-contractors, community workers and primary suppliers. The LMP establishes labor guidelines for all categories of workers, and includes a Code of Conduct and a grievance mechanism for labor grievances, drawing on national laws and regulations and international best practices, as well as WB's Environmental and Social Standard (ESS) 2 to manage employment-related complaints.

A SEP has been prepared to ensure effective, meaningful, inclusive and culturally appropriate stakeholder engagement during project preparation and implementation. It identifies groups at risk of exclusion during project preparation and effective stakeholder engagement processes during implementation, with a focus on removing barriers to access (especially for vulnerable groups) and developing tailored processes for the participation of remote communities. The SEP includes the project Grievance Mechanism.

The Borrower has prepared an Environmental and Social Commitment Plan (ESCP) which sets out the time-bound material measures and actions required for the Project to meet objectives and principles of the ESSs. The Draft ESCP, ESMF, SEP, LMP and Noro MCS Center's ESIA were disclosed on the MFMR website on March 11, 2022, and were disclosed on the WB website on March 24, 2022.

E. Implementation

Institutional and Implementation Arrangements

MFMR will implement the Project and will house the PMU responsible for day-to-day project implementation. The PMU will consist of a Project Coordinator, a Project Accountant, a Senior Procurement Officer, a Project Administrative & Financial Assistant, and a locally- and time-based E&S Officer as minimum staffing to be maintained throughout implementation. An Assistant Procurement Officer, a time-based M&E Officer and a time-based Community Liaison Officer will also be a part of the PMU. The PMU will benefit from time-based support from an international E&S Advisor, an international M&E Specialist, and an international Procurement Specialist. The PMU will operate based on a Project Operations Manual (POM) approved by the World Bank.

Project oversight will be carried out by the Project Steering Committee (PSC) that was established under the PROP first phase. The PSC is chaired by the Permanent Secretary (PS) or designate from MFMR and its membership includes PS-level representatives of relevant national ministries, including the Ministry of Finance and Treasury (MoFT). The PSC will be provided half yearly progress reports by the PMU, including on procurement and FM.

MFMR will form a Technical Working Group consisting of MFMR technical staff from the respective line departments (oceanic fisheries, coastal fisheries, corporate services etc.) to provide technical advice to the Project on an as-needed basis. It will prepare a mid-term report in Year 3 (2025) to take stock of implementation progress, gaps and results based on the agreed Results Framework.

PROPER will collaborate closely with the New Zealand funded Mekem Strong Solomon Islands Fisheries (MSSIF) Project to maintain complementarity and synergy.

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