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Report No: PAD4747

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT
ON A

PROPOSED CREDIT
IN THE AMOUNT OF SDR3.7 MILLION
(US\$5.00 MILLION EQUIVALENT)

AND A

PROPOSED GRANT
IN THE AMOUNT OF SDR6.2 MILLION
(US\$8.50 MILLION EQUIVALENT)

TO THE

SOLOMON ISLANDS

FOR A

PACIFIC ISLANDS REGIONAL OCEANSCAPE PROGRAM – SECOND PHASE FOR
ECONOMIC RESILIENCE

May 10, 2022

Environment, Natural Resources & The Blue Economy Global Practice
East Asia And Pacific Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2022)

Currency Unit =

US\$1= SBD7.93

US\$1.3824 = SDR1

FISCAL YEAR

January 1 – December 31

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ABBREVIATIONS

CBRM	community-based resource management
CFMP	community fisheries management plan
CITES	Convention on International Trade of Endangered Species
COVID-19	Coronavirus disease 2019
CPF	Country Partnership Framework
CQS	Consultants' Qualifications
DA	Designated Account
e-monitoring	electronic monitoring
e-reporting	electronic reporting
E&S	environmental and social
EEZ	Exclusive Economic Zone
EM	electronic monitoring
ePort	electronic port
ER	electronic reporting
ES COP	Environmental and Social Code of Practice
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standard
FAD	fish aggregating device
FCV	fragility, conflict, and/or violence-affected country
FFA	(Pacific Islands) Forum Fisheries Agency
FFC	Forum Fisheries Committee
FM	financial management
GDP	gross domestic product
GHG	greenhouse gas
GRS	Grievance Redress Service
IDA	International Development Agency
IFC	International Finance Corporation
IFR	Interim Financial Report
IPF	Investment Project Financing
IRR	internal rate of return
IUU	illegal, unreported, and unregulated (fishing)
LMP	Labor Management Plan
M&E	monitoring and evaluation
MCS	Monitoring, Control and Surveillance
MFMR	Ministry of Fisheries and Marine Resources
MoFT	Ministry of Finance and Treasury
OHS	occupational health and safety
PDO	Project Development Objective

PICs	Pacific Island Countries
PMU	Project Management Unit
PNA	Parties to the Nauru Agreement
POM	Program Operations Manual
PROP	Pacific Islands Regional Oceanscape Program
PROPER	Pacific Islands Regional Oceanscape Program – Second Phase for Economic Resilience
PS	Permanent Secretary
PSC	Project Steering Committee
SBD	Solomon Islands dollars
SEA/SH	sexual exploitation and abuse or sexual harassment
SEP	Stakeholder Engagement Plan
SOP	Series of Projects
SPC	(Secretariat of the) Pacific Community
STEP	Systematic Tracking of Exchanges in Procurement
TA	technical assistance
UNCLOS	United Nations Convention on the Law of the Sea
US\$	United-States dollar
VD	Vessel Day
VDS	Vessel Day Scheme
VMS	Vessel Monitoring System (generally satellite-based)
WB	World Bank
WCPFC	Western and Central Pacific Fisheries Commission
WCPO	Western and Central Pacific Ocean

DATASHEET
BASIC INFORMATION

Country(ies)	Project Name	
Solomon Islands	Solomon Islands: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P177239	Investment Project Financing	Substantial

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input checked="" type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
01-Jun-2022	20-Jul-2027

Bank/IFC Collaboration

No

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 the 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 Name	Cost (US\$, millions)
Component 1 - Strengthening Regional Collaboration and National Capacity for Oceanic Fisheries	6.70
Component 2 – Strengthening Regional Collaboration and National Capacity for Coastal Fisheries	4.50
Component 3 - Project Management	2.30

Organizations

Borrower: Solomon Islands
 Implementing Agency: Ministry of Fisheries and Marine Resources (MFMR)

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

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Solomon Islands	5.00	8.50	0.00	13.50
National PBA	3.50	7.00	0.00	10.50



Regional	1.50	1.50	0.00	3.00
Total	5.00	8.50	0.00	13.50

Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2022	2023	2024	2025	2026	2027	2028
Annual	0.11	1.60	2.00	3.40	4.20	1.60	0.59
Cumulative	0.11	1.71	3.71	7.11	11.31	12.91	13.50

INSTITUTIONAL DATA**Practice Area (Lead)**

Environment, Natural Resources & the Blue Economy

Contributing Practice Areas**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Low
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Low
9. Other	● Moderate
10. Overall	● Substantial



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[] Yes [√] No

Does the project require any waivers of Bank policies?

[] Yes [√] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Article 4.01. The Additional Event of Suspension consists of the following, namely that, the Fisheries Management



Act has been amended, suspended, abrogated, repealed or waived in a manner that is not compatible with international law, specifically the United Nations Convention on the Law of the Sea, or in a manner that would affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

Sections and Description

Schedule 2. Section II.A.2. The Recipient shall: (a) not later than three (3) years after the Effective Date (or such other date as the Association may agree), carry out a mid-term review of the Project and, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Section II.A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objective during the period following such date; and (b) review with the Association such mid-term report, on or about the date one month after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objective, based on the conclusions and recommendations of the mid-term report and the Association's views on the matter.

Sections and Description

Schedule 2. Section I.A.2(b) The Recipient shall ensure that the PMU is staffed with necessary personnel at all times during Project Implementation. To this end, the Recipient shall maintain in the PMU, the Project Coordinator, an Environmental and Social Advisor, the Project Administrative & Financial Assistant; and shall recruit no later than four (4) months after the Effective Date, the Project Accountant, a Senior Procurement Officer, and no later than one (1) month after the Effective Date, an Environmental and Social Officer all with qualifications, experience and terms of reference satisfactory to the Association.

Sections and Description

Schedule 2. Section I.B.1. The Recipient shall by not later than three (3) months after the Effective Date, update, and thereafter adopt a Program Operations Manual ("POM"), in form and substance acceptable to the Association, setting forth detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement processing procedures including the decision-making process; (d) environmental and social standards and risks management; (e) monitoring and evaluation, reporting and communication; (f) data collection; and (g) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

Sections and Description

Schedule 2. Section I.D.7. The Recipient shall ensure that:

(a) all monitoring, control and surveillance activities carried out by the Recipient shall be under the control of a civilian fisheries officer or another civilian agency of the Recipient acceptable to the Association, and shall be carried out under terms of reference limited to fisheries monitoring, control and surveillance;

(b) each surveillance mission carried out by the Recipient shall be governed by detailed protocols prepared in accordance with terms of reference satisfactory to the Association, providing, inter alia, that: (i) the mission is a fisheries-priority mission and the mission task is duly recorded and documented prior and subsequent to the mission; (ii) memoranda of understanding in a form and substance acceptable to the Association are concluded between the agencies involved in the surveillance operations, including both government agencies and any civilian contractors involved; (iii) the accounts of the entities receiving or benefiting from the Financing for such mission



are maintained in a manner enabling effective and verifiable compliance with the provisions of this Section I.D.7; (iv) the mission is conducted by personnel who have been properly trained in the operation of any equipment used in the mission; (v) the mission is under the control of an authorized fisheries officer, but subject to the overarching authority of the master of the vessel, in particular with respect to safety and emergency response; and (vi) where a fisheries priority mission is re-tasked for non-fisheries activities, the authorized fisheries officer on board shall record the change and the duration of the change, and the responsible agency for the non-fisheries task shall maintain a record of such changes and accounts in a manner acceptable to the Association demonstrating that the resourcing of the non-fisheries task is independent from the Financing, and provide access to the Association or its representatives for audit in accordance with auditing rules acceptable to the Association;

(c) where a patrol or surveillance mission has multiple tasks: (i) accounts are maintained in a manner acceptable to the Association which demonstrate that the Financing has been used for the exclusive purpose of financing fisheries surveillance activities; and (ii) that the Association is granted access to such accounts;

(d) in accordance with Section 5.06 of the General Conditions, all goods, works, services and Operating Costs for fisheries monitoring, control and surveillance and related enforcement activities financed out of the proceeds of the Financing are used exclusively for the purposes of the Project, and not for any military purpose, or for any criminal investigation, prosecution or proceedings, or for any other purposes unrelated to the objectives of the Project; and

(e) all fisheries monitoring, control and surveillance and related enforcement activities carried out under the Project shall be compatible with Article 73 of the United Nations Convention on the Law of the Sea, specifically that: (i) vessels and their crew arrested in the Recipient's exclusive economic zone shall be promptly released upon the posting a reasonable bond or other security; (ii) penalties imposed by the Recipient for violations of fisheries laws and regulations in the Recipient's exclusive economic zone may not include imprisonment, in the absence of agreements to the contrary by the states concerned, or any other form of corporal punishment; and (iii) in cases of arrest or detention of foreign vessels, the Recipient shall promptly notify the flag state, through appropriate channels, of the action taken and of any penalties subsequently imposed.

Conditions



I. STRATEGIC CONTEXT

A. Regional and Country Context

Regional context

1. **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 and narrowly based economies, and are 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 economies of the world 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 the Solomon Islands ranked fifth behind Vanuatu, which ranked first, and Tonga which ranked second.

National context

2. **The Solomon Islands consists of six major islands and over 900 smaller islands (grouped into nine provinces)** and situated to the east of Papua New Guinea 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 721,455¹ is young – over half are under 20 years of age – largely rural (around 80 percent), and most residents live in small villages of just a few hundred people.

3. **The 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, the capital. Plantation, logging, and fishery-based commercial activities have dominated since independence from the United Kingdom 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 employ more than 1,800 residents,⁴ while coastal fisheries are central to food security and nutrition, and to income for households.

4. **The Solomon Islands is categorized as a fragility, conflict, and/or violence-affected (FCV) country.** It underwent a period of civil conflict from 1998 to 2003, known as "the tensions," during which its gross domestic product (GDP) declined by 9 percent. Since then, no government has lasted a full term and several national elections or periods have

¹ According to the 2019 National Population and Household Census.

² In 2019, rough wood accounted for 65.8 percent of exports 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>.



been marred by rioting and other violence. In November 2021, there were protests and riots in Honiara, and close to 1,000 employees faced a temporary job loss. The destruction of the capital stock and infrastructure was estimated at 2.3 percent of GDP, and 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.

5. 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 declined from 22 percent in 2005/06 to 12.7 percent in 2012/13, implying that about 45,000 people were lifted out of poverty during that period. Youth unemployment and underemployment, as well as economic stagnation in the more remote areas, are enduring challenges. Subsistence and artisanal fishing activities are widespread and of great importance.

6. The 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.

7. In addition, across the Pacific, temperatures are projected to increase between 1.4 degrees Celsius (°C) and 3.1°C, and under the highest emissions pathway modelling, the 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 increased by 34 percent and duration by 17 percent, 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, north for fish stocks in the northern hemisphere and south for the ones in the southern hemisphere, 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 decline 20 percent by 2050 and 26 percent for the Solomon Islands if no action is taken against greenhouse gas (GHG) emission.⁷ Studies have suggested that without adaptation, the Solomon Islands faces a fish catch deficit that could impact the dietary health of the population. Studies also suggest, however, that feasible adaptation strategies can mitigate this deficit.⁸

B. Sectoral and Institutional Context

Regional Sector and Institutional Context, Rationale for a Regional Approach

8. 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

⁵ World Bank. 2017.

⁶ Government of Australia, n.d.

⁷ Bell et al. 2021.

⁸ Dey et al. 2016.



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 the waters of the PICs is exported. A lack of local supply and value chains also limits the contribution of oceanic tuna to PICs' food and nutrition security, and local job creation. Increased local access to oceanic 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.

9. The public revenues of PICs from oceanic tuna license fees amounted to US\$465 million in 2016, representing more than 40 percent of government revenue for six of the 10 countries.¹⁰ Solutions to optimize the production, revenue, and socioeconomic impacts from oceanic resources and to develop climate change adaptation strategies are being prioritized by the region and by PICs at the national and local level. 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 toward 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.

10. 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 to 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. The PICs will not be able to maintain fish consumption of their 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 the Solomon Islands will be just under 1 million in 2035 and, if nothing is done, the annual fish consumption per capita will drop from 30 kilograms 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.

11. 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 the 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

12. The well-being of the people of the PICs depends on the productivity of coastal fisheries and regional, national, and local capacities to manage these resources sustainably, address competitive uses, and anticipate and adapt to

⁹ FFA and SPC. 2015.

¹⁰ <https://iworknet.net/resolveuid/5f5bfe20-4169-48ef-bf59-f4b35f576aa5>.

¹¹ Johnson, Bell, and Gupta. 2015.



climate change impacts on fish resources and habitats. As such, reef and lagoon fisheries will need to be carefully managed, benefiting 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 is cultural interaction; therefore, addressing competition and promoting synergy between fisheries and non-consumptive uses of living aquatic resources and habitats for tourism is important.

13. Support to customary and co-management arrangements and livelihood diversification, in the fish value chains and beyond, will help improve the effectiveness of coastal fisheries management and adaptation to climate change. It will help cushion both their potential short- 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 community well-being. Implementing these adaptation measures will build the resilience of the 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

14. 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 other countries.

15. 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 synergies and economies of scale, if managed or organized at a regional level (for example, Monitoring, Control and Surveillance [MCS]; research and development; extension services). Large national investments, however, such as ports, fishing fleets, or processing plants, are competing against each other and require regional planning for economic efficiency.

16. 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 socioeconomic benefits for the coastal populations.

17. 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

¹² Hanich et al. 2018.

¹³ Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu.

¹⁴ The eight parties are Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands and Tuvalu.



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 and 2018, with contributions to total public revenue during 2015–18 ranging from 4 percent for Papua New Guinea to 87 percent for Kiribati.^{16,17} Opportunities to extend the scheme to longline vessels are being explored. There is also scope for increasing revenues without increasing fishing effort through, for example, ensuring that effective measures are in place to address illegal, unreported, and unregulated fishing, and supporting adaptation to changes in abundance and distribution of fish resources associated with climate change.

18. 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 call 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, and noncompliance 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 (through, for example, stringent and frequent data collection, real-time catch monitoring, and yearly/seasonal allocation of catch or effort quotas in relation to the status of stock).

19. 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 toward reducing overcapitalization in fishing vessels. It builds larger climate-resilient stocks, thereby increasing fishing profitability for the benefit of operators and coastal states. It also mitigates the impact of climatic phenomena, such as El Niño,²¹ which 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 to 2019 was matched by a 40 percent increase in its total market value.²²

20. Adaptive coastal fisheries management contributes to preparing 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-

¹⁵ FFA and SPC. 2020.

¹⁶ Ruaia, Gu’urau, and Reid. 2020.

¹⁷ Bell et al. 2021.

¹⁸ WSSD. 2002.

¹⁹ Prime Minister’s Strategy Unit. 2004.

²⁰ Pauly et al. 2003.

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.



date legislation, policies, and plans; and (v) equitable access to benefits and involvement in 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 livelihood 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

21. The fisheries sector in the 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 Government²⁵ during 2015–18, 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 islanders²⁶ 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

22. The Ministry of Fisheries and Resources Management (MFMR) manages all fishery activities based on the National Fisheries Policy 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 intent of the National Fisheries Policy, the MFMR Strategy, the National Development Strategy 2016–2035, and the Ocean Policy (2018). The National Development Strategy identifies fisheries as a key driver in inclusive national economic growth and climate change mitigation. The National Fisheries Policy 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 socioeconomic 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 ecosystems for the benefit of the people.

23. 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 has 138 staff, 100 at the central level and 38 in the provinces, and about 100 contractual observers for the oceanic tuna fisheries. Inadequate representation is particularly acute in Malaita Province, where an important tuna processing project is 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. Strengthened certification and compliance measures will help to remove constraints for mobilizing private sector investments for value-addition in the fisheries sector, such as domestic processing, by de-risking the enabling environment for such value-chain investments.

²³ Hanich et al. 2018.

²⁴ <https://coastfish.spc.int/component/content/article/461-a-new-song-for-coastal-fisheries.html>.

²⁵ Bell et al. 2021.

²⁶ Solomon Islands Ministry of Fisheries and Marine Resources 2019.

²⁷ Pacific Island Forum Fisheries Agency, N.d.

²⁸ Secretariat of the Pacific Community, N.d.

²⁹ Krushelnytska. 2016.



24. 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 framework of the PNA VDS and the determination of VDs for the Parties. The number of VDs allocated to the Solomon Islands is around 6 percent of total VDs and are used by both national vessels (mostly foreign-owned) and foreign vessels. The 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 the regional and national level. Systematic and timely information on oceanic fisheries can be improved and better information on catch composition and bycatch is needed to guide management decisions.

25. In view of the population growth and climate change challenges, coastal fisheries management is gaining increased attention and requires institutional strengthening, particularly 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 livelihood support programs. 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 National Fisheries Policy emphasizes the establishment of CBRM units to bring management issues (data collection, compliance, dissemination) closer to the resource users and other stakeholders for 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 and associated with donor projects, and limited data are available to support management design. The competency and availability of staff are a limiting factor to support the co-management agenda and compliance with the Fisheries Management Act.

26. 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 return migration from urban to rural areas increased reliance on and the importance of coastal small-scale fisheries for livelihood and food security. However, it also demonstrates the importance of effectively managing resources to ensure that additional extraction and fishing efforts can be absorbed in times of economic shocks or following other crisis events (for example, following weather-related disaster) to provide a livelihood buffer while maintaining long-term productivity and resilience of the resources. The proposed Pacific Islands Regional Oceanscape Program – Second Phase for Economic Resilience (PROPER) investments are thus timely in their support of the important role the fisheries sector plays as a socioeconomic buffer in the event of crisis. It will benefit from the World Bank global experience 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)

27. The Project will be the ninth³⁰ under the Pacific Islands Regional Oceanscape Program Series of Projects (SOP) and IDA Regional Program. PROP's first phase began in 2014 with implementation in the Federated States of Micronesia, the Marshall Islands, the Solomon Islands, Tuvalu, and FFA (first cohort), and was expanded in 2019 and 2020 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 on which they depend. Each project can also have a specific PDO.

28. Key outputs achieved under the first phase PROP Project in the Solomon Islands related to oceanic and coastal fisheries, on which the PROP's second phase project (SB PROPER) will build and include the successful introduction

³⁰ While not joining the PROP Series of Projects, the Samoa Agriculture & Fisheries Productivity and Marketing Project (SAFPROM) still benefits from, and contributes to, the regional goals of sustainable fisheries management and is aligned with the PROP objectives.



of electronic monitoring (e-monitoring, EM) and electronic reporting (e-reporting, 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. Annex 2 provides an overview of the PROP and the PROP first phase project in the Solomon Islands.

The Proposed Project, Solomon Islands PROPER

29. 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 IDA Regional Program and will contribute to the regional goals of strengthening sustainable oceanic and coastal fisheries management. PROPER is designed to be implemented by countries or regional organizations, through projects which are all 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 with each other, and for all national projects to contribute toward regional policy objectives while addressing national priorities.

30. The Project will benefit from programmatic advisory services and analytics as well as technical assistance provided by the World Bank-executed Pacific Ocean Advisory Program, the objective of which 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 Pacific Ocean Advisory Program 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 the SB PROPER.

C. Relevance to Higher-Level Objectives

31. The Project is consistent with the *Regional Roadmap for Sustainable Pacific Fisheries* (The 2015 Roadmap) produced jointly by the FFA and SPC and endorsed by the Pacific Islands Forum leaders for pursuing the management and the economic harnessing of the region's tuna fisheries, and the inclusive management and contribution of the region's coastal fisheries. It is also consistent with the *Noumea Strategy: A new song for coastal fisheries – pathways to change*, endorsed by the 11th FFC Ministerial Meeting in July 2015, which envisions "sustainable well-managed inshore fisheries, underpinned by community-based approaches that provide food security, and long-term economic, social and ecological benefits to [PICs'] communities."

32. The World Bank Group's Solomon Islands' Country Partnership Framework (CPF) for FY2018–FY2023 (Report #122600-SB) is aligned with the Solomon Islands Government's long-term development vision, the National Development Strategy 2016 to 2035: Improving the Social and Economic Livelihoods of all the Solomon Islanders, and the thematic priorities emerging from the World Bank Group's Solomon Islands Systematic Country Diagnostic (SCD), completed in June 2017. As articulated in the Systematic Country Diagnostic (2017), through support to sustainable fisheries development, the Project will better prepare the Solomon Islands to reduce reliance on the logging sector, which has been a source of elevated climate change and disaster-related risks.

33. Improving fishery production capacity is a CPF objective under Focus Area 2: Promoting Inclusive and Sustainable Growth. The CPF recognizes that the country has been successful in extracting substantial benefits from its tuna purse-seine fisheries, and that the sector offers strong potential to contribute to growth and increase government export earnings over the medium term, if managed sustainably, by addressing challenges related to licensing,



monitoring, and compliance enforcement, and by improving oversight and transparency, and expanding enhanced management to the oceanic longline fisheries. The CPF also recognizes the role of the subsistence coastal fisheries sector as a traditional social safety net and retreat to mitigate shocks. It emphasizes the need to maintain the ability of coastal fisheries to support the food needs and livelihoods of the Solomon Islanders by addressing the threat of overexploitation, through the acceleration of developing CBRM and complementary measures.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

34. 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.

35. The Project Development Objective of the proposed Pacific Islands Regional Oceanscape Program – Second Phase for Economic Resilience (SB 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.

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 number of new communities adopting climate-informed Community Fisheries Management Plans
 - Community members participating in project-supported livelihoods and development activities (of which are female)

B. Project Components

36. The Project consists of the components described below.

Component 1: Strengthening Regional Collaboration and National Capacity for Oceanic Fisheries (Approximately US\$6.7 million consisting of US\$3.0 million Regional IDA and US\$3.7 million National IDA, of which US\$3.4 million credit and US\$ 3.3 million grant)

Subcomponent 1.1. Consolidating Oceanic Fisheries Management (Approximately US\$6.6 million)

This subcomponent would support the (i) extension of the Ministry of Fisheries and Resources Management (MFMR) Headquarters Office and equipment of offices; (ii) construction of the National MCS Center in Noro;³¹ (iii) strengthening of MCS officers capacity; (iv) implementation of vessel inspections in the archipelagic waters and/or territorial sea in the framework of Port State Measures; (v) promotion of the electronic Port (ePort) initiative for all landing and processing ports in the Solomon Islands; (vi) expansion of e-monitoring on longliners and e-reporting;

³¹ The activity was initiated under the PROP first phase project.



and (vii) revitalization, adaptation, and modernization of the Observer Program.

Subcomponent 1.2. Harnessing Oceanic Fisheries to the Regional Economy (Approximately US\$0.1 million)

37. The Project would finance consultant services for studies to improve the harnessing of oceanic fisheries and their value chains to the Solomon Islands' economy. The consultant services will align with the Solomon Islands Government policies to consider climate change impacts in the fisheries sector and potential adaptation measures to enhance resilience. The results of these studies will be used to inform strategic sectoral investment planning that could be supported by additional financing to SB PROPER or through other sources.

Component 2: Strengthening Regional Collaboration and National Capacity for Coastal Fisheries (Approximately US\$4.5 million National IDA, of which US\$1.6 million credit and US\$2.9 million grant)

Subcomponent 2.1. Strengthening Policy and Institutions (Approximately US\$3.9 million)

38. The subcomponent would support the (i) review of the MFMR organizational structure and functions; (ii) development and enhancement of the capacity and skills of the ministry to meet increasing responsibilities and needs; (iii) review and dissemination of policy frameworks and legislation for both oceanic and coastal fisheries, including aquaculture, as well as the preparation of recommendations for addressing any inconsistencies with the United Nations Convention on the Law of the Sea (UNCLOS), and training and workshops for awareness raising on the Fisheries Management Act 2015, and other relevant regulations; and (iv) provision of support to provincial governments to manage their fisheries and aquatic resources, including the construction of the Malaita Fisheries Office in Auki, and provision of technical assistance to the development of Provincial Fisheries Ordinances for Isabel, Temotu, and Rennell-Bellona provinces.

Subcomponent 2.2. Strengthening Coastal Fisheries Management (Approximately US\$0.5 million)

39. The subcomponent would facilitate the (i) empowerment of communities to better manage their fisheries through CBRM, including preparation of community fisheries management plans (CFMPs); and (ii) development of a statistical system for coastal fisheries.

Subcomponent 2.3. Developing and Diversifying Local Value Chains (Approximately US\$0.1 million)

40. This subcomponent would support (i) the Fish Aggregating Devices (FADs) Program with goods for the construction of 75 submerged inshore FADs; and (ii) feasibility studies for informing additional financing to SB PROPER or a future project aiming at improving the development and diversification of the oceanic fisheries and their value chains to the Solomon Islands' economy.

Component 3: Project Management (Approximately US\$2.3 million National IDA grant)

41. The Project would finance consultant services for the Project Management Unit (PMU), annual financial audits, operating costs, goods, and training and workshops (for example, inception, midterm, and closure workshop) for the PMU. The PMU will consist of a Project Coordinator, a Project Accountant, a Senior Procurement Officer, a Project Administrative & Financial Assistant, a time-based international E&S Advisor, 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 M&E Specialist, and an international Procurement Specialist.

42. A Project Preparation Advance of US\$0.5 million has been processed under the Project to finance key PMU staff and preparation studies.



Strategic Alignment

Gender

43. Access to Employment Opportunities in the Fisheries Sector. There is a large gender gap in access to income-generating activities in the Solomon Islands. In 2015, only 39 percent of employed women aged 15 to 49 reported earning any money from their employment, compared to 50 percent of men.³² Women in the Solomon Islands are more likely to hold vulnerable jobs and 67 percent of women's employment (and 54 percent of men's employment) consists of own-account and contributing family activities (most commonly unpaid work on the household farm).³³ Nearly 50 percent of rural women are engaged in some form of fishing activity³⁴ and are predominantly engaged in coastal fishing, processing, and selling.³⁵

44. Two-thirds of the 1,800 jobs in a tuna loining³⁶ and canning operation at Noro in Western Province are held by women (though women are underrepresented in higher-wage, supervisory, and senior jobs).³⁷ Women dominate the unskilled and semi-skilled labor force in the tuna processing industry, but earn a much lower wage than do their male counterparts working in similar jobs.³⁸ Women also play a major role in the local marketing of bycatch from oceanic fishing vessels.

45. Voice and Agency. Fishing is still largely perceived to be a man's domain, and women's contributions are commonly overlooked. Existing evidence suggests that women are significantly underrepresented in CBRM committees. CBRM committees develop and oversee the implementation of Community Fisheries Management Plans and facilitate community participation in livelihood diversification and adaptation programs. There are commonly no or at most one woman out of six or seven committee members within communities, which constrains women's decision-making power over the management, conservation and use of local marine resources. Women's time and mobility constraints, lower education, financial illiteracy, and access to productive assets further limit their ability to benefit from development opportunities and extension services.³⁹ This limited access to earnings and productive assets is accompanied by high levels of gender-based violence and low participation in national- and local-level decision making. The deeply entrenched norms about women's roles within communities and households also manifest in their limited political representation, especially in local governance.

46. Women in MFMR. Within MFMR, women represented about 21 percent of employees (31 percent excluding observers) in 2017. Women's representation in scientific and managerial positions within fisheries governance is extremely low: only 10 percent of scientists and researchers, and 12 percent of managers were women.⁴⁰ There is a gender focal point within the ministry, but there are critical barriers to integrating gender equality in the ministry's operations: (i) MFMR's gender strategy (2011–2014) had limited buy-in from staff and lacked alignment with its corporate plans, and is being updated; (ii) there are strong cultural biases among employees and there is no gender training/sensitization (including of provincial extension staff); (iii) there are very few programs targeting women; and (iv) there is no collection of sex-disaggregated data on inshore fisheries, which does not allow for conducting gender analysis of programs and designing targeted interventions. Institutional strengthening of MFMR on gender is critical for women's increased representation at all levels, and to ensure sustainability of interventions on women's

³² SINSO. 2015a.

³³ SINSO. 2015b.

³⁴ SPC. 2018.

³⁵ FAO and SPC. 2019.

³⁶ Loins are the largest cuts of meat that processors cut from a whole tuna fish, and tuna loining is the process of cutting the loins, of which there are four, from the fish.

³⁷ World Bank Group 2017.

³⁸ Krushelnitska. 2015.

³⁹ SPC. 2018.

⁴⁰ Tuara Passfield. 2011.



empowerment that are planned and implemented by the ministry.

47. Gender Activities under the Project. The Project will support institutional strengthening of the MFMR and promote women's employment in marine science and management. Component 1 will support targeted training of women for employment in technical positions in the newly operationalized Noro MCS Center, as well as MCS or Fisheries Officer. Under Component 2, training will be targeted to women to increase their opportunities for employment and technical training to reduce barriers to participation. Under Subcomponent 2.1, MFMR will (i) review the ministry's organigram and training and recruitment processes and will develop an action plan to ensure gender balance in recruitment and promotion; (ii) implement gender and Gender-Based Violence sensitization training of national- and provincial-level staff; and (iii) enhance the capacity of the ministry to facilitate regular gender analysis and sex-disaggregated data collection as part of its programs. Subcomponent 2.2 will support enhanced women's representation and participation in community-based resource management committees. To address challenges to women's effective participation in decision-making, the project will apply evidence-based approaches⁴¹ such as enlisting support from local male and female community leaders, engaging established local female networks and training of female members on relevant marine resource management issues.

48. Results Monitoring. Project results chains are centered around (i) women's access to decision making, and (ii) women's access to employment and training opportunities at the Project and institutional levels. Progress toward achieving these outcomes will be measured through the following indicators: (i) community members participating in project-supported livelihoods and development activities that are female; (ii) number of trained MCS Officers that are female; (iii) number of trained Provincial Officers that are female; (iv) MFMR gender strategy elements incorporated in the review of the MFMR organizational structure and functions; (v) percentage of new CBRM Committees with at least two female representatives; and (vi) collection of sex-disaggregated data in the MFMR central database for inshore fisheries.

Citizen Engagement

49. Citizen engagement considerations are incorporated in Subcomponent 2.2 under "empowerment of communities to better manage their fisheries through CBRM," and will also be addressed in the Environmental and Social Framework (ESF) instruments. The Stakeholder Engagement Plan (SEP) will identify methods to actively engage Project stakeholders during implementation and will provide details on enabling women, youths, and other groups to participate and engage in Project activities. The SEP will be updated as and when specific activities are determined. Consultation methods will be designed taking into consideration the different sociocultural norms that inhibit participation and input to decision making from women. Where possible, stakeholder engagement will use engagement structures within the national system (for example, MFMR outreach events and provincial government-led community meetings) to allow stakeholders to be heard and engaged and provide feedback on project performance, while also providing a forum for the Project to report back to stakeholders on corrective or preventative actions taken to address feedback or grievances received.

50. MFMR will explore the possibility to conduct a beneficiary satisfaction survey at baseline, prior to midterm review and prior to Project closure. The intention of the survey would be to assess beneficiaries' perception of CBRM activities supported by the project, including promotion of community livelihood diversification and support for CFMP development, community-based MCS, and resource monitoring, with the aim to provide a feedback loop and guide continued implementation of CBRM. The Results Framework (RF) includes one intermediate indicator: time for registered project-related grievances to be addressed through the Grievance Redress Mechanisms.

Climate Co-benefits

51. The Project aims to address the climate vulnerability of coastal and oceanic fisheries and improve the livelihoods

⁴¹ Schwarz et al. 2014.



and economic resilience of the Solomon Islands and the PICs through effective management, sustainable fisheries development, and livelihood diversification, with a focus on adaptation to climate change to reduce vulnerabilities and build long-term resilience of the fisheries sector in beneficiary communities.

52. **Component 1.** Under Subcomponent 1.1, the Project will support addressing climate change issues through (i) extending MFMR headquarters and equipment; (ii) building the National MCS Center; (iii) strengthening of MCS officers' capacity; (iv) enhancing monitoring, data collection, and analysis; and (v) strengthening the Observer Program. These activities contribute to the effective implementation of the VDS and are recognized as an effective mitigation measure by reducing overcapitalization and excessive fishing. The cumulative and synergistic effects of climate change and other non-climate drivers must be recognized in the ongoing management of the fisheries.⁴²

53. One of the key anthropogenic pressures to VDS integrity in managing stock yields is illegal, unreported, and unregulated (IUU) fishing. The FFA estimated in a 2020 report that approximately 192,186 tonnes of product, 6.5 percent of the total WCPFC Convention Area catch, is lost to IUU, equating to US\$333.5 million in revenue losses.⁴³ Climate change modelling studies suggest that adopting fisheries management measures that take account of climate-induced changes in fish productivity and distribution, would yield higher cumulative catches and profits than business-as-usual management under all but the most severe climate scenarios. To implement this adaptation, the Project will enhance monitoring, data collection, and analysis through the expansion of the e-monitoring and e-reporting program to better understand, predict, and respond to changing abundances and locations of oceanic species catch, as well as impacts on non-target species. These data will allow for adaptive responses to support the existing WCPFC management arrangements and the VDS, and to better manage the future climate-driven changes at both the national and regional level.

54. The revitalization, adaptation, and modernization of the Observer Program will support observers to best respond to climate change and its impacts on the fisheries sector through enhanced data capture and analysis capacity to effectively support the expansion of the electronic program and subsequent climate-driven management measures. The Observer Career Development Program will also up-skill observers to ensure income security in case observers are no longer able to perform an on-board role due to climatic or other impacts. In addition, the design and construction of infrastructure will be undertaken with climate-resilient measures (for example, weather-resistant materials, engineered stormwater drainage, rainwater harvesting tanks, wind-proof materials, etc.). The MCS building will be located on a site that has been screened for disaster and future climatic impacts such as sea level rise and flooding.

55. *Subcomponent 1.2, Harnessing Oceanic Fisheries to the Regional Economy* will finance technical analysis to address the impacts of climate change on livelihoods and economic development. Climate-driven distributional shifts and declines in productivity of fisheries can compromise the supply of seafood for local food chains, jeopardizing the food and economic security of local populations and exacerbating the pressures on coastal fisheries. This adaptation activity aims to increase diversification of products and value chains to maximize the economic yield from fisheries, thereby providing greater resilience to both regional fisheries and community livelihoods under the uncertainty of climate change impacts.

56. **Component 2.** Under Subcomponent 2.1, the Project will contribute to climate-resilient fisheries by (i) reviewing the MFMR organizational structure and functions to assess how MFMR can best support the development and management of climate-resilient fisheries; (ii) increasing the capacity of MFMR staff through training to educate, support, and oversee the development of climate-resilient management systems, including disaster response, that appropriately respond to the changing climatic conditions and community needs; (iii) undertaking a review and dissemination of policy frameworks and legislation to establish effective fisheries management systems through

⁴² Bahri et al. 2021.

⁴³ MRAG Asia Pacific. 2021.



aligning policy frameworks and legislation to best manage fisheries and aquaculture activities in response to the impacts of climate change; and (iv) providing support to provincial governments, including the construction of the climate-resilient Malaita Fisheries Office in Auki, which will provide the capacity for MFMR to educate, support, and empower communities to adapt to climate change impacts through supporting the establishment of climate-resilient fisheries management measures.

57. Climate change is likely to increase uncertainty in the replenishment of coastal fish stocks, requiring a more conservative community-based ecosystem approach to fisheries management.⁴⁴ *Subcomponent 2.2* aims to address this uncertainty and will support communities in adapting to climate change, and promote food and income security through livelihood diversification: (i) communities will be provided training on climate change impacts and will be supported to develop CFMPs that will address adaptation measures and local climatic conditions; and (ii) marine baseline surveys will be designed and conducted with the objective of enhancing the spatial and temporal coverage of monitoring due to emerging local climate impacts. Review of the data through empirical methods will determine how fishery production changes with environmental conditions. The approach incorporates environmental change into the evaluation of biological status and supports seasonal management processes, allowing CFMPs to take an adaptive approach to fisheries management under changing climatic impacts in updates and revisions.

58. Under climate change modelling, it is predicted that by 2100, the gap in fish needed per capita per year in the Solomon Islands will be 24 kilograms.⁴⁵ *Subcomponent 2.3* will contribute to addressing issues related to projected climate change impacts on food security and livelihoods. The installation of inshore fish aggregating devices is widely acknowledged as an adaptation that transfers some fishing effort from coastal fish, which are under pressure, to oceanic fish, thereby increasing overall yield to help fill the climate change-induced widening gap between the quantity of fish recommended for good nutrition and sustainable harvests from coastal fisheries. As climate change alters the distribution and productivity of marine species, and increases the risks to livelihoods, there exist opportunities to target new or emerging fisheries or value chains for livelihood diversification. The studies will investigate responsive measures that capitalize on alternative opportunities available within fisheries and their value chains.

59. Project activities will contribute to the implementation of the Nationally Determined Contributions (NDC) of the Solomon Islands, in part through securing sustainable public revenues from the fisheries sector to enable the ongoing funding of mitigation and adaptation actions, and through establishing the institutional structures and capacity at the government and community level to support climate adaptation measures. The Project also aligns with the National Development Strategy (2018–2035) and the National Action Plan for Adaptation, particularly in terms of raising awareness of climate change impacts, integrating climate change into planning, policy, and frameworks, and adapting to long-term climate impacts in all development sectors.

60. **Climate Risks.** A screening of the Project for short- and long-term climate change and disaster risks using the World Bank Climate and Disaster Risk Screening Tool deemed the exposure of the Project's location to be *High Risk* due to historical climate and geophysical hazards occurring, and the expectation that the Solomon Islands will experience future events of higher intensity, duration, and frequency. The impacts of climate change on the project's physical infrastructure and assets have been assessed as *Moderate*. Climate and geophysical hazards are likely to impact investments; however, design considerations such as infrastructure placement, building materials, and relevant building standards have been incorporated into the Project design. The Project includes soft components that can help reduce the risks from climate change through strengthening evidence-based decision making and compliance with oceanic and coastal fisheries management, empowering communities to manage their fisheries through CBRM, and strengthening both data collection and storing and processing systems.

⁴⁴ Barange et al. 2018.

⁴⁵ Barange et al. 2018.

***Maximizing Finance for Development***

61. Components 1 and 2 will mobilize finance for development by addressing key binding constraints to private investment in the fisheries sector. These actions are likely to enable significant investments by the private sector, including foreign direct investments facilitated by the International Finance Corporation of up to US\$40 million in the tuna processing plant in Bina Harbour, within three years of the close of this operation or earlier. This tuna processing project envisions the creation of 1,600 direct jobs in Malaita (the majority of which are expected to be taken up by women), secondary economic benefits from indirect jobs, and growth in ancillary activities such as ship supplies; maintenance services; and personnel services. It also envisions the generation of revenue to the Solomon Islands Government from taxation and duties estimated at around US\$3.5 million per year. The national MCS Center and the regional Fisheries Office are key enablers of the tuna processing project, as they will permit the certification of catches and products for high-end markets such as the European Union. More broadly, the effective management of fisheries will de-risk investment in the value chain by securing continuous and more stable access to raw material.

62. Component 1 will also support analysis related to the onshoring of tuna-related activities and the identification of new investment opportunities to add value to oceanic fisheries. It will explore options for domiciling catches and processing, and for harnessing the tuna fisheries to the national economy. Component 2 will support the development of new business and investment opportunities for small-scale fishers and fishworkers, and promote livelihood diversification, as well as facilitate climate-resilient community livelihoods through the promotion of a conducive environment (for example, small equipment, capacity building, technological innovation). These analyses could provide opportunities for maximizing finance for development in potential future phases of the Pacific Islands Regional Oceanscape Program in the Solomon Islands.

C. Project Beneficiaries

63. The total number of direct beneficiaries is estimated at around 3,000. The primary beneficiaries are the MFMR staff, who will benefit from improved capacities and working conditions, and Solomon Islanders dependent on the country's fisheries, including fishers, fishworkers, and their households, which will benefit from community-based resource management (CBRM) in target communities and improved monitoring and reporting systems in fishing fleets. National and provincial institutions engaged in fisheries management, including community associations, Provincial assemblies, and government entities, will benefit from improved capacity to formulate and analyze policy and undertake compliance activities.

64. Ultimately, the general population of the Solomon Islands will benefit from a healthier marine environment and increased food security. Women will benefit from CBRM activities through the protection and management of coastal resources and facilitation of access to livelihood and development programs, as well as climate change adaptation programs.

65. Project activities and enhanced compliance will generate regional benefits to the countries sharing the common marine ecosystem. The citizens, ecosystems, and economies of other PIC countries will also benefit from the project's investments that look for solutions to the challenges facing the various PICs and that promote regional public goods by managing shared resources, exploiting economies of scale, and facilitating collective action to address common goals. More broadly, operators and investors in the WCPO tuna value chain will benefit indirectly from a more sustainable resource base and decreased risks for their operations and investment, and consumers will benefit from more stable product flows and prices.

D. Results Chain

66. The project results chain is described below.



Project Activities

Key issues to address

Outputs

Assumptions

Outcomes

PDO

Program DO

- . Reviewing MFMR structure & functions
- . Extending & equipping MFMR HQ Office
- . Constructing & operating MCS Center
- . Developing & enhancing MFMR personnel's capacity & skills
- . Strengthening MCS Officers capacity
- . Observer development & training
- . Reviewing & disseminating policy frameworks & legislation
- . Supporting provincial governments (building Malaita Fisheries Office; preparing Provincial Fisheries Ordinances; training Provincial Officers)

Management & development require adjusted policy & institutions

- . MFMR structure, capacities, & skills aligned with functional mandate & responsibilities
- . MFMR better accommodated & equipped
- . Institutional & regulatory frameworks improved for compliance with the Fisheries Management Act
- . Provincial governments' capacity enhanced for managing fisheries (Malaita Office built, trained Provincial Officers, ordinances issued)

- . Implementing fishing vessel inspections
- . Promoting ePort initiative
- . Deploying e-monitoring & e-reporting, & observers on fishing vessels
- . Monitoring coastal resources
- . Developing a statistical system for coastal fisheries

Policy making & management require timely quality data

- . Noro MCS Center operational
- . MCS Officers trained
- . ePort, e-monitoring, & e-reporting expanded
- . Observer Program reinvigorated
- . Fishing vessels regularly inspected
- . Statistical system for informing coastal fisheries management designed

- . Analyzing investment opportunities to increase domestic benefits from tuna value chains

Domestic value added from oceanic fisheries value chains is limited

- . Opportunities identified for deriving greater domestic socioeconomic benefits from oceanic fisheries

- . Community consultation
- . Setting up CBRM Committees
- . Developing CFMPs

Sustaining coastal fisheries' socio-economic benefits requires effective management

- . Stakeholders consulted on policy & regulations
- . Policies & laws disseminated
- . CBRM Committees established & communities involved in decision making to manage their fisheries

- . Integrating Climate Change Adaptation or Livelihoods & Development Programs
- . Deploying FADs
- . Analyzing investment opportunities for new business & livelihood prospects for small-scale fishers & fishworkers

Anthropogenic pressure reduction requires enhanced & alternative fishing practices & livelihoods

- . Communities informed of opportunities and modalities to join Climate Change Adaptation and Livelihoods & Development Programs
- . Opportunities to enhance and diversify livelihoods identified & tested

Procurement not delayed due to travel & trade restrictions

- . Key fisheries information timely disseminated to national & regional stakeholders to inform decision making in fisheries management and development

Political grievances between national & provincial levels not significantly impacting operating environment

- . New communities adopting Climate-informed Community Fisheries Management Plans

Pandemic not severely affecting stakeholder coordination & consultations

- . Community members participating in livelihood & development activities

Providers continue to offer programs & community members are willing to participate

To strengthen shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend



E. Rationale for Bank Involvement and Role of Partners

67. The World Bank has been supporting the fisheries sector in the Solomon Islands since 2014. The Project is building on the experience and knowledge gained from the implementation of the first cohort of PROP Projects in the Solomons Islands and in other PICs.

68. Bank involvement will add value through (i) global knowledge and innovation; (ii) long-term engagement through the Series of Projects, which offer the opportunity for setting long-term objectives and addressing complex sectoral challenges and development opportunities through capacity building, institutional reform and strengthening, and successive and adaptive management interventions that exceed typical project time frames; (iii) leveraging increased International Development Agency (IDA) resources from dedicated Regional IDA Window allocations and serving as a platform for leveraging additional sequenced financing; (iv) operational assistance to prepare and implement the Project while managing risks, and tapping into the Bank's global knowledge networks for results monitoring, capacity development, strategic communication, and knowledge development; and (v) the Bank's deep policy and operational engagement, partnerships, and convening power in the fisheries sector in the Pacific region.

F. Lessons Learned and Reflected in the Project Design

69. The Project builds on international experience in oceanic and coastal fisheries management, and on lessons learned from the projects implemented in the Pacific Islands under the PROP IDA Regional Program. Some of the specific lessons informing project design point to the need for the following:

- **Country-tailored project design.** In some countries, PROP was not well aligned with national priorities, leading to limited government buy-in. While the SOP continues to provide a common regional framework and an overarching collective objective that fosters regional collaboration, the series of second phase projects are being designed to respond better to the specific country context and government demand. This Project also reflects the differentiation of the Results Framework across the SOP, by taking into account the intended outputs and outcomes based on country needs, the institutional context, and the specific project objectives. At a regional level, PROPER design is more closely linked with the regional fisheries agreements and operating frameworks such as the WCPFC, the PNA, the FFA, and the SPC.
- **Matching national implementation arrangements with quality regional technical assistance (TA) and extensions for field interventions for advancing regional strategies.** Recent success in reducing IUU fishing in the region by one-third⁴⁶ illustrates the importance of regional cooperation and national implementation. Sectoral line ministries participating in PROP have expressed increased demand for TA and capacity building from regional organizations and knowledge providers, such as FFA and SPC and others, to support project implementation. This approach will be expanded under the new PROP phase. Close coordination with these regional organizations will offer a platform for cross-country knowledge transfer and capacity building, and further ensure regional coordination and convening power around shared goals. A parallel PROPER project is also under preparation with FFA and will directly complement country-specific PROPER interventions and activities.
- **Building implementation capacity at the provincial level and addressing barriers for adequate funds flow for provincial-level implementation.** To ensure the impact of project activities at the subnational levels and create increased ownership of project activities, existing barriers to funds flow to the provincial level and capacity constraints will need to be addressed. It will also be important to anchor project implementation arrangements in existing government structures at the provincial level to ensure long-term sustainability. The Project will build

⁴⁶ MRAG Asia Pacific. 2021.



on the findings of the ongoing Public Expenditure Review, including its deep dive into the fisheries sector, to inform investments in strengthening provincial-level implementation structures.

- **Empowering and training communities to effectively manage coastal fisheries** is a critical part of project design. The Project will promote CBRM, including the development of CFMPs and resource monitoring in selected pilot provinces. Communities dependent on small-scale fishing and aquaculture are likely to be part of the informal economy and often lack access to production inputs, markets, financial resources, and knowledge of production techniques. Such communities are inherently exposed to income and livelihood risks and other vulnerabilities, which are intensified by high exposure to climate risks and would benefit from social protection measures. The Project will explore opportunities for strengthening social protection through associated analytical activities with the aim of including them in future financing.
- **Identification and promotion of a range of income-generating opportunities are needed to support effective management of natural resources.** While CBRM will improve and maintain the productivity of coastal resources in the medium term, communities are more likely to support management and conservation goals when these are supported by income-generating activities, including from local value chain investments and diversification of livelihood opportunities. To this end, the Project includes a study to inform potential additional financing to improve the development and diversification of coastal fisheries.
- **Investment in strong project management.** The original project management arrangements deployed at the beginning of PROP, where FFA had a role in supporting the management of national projects, involved functions beyond FFA's core role and mandate. As a result, there was a need to transfer project management to national line ministries and to add technical experts to ensure that gaps in expertise were filled and to build the capacity of counterpart project management staff. SB PROPER includes a fully staffed PMU to reduce the administrative burden on the implementing agency and to minimize the risks of implementation delays. Increased oversight of project management functions, including financial management, procurement, and environmental and social aspects, has also been built into the SB PROPER management arrangements.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

70. 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, a time-based international Environment & Social Advisor, and a locally- and time-based Environment & Social Officer⁴⁷ as minimum staffing to be maintained throughout implementation. To complement the existing team, a Project Accountant, a Senior Procurement need to be hired no later than four months, and an Environmental & Social Officer no than one month after the Effective Date. An Assistant Procurement Officer, a time-based monitoring and evaluation (M&E) Officer, and a time-based Community Liaison Officer will also be part of the PMU. The PMU will benefit from time-based support from an international M&E Specialist, and an international Procurement Specialist. The PMU will operate based on a Program Operations Manual (POM) approved by the World Bank.

71. Project oversight will be carried out by the Project Steering Committee (PSC), which was established under the PROP first phase. The PSC is chaired by the Permanent Secretary (PS) or designate from the MFMR, and its membership includes PS-level representatives of relevant national ministries, including the Ministry of Finance and Treasury (MoFT). The PSC will approve the annual workplans and budgets, and review the project progress reports, and, for this purpose, will be provided half yearly progress reports by the PMU, including on procurement and financial management.

⁴⁷ The later will be responsible to oversee and guide the implementation of the gender dimension of the Project.



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

73. SB PROPER will collaborate closely with the New Zealand-funded Mekem Strong Solomon Islands Fisheries Project to maintain complementarity and synergy. Further details of implementation arrangements are provided in Annex 1.

B. Results Monitoring and Evaluation Arrangements

74. The PMU will use a results-based management approach to align implementation with the achievement of the project's expected outcomes. Results monitoring will be carried out to focus on assessing progress toward the PDO and intermediate indicators, and as inputs to determine the outlook of meeting desired project outcomes. Key elements of the project M&E system are included in the POM. The PMU will hire a dedicated full-time M&E consultant and a time-based consultant to be responsible for activity and process monitoring, progress monitoring, participatory monitoring to generate feedback from stakeholders and beneficiaries on a range of activity-related topics, outcome monitoring, and impact monitoring. Project results will be monitored semiannually with inputs from MFMR and validated based on agreed data sources and methodology. World Bank implementation support missions will be carried out twice a year to assess progress on interim targets and to agree on corrective measures.

C. Sustainability

75. **Institutional Sustainability.** The Solomon Islands Government remains strongly committed to the improved management of its fisheries sector. The National Fisheries Policy 2019–2029 demonstrates a national commitment to strengthen conservation, management, development, and sustainable use of the fisheries and aquatic resources of the Solomon Islands, areas to which the Project will contribute. Investments are targeted toward enhancing MFMR's capacity in fisheries planning, management, and enforcement through training, and continued collaboration with FFA, SPC, and Pacific Island governments through the Program. A core focus of the Project is to invest in establishing a strong technical foundation for the MFMR that can be sustained post-closure.

76. **Economic Sustainability and Resilience.** The Project contributes to maintaining revenue from oceanic fisheries through its support for continuous and enhanced regional and national efforts while controlling the costs of monitoring through innovative technologies. It also contributes to maintaining or improving ecosystem services through CBRM to support sustainable livelihoods for fishing communities. Improved management of oceanic and coastal fisheries resources will ensure a stronger resource base and economic activities they support, which in return will be more resilient to shocks.

77. **Climate, Disasters, and Environmental and Economic Sustainability and Resilience.** The Project contributes to the management of climate change and disaster risks through its support for the alignment of the fisheries sector with best international practices and standards on environmental sustainability. It aims to advance CBRM and coastal adaptation measures to protect coastal resources, which support the food needs and livelihoods of Solomon Islanders. The Project also supports the adoption of regional conservation and management measures and their implementation in national waters. Through its support for fisheries management and sustainable development, the Project will better prepare the Solomon Islands to reduce its reliance – particularly for public revenue – on the logging sector, which has been a source of elevated climate change and disaster-related risks.



IV. PROJECT APPRAISAL SUMMARY

A. Economic and Financial Analysis

78. **Economic Analysis.** A cost-benefit analysis was undertaken, and provides an estimated internal rate of return (IRR) for the project, from each of the two operational components. Benefits are expected from activities to improve or extend existing systems to manage oceanic and coastal fisheries in the Solomon Islands, with controlled costs and expected additional revenues or ecosystem service values. For Component 1, marginal benefits would mostly accrue to the national government and to the Western provincial government where the tuna port and the main processing facility of Noro are situated. Component 2 benefits would accrue to provincial governments and local communities.

79. Component 1 activities will contribute to strengthening regional collaboration and national capacity for oceanic fisheries management, from upgraded and new facilities for the MFMR Headquarters and the national MCS Center in Noro together with a comprehensive training program for MCS Officers, and development of compliance tools such as improved traceability through ePort, e-monitoring, and e-reporting. Expected benefits would stem from further reduction in IUU activities locally, mostly from stronger MCS capacity targeted at longline fishing vessels and transshipping, as well as stronger means of regional cooperation.⁴⁸

80. Activities in Component 2 will contribute to strengthening regional collaboration and national capacity for the community-based management of coastal fisheries. Expected benefits include improving the quantity and quality of fish and shellfish landed by local communities, contributing to improved ecosystem assets and services through an improved legal framework, provincial MFMR presence and capacity, fisheries monitoring (inshore database, community monitors), and community fisheries management plans integrating climate change adaptation, fisheries, and livelihood diversification, for example, fish aggregating devices, leading to reduced post-harvest losses, improved local market provision, increased incomes, and improved nutrition.

81. The IRR estimated at the end of the Project (five years), using a discount rate of 6 percent, is 9 percent and the Net Present Value is US\$1.6 million, rising to 21 percent and US\$16.3 million respectively after 10 years without further investment. Institutional strengthening activities in Components 1 and 2 are expected to deliver benefits over at least 10 years, with little additional investment, giving a potentially larger IRR. The IRR is not overly sensitive to a decrease in expected returns or to increased costs, decreasing to 13 percent after 10 years with the assumption that expected benefits decreased by 20 percent together with an increase of 20 percent in costs.

B. Fiduciary

(i) Financial Management

82. A financial management (FM) capacity assessment of the MFMR was carried out to determine whether the existing FM arrangements correctly and completely record all transactions and balances; facilitate the preparation of regular, timely, and reliable financial statements; safeguard the Project's assets; have reasonable controls; and that independent and competent audit arrangements are in place. The FM arrangements will satisfy IDA requirements subject to the implementation of agreed actions and mitigating measures. More details on FM and disbursement arrangements are provided in Annex 1.

(ii) Procurement

83. Procurement for the Project will be carried out in accordance with the World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 2016, revised November 2017, August 2018, and November 2020 (referred to as Procurement Regulations), as well as the provisions stipulated in the Financing Agreement and the Project's Procurement Plans. The Bank's planning and tracking system, Systematic Tracking of Exchanges in Procurement (STEP), will be used to prepare, clear, and

⁴⁸ MRAG Asia Pacific. 2021.



update Procurement Plans and conduct all procurement transactions for the project.

84. The MFMR PMU will be responsible for conducting and monitoring procurement activities under the Project. A procurement risk assessment noted that the MFMR has prior knowledge of and experience with Bank procurement policies and procedures through the implementation of the first phase of the PROP. The procurement risk and mitigation measures are discussed under the Key Risks section below. More details of the Project's procurement arrangements, procurement strategy, and the initial procurement plan are provided in Annex 1.

C. Legal Operational Policies

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

85. Article 73 of the United Nations Convention on the Law of the Sea requires signatories to ensure that any foreign vessels and crews detained in the EEZ are immediately released upon posting a reasonable bond, the flag state of the vessel is immediately notified, and penalties for violations of fisheries laws and regulations in the EEZ do not include imprisonment, in the absence of agreements to the contrary by the States concerned, or any other form of corporal punishment. The first cohort of projects under the PROP's first phase, namely in the Federated States of Micronesia, Marshall Islands, Tuvalu and the Solomon Islands, supported some fisheries enforcement activities. A review of the national fisheries laws of the first cohort countries was undertaken in March 2014 to assess the compatibility of the respective national laws with international law, including for the Solomon Islands, the Fisheries Act 1998 and proposed Fisheries Management Bill 2014, later approved as the Fisheries Management Act 2015 that continues to be in force today. The conclusion of this review was that the Solomon Islands' legal framework has only partial compliance with Article 73 of UNCLOS. Consistent with the approach adopted in the first phase of PROP in the Solomon Islands, the Financing Agreement includes covenants requiring compliance with key provisions of UNCLOS for fisheries enforcement activities supported under the Project.

86. Under the SB PROPER, MCS-related activities include training MCS Officers and Observers and Monitors in communities for CBRM implementation, meetings and workshops, purchase of small equipment (uniforms, safety gear, computers, and so forth), extension of the electronic monitoring and electronic reporting trialed under the first project, building the National MCS Center initially planned under the first project, and vessel inspections. Vessel inspections will consist of boarding and inspection of fishing vessels calling in the Solomon Islands' archipelagic waters or territorial sea for landing or transshipping catches, refueling, or crew rotation. Maintaining the continuity of the first project, similar covenants will be applied to the SB PROPER to ensure compatibility with international law. Fisheries enforcement activities outside the Solomon Islands' territorial sea are beyond the scope of this Project.

D. Environmental and Social

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

88. The Project is subject to the ESF, and all Environmental and Social Standards (ESSs) are considered relevant, except for ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement; ESS8: Cultural Heritage, and ESS9: Financial Intermediaries. 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 (for example, potential asbestos management for renovation/ demolition works); (ii) community safety and occupational health and safety (OHS) impacts, including risks due to unexploded ordnance; (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 (for example, via fuel spills when refueling boats) and OHS risks. These activities will be screened via a process detailed in the ESMF that includes an eligibility screening form, an impacts screening process, and the requirement to develop an Environmental and Social Management Plan (ESMP) / ESIA or to use the provided Environmental and Social Code of Practice (ESCOP) as appropriate to manage E&S risks.

89. 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.

90. 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 POM, 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.

91. The project has developed a Labor Management Plan (LMP) that sets out the ways in which project workers will be managed, including consultants, contractors, subcontractors, 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, and on the World Bank's (WB's) ESS2: Labor and Working Conditions, to manage employment-related complaints.

92. 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 Redress Mechanism.

93. 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. The SEP and Appraisal Environmental and Social Review Summary were disclosed on the World Bank website on March 23, 2022. The ESCP was disclosed by the World Bank on March 23 and April 25, 2022, and the ESMF, ESIA and LMP were disclosed on April 28, 2022.



V. GRIEVANCE REDRESS SERVICES

94. Communities and individuals who believe that they are adversely affected by a WB-supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

95. The overall risk to achieving the PDO is assessed to be **Substantial**. This reflects Substantial sub-ratings related to Political and Governance, Macroeconomic, Fiduciary, and Environmental and Social risks.

96. **Political and Governance.** The Solomon Islands is a fragile state with weak institutional and technical capacity of government agencies, an operating environment that is impacted by political grievances, and politicization between national- and provincial-level identities and interests that can lead to civil unrest, as recently experienced. From a sector perspective, there is an inherent risk of politicization of fisheries sector management and development in the Solomon Islands due to the opportunities for contestation to capture benefits, particularly around the sea cucumber harvest and the limited capacity for government oversight in remote areas. These risks are mitigated, to a certain extent, by a high level of political commitment from all levels of government toward sector objectives; experience with an existing sector program; and through increased investments in compliance operations, community engagement, and efforts toward greater transparency, including through a Public Expenditure Review. However, the extent to which project-specific measures can mitigate political and governance risks is limited. The residual political and governance risk after mitigation is therefore rated **Substantial**.

97. **Macroeconomic Risk.** The macro-fiscal impact of the COVID-19 pandemic and the 2021 social unrest has been significant. Assistance from the development community will be necessary to support the economy and public finances, and IDA is already providing stepped up support, including a planned development policy operation. The Project is not designed to rely upon counterpart financing, however, as project implementation is mainstreamed into government agencies and implementation will be led largely by government civil servants, any substantial fiscal pressures or resulting austerity measures could affect implementation of the MFMR's Corporate Plan, and thus affect project implementation. No other specific mitigation measures for macroeconomic risks are proposed under the project, as the risks are external to the project and are beyond its scope. The macroeconomic situation will be monitored for possible effects on the project and the broader portfolio of World Bank financed operations. The project's support to community empowerment through CBRM and developing and diversifying local value chains will contribute to the COVID-19 pandemic response strategy in rural fishing communities. The residual macroeconomic risk is rated **Substantial**.

98. **Fiduciary.** Fiduciary risks are assessed to be **Substantial** as well. Procurement risks include (i) the limited procurement and contract management capacity of the implementing agency; (ii) a limited domestic market to meet the procurement scope of the Project; and (iii) adverse effects of the COVID-19 pandemic on the timely delivery of goods, works, and onsite mobilization of international experts where required. To mitigate these risks, the Project will (i) include a qualified Procurement Specialist in the PMU to assist in procurement activities; (ii) organize



procurement training, including STEP training, before and during Project implementation; (iii) include a section on procurement in the POM; (iv) conduct wider and more proactive publicity of bidding opportunities to encourage greater participation and interest from the market; (v) approach the international market for major activities; and (vi) ensure advance planning in procurement to cover expected delays in the delivery of goods and mobilization of consultants, and maximize online/virtual platforms for consulting services, as needed.

99. FM risk mitigation measures include (i) appointment of a Project Accountant and an MFMR Finance Officer; (ii) appointment of an MFMR Senior Finance staff member to approve the Project financial reports before submission to the WB; (iii) preparation of the POM, which includes the FM arrangements and the roles and responsibilities of the FM and procurement staff; (iv) submission of quarterly Project Interim Financial Reports (IFRs) to the WB; (v) submission of the Project's audited financial statements to be conducted by a private audit firm acceptable to the WB, including in the auditors management letter the follow-up on the issues reported in the previous year audit report; (vi) maintenance of the Project contracts register; and (vii) inclusion in the MFMR Internal Auditor's workplan of the assessment of the internal controls and recommendations to improve systems and processes.

100. **Environmental and Social.** E&S risk rating is substantial, with mostly temporary impacts which would be managed through conventional E&S risk management approaches. The project is expected to have largely positive environmental and social impact through improved fisheries management and empowerment of communities through CBRM. E&S risks are mainly related to construction of MFMR's administrative buildings. Capacity limitations present a challenge for adequate E&S risk management. To mitigate these risks, a project ESMF, SEP, and LMP have been prepared. The ESMF includes training and capacity building plans as well as measures and strategies to manage E&S risks. The SEP guides the Project strategy for stakeholder engagement and the LMP addresses labor and employment-related risks. An international E&S Advisor will continue to provide time-based support to the PMU.

101. **Other risks.** While assessed to be **Moderate** after mitigation steps are taken, it is perhaps important to note that the Project is exposed to the country's overall vulnerability to exogenous shocks, such as the COVID-19 pandemic, and to frequent exposure to climate variability. The COVID-19 pandemic affected project preparation and is likely to impact the first years of implementation. The Solomon Islands continues to have low vaccination rates and an increased potential exposure to new variants. The resulting risks include (i) procurement delays due to travel and trade restrictions; (ii) implementation delays due to global supply chain issues for imported goods and equipment, and potential effects on cost that may exceed project budgets; (iii) limits on stakeholder coordination and implementation of activities dependent on imported goods or services, such as installation of equipment and provision of international TA; and (iv) restrictions on WB supervision modalities. The impacts on the delivery of goods and equipment will be mitigated by splitting complex procurements into smaller lots to attract local suppliers, and through remote technical support provided to local technicians during the installation of equipment. To the extent possible, videoconferencing and online solutions will be used to overcome travel restrictions, and international staff is being placed in-country to provide a direct line for day-to-day communication and hands-on support.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Solomon Islands

Solomon Islands: Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience

Project Development Objectives(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 the 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.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Strengthened regional collaboration and national capacity for fisheries management and development							
Fisheries management informed by timely access to data by national and regional stakeholders (Number)		0.00	0.00	0.00	1.00	2.00	3.00
Minimum percentage of observer reports submitted via e-reporting (Percentage)		50.00	60.00	70.00	80.00	90.00	100.00
Minimum number of bilateral agreements signed with neighboring countries to facilitate access to e-monitoring data		0.00	0.00	0.00	1.00	1.00	2.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
(cumulative) (Number)							
Minimum percentage of licensed tuna fishing vessels reporting via VMS to the Noro MCS Center (Percentage)		0.00	0.00	0.00	50.00	75.00	90.00
Strengthened capacity at community level for fisheries management and development							
Minimum number of new communities adopting climate-informed Community Fisheries Management Plans (cumulative). (Number)		0.00	0.00	1.00	2.00	3.00	5.00
Community members participating in project-supported livelihoods and development activities (cumulative) (Number)		0.00	0.00	50.00	100.00	150.00	200.00
Participants that are female (cumulative) (Number)		0.00	0.00	20.00	30.00	40.00	60.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Component 1: Strengthening Regional Collaboration and National Capacity for Oceanic Fisheries							
Fishing vessels inspections in the archipelagic waters or		0.00	0.00	10.00	25.00	40.00	60.00

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
territorial sea each year (Number)							
Observers trained according to the Observer Career Development Program (cumulative) (Number)	0.00	0.00	30.00	60.00	90.00	90.00	
MCS officers benefitting from new and refresher training (cumulative) (Number)	0.00	0.00	25.00	40.00	50.00	50.00	
Trained MCS officers that are female (cumulative) (Number)	0.00	0.00	12.00	15.00	18.00	18.00	
Component 2: Strengthening Regional Collaboration and National Capacity for Coastal Fisheries							
Review of MFMR structure and functions completed (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes
MFMR gender strategy elements incorporated in the review of the MFMR organizational structure and functions (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes
Provincial officers benefitting from training (cumulative) (Number)	0.00	0.00	11.00	11.00	22.00	22.00	
Trained provincial officers that are female (cumulative) (Number)	0.00	0.00	2.00	2.00	4.00	4.00	
Provincial Fisheries Ordinances prepared and submitted for endorsement by Provincial Assemblies (cumulative) (Number)	0.00	0.00	1.00	2.00	2.00	3.00	

Indicator Name	PBC	Baseline	Intermediate Targets				End Target
			1	2	3	4	
Community-Based Resource Management (CBRM) Committees established for the preparation and implementation of Community Fisheries Management Plans (cumulative). (Number)		0.00	2.00	4.00	6.00	8.00	10.00
New CBRM Committees have at least 2 women representatives (Percentage)		0.00	100.00	100.00	100.00	100.00	100.00
Sex-disaggregated data is collected in new MFMR central inshore database (Yes/No)		No	No	Yes	Yes	Yes	Yes
Component 3: Project Management.							
Time for registered project-related grievances to be addressed through the Grievance Redress Mechanisms (average) (Days)		0.00	21.00	21.00	21.00	21.00	21.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Fisheries management informed by timely access to data by national and regional stakeholders	The number corresponds to interim targets of the sub-indicators achieved in the	Annual.	PMU reports. See sub-indicators.	Aggregation of results from the sub-indicators.	PMU M&E Specialist.

	covered period. This indicator measures both the regional collaboration and national capacity aspects of the PDO.				
Minimum percentage of observer reports submitted via e-reporting	Percentage of observer reports that submitted via e-reporting instead of paper reporting. The indicator will measure the achievement of the PDO in providing timely information and and fostering regional collaboration, and will illustrate improved capacity in MFMR and regional collaboration.	Annual.	Observer reports and Observer Program unit's monitoring system.	Comparison of number of observer reports submitted in paper and electronic format.	Observer Program unit in the MFMR Offshore Division and PMU M&E Specialist.
Minimum number of bilateral agreements signed with neighboring countries to facilitate access to e-monitoring data (cumulative)	Number of agreements signed with neighboring countries where national-flagged fishing vessels equipped with e-monitoring system might have port calls. The indicator will measure the achievement of the PDO in providing timely information, fostering regional collaboration and will illustrate improved regional collaboration and capacity in MFMR.	Annual.	EM hard-disks and MFMR ERM unit's monitoring system.	Archiving of the signed agreements.	MFMR ERM unit and PMU M&E Specialist.



Minimum percentage of licensed tuna fishing vessels reporting via VMS to the Noro MCS Center	Percentage of licensed tuna fishing vessels that were registered into the VMS database and subsequently tracked by Noro MCS Center to inform decision-making process at national and regional level. The indicator will measure the achievement of the PDO in providing timely information and fostering regional collaboration, and will illustrate improved capacity in MFMR.	Annual.	Noro MCS Center's VMS platform and Licensing unit of MFMR Offshore Division database.	Comparison of the information in the license database and the VMS database.	Noro MCS Center, Licensing unit of MFMR Offshore Division, PMU M&E Specialist.
Minimum number of new communities adopting climate-informed Community Fisheries Management Plans (cumulative).	This indicator measures the end result of a behavioral and organizational process to establish community consensus toward fisheries management. The process includes consultations, training on MCS and resource monitoring, and decision on management measures.	Annual.	Adopted community fisheries management plans (CFMPs), and elements confirming adoption as per CBRM guidelines.	At the end of the reporting period elements demonstrating that CFMP is adopted will be collated.	CBRM unit in the MFMR Inshore Division, PMU Community Liaison Officer and PMU M&E Specialist.
Community members participating in project-supported livelihoods and development activities (cumulative)	This indicator measures the end result of a livelihood diversification process to offset climate change and fisheries management	Annual.	Data collated by the Provincial officers and the CBRM	MFMR staff will identify, with the CBRM Committees, community members who, during the year,	Provincial officers, CBRM unit, CBRM committees, PMU Community Liaison Officer and PMU M&E

	impacts, and increase resilience in case of shocks.		unit.	following project support, have entered into on the programs and register their sex.	Specialist.
Participants that are female (cumulative)	Percentage of participants that are female.	Annual.	As per parent indicator.	As per parent indicator.	As per parent indicator.

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Fishing vessels inspections in the archipelagic waters or territorial sea each year	Fishing vessels inspected by Compliance Officers, while present in the Solomon Islands' archipelagic waters or territorial sea. The indicator will illustrate the improvement of MFMR capacity as currently vessels who are coming at anchor to tranship or unloaded their catch are not inspected.	Annually.	MFMR inspection reports and corporate reports.	The vessel inspection reports will be systematically accounted for upon completion of inspection.	M&E specialist of the PMU with support of the MFMR Compliance unit.
Observers trained according to the Observer Career Development Program (cumulative)	Measure the observer capacity enhancement through training.	Annually from year 3 (2024) to 5 (2026).	Training attendance sheet and observer career files maintained	Review of training attendance sheet and observer career files.	Observer Program unit in the MFMR Inshore Division, Human Resources Division, PMU M&E Specialist.

			by the Observer Program unit in the MFMR Inshore Division and the Human Resources Division.		
MCS officers benefitting from new and refresher training (cumulative)	Measure the MCS and Compliance officers' capacity enhancement through training.	Twice by end of year 2 (2023) and year 3 (2024).	Individual officer career files maintained by the Compliance Unit and Human Resources Division.	Review of training attendance sheet and individual officer career files.	Compliance unit in the MFMR Offshore Division and PMU M&E Specialist.
Trained MCS officers that are female (cumulative)	Trained officers that are female.	As per parent indicator.	As per parent indicator.	As per parent indicator.	As per parent indicator.
Review of MFMR structure and functions completed	Completion of the Policy Note for the MFMR institutional review.	Once.	Final Policy Note.	Archiving of the report to be provided by Corporate Services Division to PMU M&E Specialist.	Corporate Services Division and PMU M&E Specialist.



MFMR gender strategy elements incorporated in the review of the MFMR organizational structure and functions	Relevant element of the updated MFMR gender strategy taken into consideration in the proposed MFMR structure and functions.	By last year of project.	Strategy.	As per parent indicator.	As per parent indicator.
Provincial officers benefitting from training (cumulative)	Measure the provincial officers' capacity enhancement through training.	Twice by end of year 2 (2023) and year 5 (2026).	Individual officer career files maintained by the Provincial Offices in the MFMR Provincial Division and the Human Resources Division.	Review of training attendance sheet and individual officer career files.	MFMR Provincial Division, Provincial Offices, Human Resources Division and PMU M&E Specialist.
Trained provincial officers that are female (cumulative)	Trained officers that are female.	As per parent indicator.	As per parent indicator.	As per parent indicator.	As per parent indicator.
Provincial Fisheries Ordinances prepared and submitted for endorsement by Provincial Assemblies (cumulative)	Measure the preparation and submission for endorsement of Provincial Fisheries Ordinances.	Three times by year 2 (2024), year 3 (2025) and end of project.	Transmission letter and package to competent Provincial authorities.	Registration of submission of Provincial ordinances within PMU M&E database.	Provincial Division, Provincial Offices, and PMU M&E Specialist.



Community-Based Resource Management (CBRM) Committees established for the preparation and implementation of Community Fisheries Management Plans (cumulative).	Measure the establishment of CBRM Committees for the preparation and implementation of Community Fisheries Management Plans.	Annual.	Attendance sheets of the CBRM committee's meetings.	The responsible entities (CBRM unit, Provincial Offices and PMU) will document the existence of the CBRM committees and their functioning through compilation of meeting attendance sheets.	CBRM unit in the MFMR Inshore Division, Provincial Offices and PMU M&E Specialist.
New CBRM Committees have at least 2 women representatives	Percentage of CBRM committees that have at least two female members.	Annual.	CBRM Committee's Minutes and trip reports from the CBRM Officer.	The responsible entities (CBRM unit, Provincial Offices and PMU) will document the number of participants to the CBRM committees and the number of females participating through compilation of meeting attendance sheets.	As per parent indicator.
Sex-disaggregated data is collected in new MFMR central inshore database	The indicator will measure the inclusion of sex-disaggregated data in the MFMR central database, e.g., sex of operator, sex-ratio in fishing vessel crew, sex of the owner(s) of fishing assets, all disaggregated by fishing	Inclusion of sex-disaggregated data in the database structure and data collection	MFMR central database for inshore fisheries.	Description of the database structure with indication of the fields to register sex of individuals.	Management unit of the MFMR Inshore Division, and PMU M&E Specialist.

	type, in order to better statistically describe sex-balance and its evolution in the fisheries sector.	forms will be documented.			
Time for registered project-related grievances to be addressed through the Grievance Redress Mechanisms (average)	Measure the timely processing of the grievances by MFMR / PMU.	Annual.	Individual grievance files.	The duration for the handling of the grievance will be monitored. The indicator will be achieved if the average duration for addressing cases is equal or inferior to 21 days.	PMU M&E Specialist.

ANNEX 1: Implementation Arrangements and Support Plan

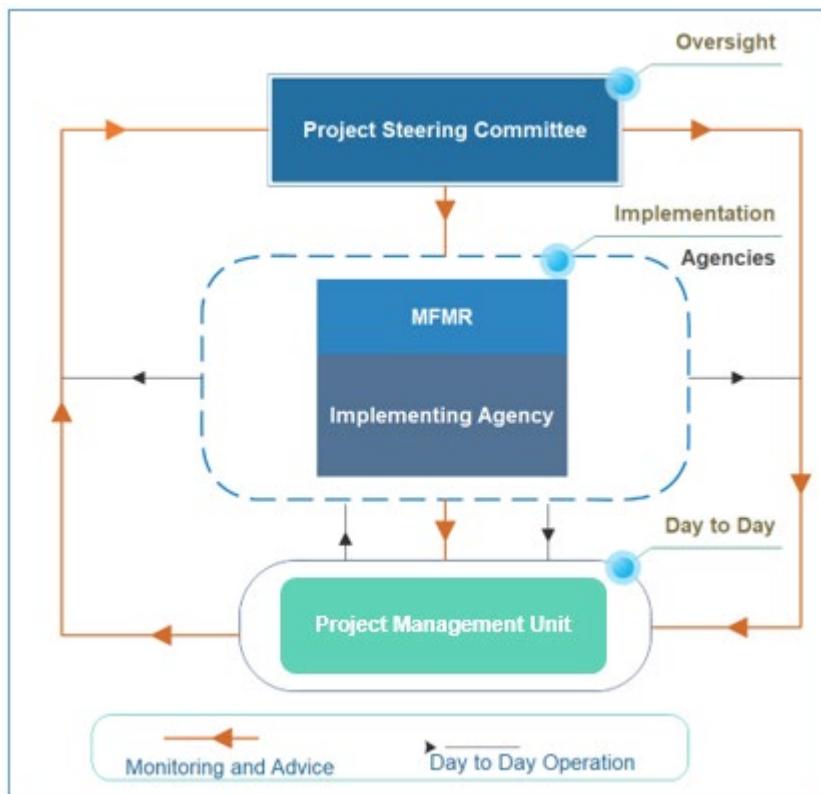
COUNTRY: Solomon Islands

Pacific Islands Regional Oceanscape Program – Second Phase for Economic Recovery and Resilience

Implementation Arrangements

1. A PSC established under the first phase of the Pacific Islands Regional Oceanscape Program will be maintained for the Project and will be responsible for strategic oversight and coordination of the Project. The PSC is chaired by the PS of the MFMR and its membership includes PS-level representatives of relevant national ministries or designates, including the MoFT. The PSC will meet twice a year, in February and November, or more frequently if required, to approve the annual workplans and budgets, and to review the project progress reports. The Project Coordinator, the Director of the Financial Economic Development Unit of the MoFT, and the Director of Fisheries of the MFMR will be participating to the PSC meetings. The roles of the PSC, the implementing agency and the Project Management Unit, and their relation, are summarized in the figure below.

Figure A1.1. SB PROPER Implementation Arrangement



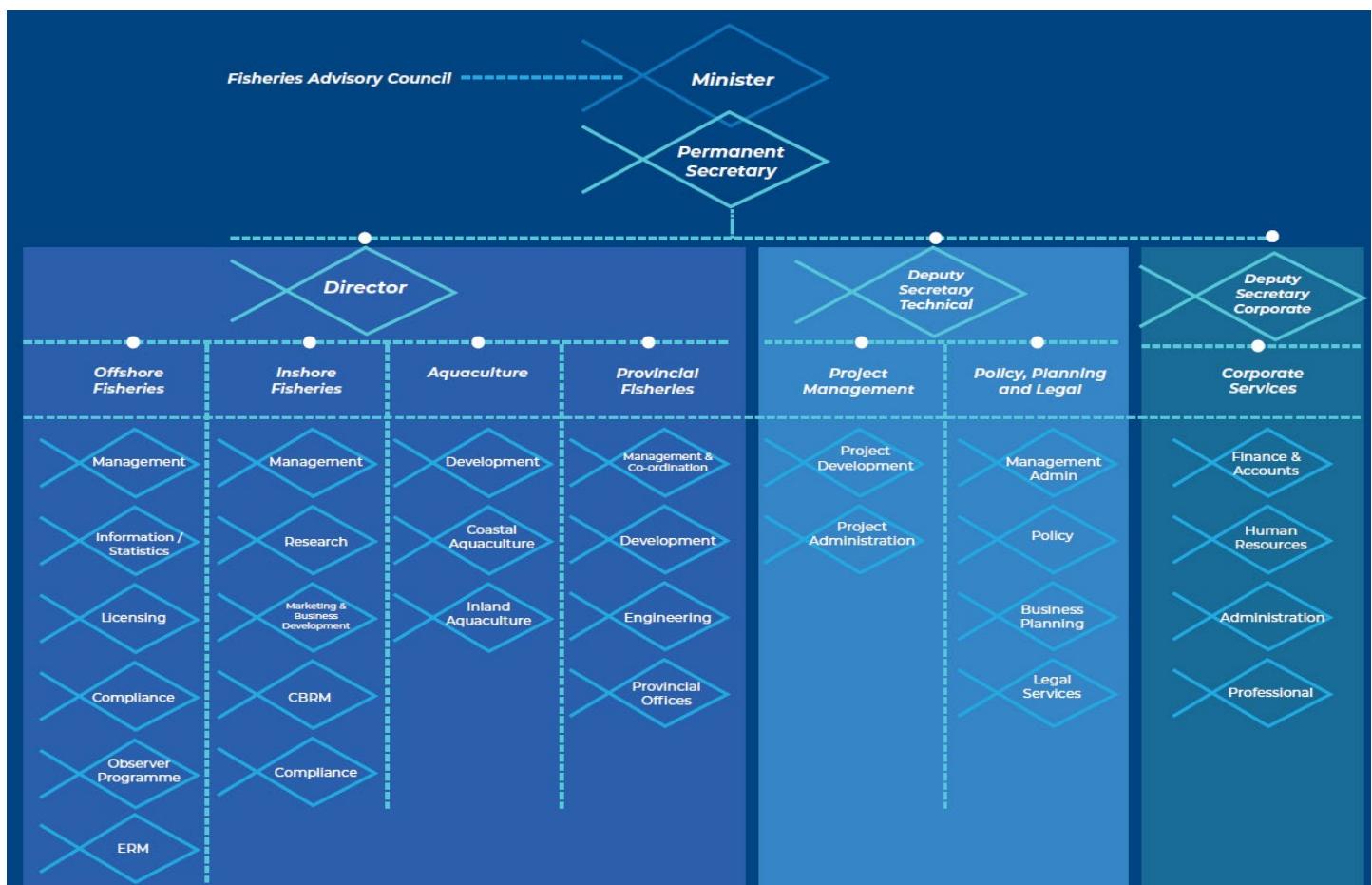
2. The Project will be implemented by the MFMR, which will be responsible for the coordination and implementation of the Project through the PMU. The PMU will be responsible for the day-to-day management of the Project, including financial management, procurement, and ESF compliance and reporting to the implementing agency and the PSC. The PMU will consist of a Project Coordinator, a Project Accountant, a Senior Procurement Officer, a Project Administrative & Financial Assistant, a time-based international E&S Advisor, and a locally- and



time-based E&S Officer⁴⁹ 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 M&E Specialist, and an international Procurement Specialist.

3. The POM will describe the institutional arrangements for day-to-day Project execution, including procurement, ESF compliance, financial management, and M&E. The MFMR will prepare the first annual work plan and budget within three months of the effective date of the Financing Agreement; subsequent annual workplans and budgets will be completed by February 1 each year. The PMU will have primary responsibility for preparing annual work plans and budgets, as well as manage standard Project reporting, the procurement plan, and the diligent application of the POM. Figure A1.2 presents an organizational chart of the MFMR.

Figure A1.2. MFMR Organizational Chart



4. The Project involves other ministries not all of which are neither directly involved in Project delivery nor receive Project funding. It is envisaged that a robust working relationship will be developed with key line ministries, particularly the Ministry of Environment, Climate Change, Disaster Management and Meteorology.

⁴⁹ The later will be responsible to oversee and guide the implementation of the gender dimension of the Project.



Financial Management

5. The FM arrangements prioritize the use of country systems and satisfy IDA requirements, subject to implementation of agreed actions and mitigating measures.
6. **Budgeting.** Annual budgets will be prepared by the MFMR based on the project annual work plan. Budgets will be submitted to the Bank for approval by the date agreed in the financing agreement.
7. **Accounting.** The MFMR uses MYOB software and will create a general ledger account with subaccounts within this to identify the Project's sources and uses of funds, and cash balance.
8. **Internal Controls.** Government agencies in the Solomon Islands are required to comply with financial management processes and procedures to ensure segregation of duties, regular bank reconciliations, relevant approval for payments, recoding assets, cash, revenue, contracts management, and so forth. While no internal audit arrangements are in place, the current controls in the government systems will meet the Bank's internal control requirements. Relevant information to ensure adequate internal controls will be reflected in the POM, which will detail processes such as payments, relevant approvals, preparation of a commitments register reconciled with the IFRs, an assets register, cash retirement forms, petty cash controls, the leave register, attendance forms, leave application forms, and so forth. The MFMR Internal Auditor's workplan will include the assessment of the Project's internal controls and making recommendations to improve systems and processes.
9. **Financial Reporting.** Unaudited IFRs will be prepared by the PMU on a quarterly basis in a format agreed with the WB. The approved IFRs will be forwarded to the WB within 45 days of the end of each calendar quarter, along with the contracts register, the assets register, and bank statements as supporting information.
10. **External Audit.** The audited financial statements of the Project will be submitted to the Bank within six months after the end of the reporting period, that is, by 30 June of the following year. A private audit firm, funded by the Project, will be engaged to audit the project financial statements. The terms of reference for the auditor will be cleared by the Bank.
11. **Funds Flow Arrangements.** A separate pooled designated account (DA) in Solomon Island dollars (SBD) will be opened at the Central Bank, to which Bank funds will be transferred; the DA will be used for receipts of proceeds from IDA credits and IDA grants only. A standing order will be sent from the PS MFMR to the MoFT to approve the release of funds from the DA to the project operational account maintained at a commercial bank and to be managed by the MFMR. Withdrawal Applications will be submitted to the Bank by the MoFT and MFMR.
12. **Disbursement Arrangements.** The project can use four disbursement methods: (i) advances, (ii) direct payment, (iii) reimbursement, and (iv) special commitments. Direct payments would only be used for large payments or when payments are in currencies that the Borrower may have difficulty obtaining. Reimbursements would only be used if the MFMR funds were used for project expenses, instead of the expenditures being through the DA. Special commitments may be needed if goods are purchased from overseas. Disbursements and documentation of eligible expenditures will be against Statements of Expenditure. The required supporting documentation for disbursements is outlined in the Disbursement and Financial Information Letter. The DA will be used for disbursements related to local purchases of goods and services, contractors and consultants, project management support, and operating costs. The minimum thresholds for direct payments, reimbursements, and special commitments, and the DA ceiling, are specified in the Disbursement and Financial Information Letter. Replenishment applications will be submitted quarterly at a minimum but may be submitted on a more frequent basis, if required. The project will be financed by both the IDA credit and the IDA grant at 100 percent, inclusive of taxes, as in table A1.1. No counterpart fund but retroactive financing of up to SDR50,000 (US\$70,000 equivalent) will be provided under the Project for payment to be made on or after February 1, 2022.



13. Project Preparation Advance. A Project Preparation Advance credit in the amount of US\$0.5 million is in place to enable the MFMR to undertake activities supporting project preparation that are consistent with the PDO and are procured in accordance with applicable World Bank procurement procedures. The Project Preparation Advance is financing Eligible Expenditures consisting of goods, consulting and non-consulting services, and operating costs, inclusive of taxes.

Table A1.1. Eligible Expenditures

Category	Amount of IDA Credit Allocated		Amount of IDA Grant Allocated		Percentage of Expenditures to be Financed (inclusive of taxes)
	(US\$)	(SDR)	(US\$)	(SDR)	
(1) Goods, works, non-consulting services, and consulting services, Training, Operating Costs for the Project.	4,500,000	3,300,000	8,500,000	6,200,000	100%
(2) Refund of Preparation Advance	500,000	400,000	0	0	100%
TOTAL AMOUNT	5,000,000	3,700,000	8,500,000	6,200,000	

Procurement

14. Procurement Strategy. Procurement under the Project will include works, goods, and consulting and non-consulting services.

15. The Project Procurement Strategy for Development (PPSD) shows that procurements are a moderate to substantial risk because three civil works activities are relatively large in value (that is, more than US\$2 million). There are limited national and local contractors/suppliers available with the required capacity and experience. An international market approach may be needed for several key works and goods. As the civil works and goods are not complex and do not require special technology or execution methods, the Request for Bids and Request for Quotations methods with an international or national market approach will mainly be applied.

16. For consultant services, the market approach for specialized and critical consulting services required under the Project will likely be international procurement using Quality and Cost-Based Selection or Consultants' Qualifications (CQS). Smaller consulting assignments will be procured using Fixed Budget Selection, Least-Cost Selection, CQS, and the Individual Consultant method with a national market approach, as appropriate.

17. Procurement Plan. Based on the Project Procurement Strategy for Development, an initial procurement plan for the Project was finalized prior to negotiations. It will be updated by the implementing agency at least on an annual basis to (i) reflect Project implementation, (ii) allow for changes, and (iii) add new packages as needed for the Project. All procurement plan updates or modifications will be subject to the Bank's prior review and no-objection. Contracts not subject to prior review will be subject to post-review and the Bank will carry out procurement post-reviews on an annual basis with an appropriate sample.

Implementation Support Plan

18. Strategy and approach for implementation support. The Project Implementation Strategy is based on the following: (i) ensuring a high degree of implementation readiness of project components; (ii) focused technical, financial, and procurement reviews by the World Bank; (iii) close and constant focus on high-risk areas such as quality and speed of procurement; and (iv) close and continuous follow-up on issues highlighted during implementation



support missions. The Implementation Support Plan will consist of a continuous dialogue between the MFMR and MoFT and will include systematic joint reviews of program implementation, and regular oversight and support for Project fiduciary activities. The Plan will enable early identification of problems and the provision of timely TA to correct issues as they arise. Lessons learned from implementing the POM will be incorporated in future revisions of the POM, and further training will be offered for PMU staff and other relevant stakeholders where necessary.

19. The World Bank will provide support on procurement and FM, as required. This will include training of the respective PMU staff; providing guidance on the technical specifications for terms of reference; reviewing procurement documents and providing feedback to the PMU; monitoring progress against the detailed Procurement Plan; reviewing the implementation of accounting, reporting, and internal controls; and providing feedback to the PMU based on the submitted reports.

20. Coordination will be maintained with other development partners and nongovernmental organizations working in the fisheries sector, in particular, the New Zealand-funded Mekem Strong Solomon Islands Fisheries Project.

21. **Team composition.** The Bank's implementation support team is expected to consist of two experienced co-Task Team Leaders in charge of overall coordination of SB PROPER activities, and a Senior Fisheries Specialist based in Honiara to work with the government, as needed, to support implementation. In addition, regionally based technical, procurement, and FM specialists and E&S specialists will provide implementation support in their areas of expertise. If required, implementation support consultants will be hired on an ad-hoc basis to provide real-time TA to governments to support smooth implementation where capacity is inadequate.

22. **Implementation Support Plan and resource requirements.** Three implementation support missions will take place during the initial 12 months of implementation. This will be reduced to two implementation support missions in subsequent years. These periodic support missions will be complemented by regular audio and video interactions with the relevant counterparts.

Table A1.2. Implementation Support Plan

Time	Focus	Skill Required	Resource Estimate (Staff-weeks/ Year)
0–12 months	Implementation support coordination	Co-Task Team Leaders	12
		Environment Analyst / Operations Officer	8
	Overall technical support	Senior Fisheries Specialist	8
	Financial management	FM Specialist	4
	Procurement	Procurement Specialist	4
	Environmental & Social Framework	Environmental Specialist	4
		Social Specialist	4
Total Staff Weeks (0–12 months)			44
12–60 months	Implementation support coordination	Co-Task Team Leaders	10
		Environment Analyst / Operations Officer	6
	Overall technical support	Senior Fisheries Specialist	6
	Financial management	FM Specialist	3
	Procurement	Procurement Specialist	3
	Environmental & Social Framework	Environmental Specialist	3
		Social Specialist	3
Total Staff Weeks (per year, 12–60 months)			34



ANNEX 2: Overview of PROP and Phase 1 PROP Project in the Solomon Islands

1. This Project is the ninth under the PROP SOP. PROP was developed in 2013 as an IDA Regional Window program and SOP. PROP's first phase began in 2014 with implementation in Federated States of Micronesia, the Marshall Islands, the Solomon Islands, Tuvalu, and the FFA (first cohort), and expanded in 2019 and 2020 to Samoa, Tonga, and Kiribati (second cohort) (table A2.1). The SOP development objective is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats on which they depend, while each project can have a specific Project Development Objective.

Table A2.1. Phasing of PROP SOP

	1st Phase: Regional collaboration and foundation of fisheries management							2nd Phase: Enhanced regional collaboration and fisheries management capacity							3rd Phase: Value chain development and regional integration							
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
FFA	Completed							Under preparation							Anticipated							
Solomons	Completed							Under preparation							Anticipated							
Micronesia	Completed							Under preparation							Anticipated							
Marshall Is.	Completed							Under preparation							Anticipated							
Tuvalu	Under implementation							Under discussion							Anticipated							
Samoa		Under implementation							Anticipated							***						
Tonga		Under implementation							Anticipated							***						
Kiribati		Under implementation							Anticipated							Anticipated						
Vanuatu		Under preparation							Anticipated							Anticipated						

2. PROP is promoting a sequenced approach where each new country project scales up successes, builds on lessons learned from the previous project, and expands to new domains of activities to move toward achieving the Program Development Objective. While the first phase of PROP focused on fisheries management through national contributions to regional management efforts and strengthening national capacities, the second phase will further enhance these aspects, scaling up successes and building on lessons from the first phase while paving the way for a third phase to further harness oceanic fisheries to the regional economies, develop and diversify domestic value chains, and promote regional integration.

3. Key outcomes of the implementation of the first phase PROP Project with FFA include (i) significant capacity building and training of FFA member countries and contributing to improving the shared management of oceanic fisheries, in particular MCS capacity, related shared standards and procedures, and TA for compliance with sanitary and IUU-related requirements to export fish to the European Union; (ii) regional collaboration, via support from the SPC, for improved management and market linkages for the sea cucumber fishery, including resources assessments and development of management plans; and (iii) via support from the Office of the Pacific Ocean Commissioner, improved collective regional understanding of ocean finance concepts and opportunities, including through dedicated studies, conferences, and a fellowship program, with a country-specific Ocean Finance Profile developed for Tonga.

4. Key outcomes of the implementation of the first phase PROP Project in the Solomon Islands include (i) increasing MCS capacity, including piloting of digital innovation solutions, such as e-monitoring and e-reporting for longliners, to increase transparency, detect IUU, improve data to inform oceanic fisheries management, and facilitate



data exchange with regional management and governance bodies; (ii) securing long-term access to lucrative European Union and other international markets; (iii) developing the foundations for improved coastal fisheries management, including stock assessments to inform management plans for inshore fisheries, and provincial ordinances to provide a legal basis for enforcement; (iv) putting in place foundations for improved livelihoods supported through CBRM; and (v) increasing the understanding of and engagement in collective regional protocols for oceanic and inshore fisheries including standards (see table A2.2 for details).

5. SB PROPER will offer increased emphasis and investments for strengthening policies and institutions, including improved alignment of the organizational structure and functions of the MFMR in support of its mandate and strategic objectives, extensive capacity building (including at the provincial level), and reviewing the policy framework and dissemination of legislation. SB PROPER will build on and expand on the success of the first phase of PROP for strengthened MCS, including schemes for integrated catch documentation and digital traceability, and will further emphasize interventions for empowerment and behavioral change of coastal communities to promote CBRM, with an increased focus on cross-cutting gender and climate change dimensions.

Table A2.2. Summary of the Solomon Islands First and Second Phase PROP Projects

Outputs achieved under PROP 1st phase	Planned follow-on activities under PROPER
Strengthened management of oceanic fisheries	
E-Monitoring System introduced: <ul style="list-style-type: none"> - Successful introduction of EM and ER as important tools to inform oceanic fisheries management for compliance and scientific purposes. ER feeds into the regional Fisheries Information Management System. - EM was piloted on nine vessels to complement the existing Observer Program's functions. Scale-up of the pilot was slow due to gaps in regulations that required the negotiation of individual agreements with fishing companies for the installation and operation of EM equipment. 	Expansion of E-monitoring and E-reporting: <ul style="list-style-type: none"> - Expansion of EM and ER, including strengthening of related policy and regulations and improved data storage and processing through the development of an information management system. With the Observer Program suspended across the region due to the COVID-19 pandemic, EM and ER have become increasingly important. - Data sharing agreements with neighboring countries. Promotion of ePort initiative: <ul style="list-style-type: none"> - Expansion of the ePort initiative from pilot into second phase of implementation to facilitate digital catch documentation and traceability for all landing and processing ports in the Solomon Islands.
Compliance and Observer Program strengthened: <ul style="list-style-type: none"> - MFMR's compliance program was strengthened with 16 MCS Officers recruited (of which 43 percent are female), trained, certified, and absorbed as MFMR permanent staff at the end of the project. - Two License Officers were financed and trained on investigations and evidence management. - MCS offices were renovated, and Officers were equipped with gear. - The Observer Program is currently suspended due to the COVID-19 pandemic-related restrictions, and alternative shore-based work has been identified to maintain employment. 	MCS Program strengthened: <ul style="list-style-type: none"> - Revitalization of the Observer Program as COVID restrictions are lifted. Strengthening of the Observer program, including offering a Career Development Program to provide more fungible employment of Observers during times of restricted deployment at sea. - Capacity building (training) for MCS and compliance officers. - Conducting fishing vessel inspections in the archipelagic waters or territorial sea.
Noro MCS Center designed: <ul style="list-style-type: none"> - The construction of the MCS Center in Noro only advanced to design and purchase of building materials due to the COVID-19 pandemic-related shipping delays and cost increases. 	Construction of the MCS Center in Noro: <ul style="list-style-type: none"> - Construction of the MCS Center for implementing the MCS strategy. Extension of MFMR Headquarters Office: <ul style="list-style-type: none"> - Extension to provide office space for the expanded staff contingent and provision of equipment.
Strengthened management of coastal fisheries	



Provincial Fisheries Management Ordinances: <ul style="list-style-type: none">- Three Provincial fisheries management ordinances developed for Malaita, Guadalcanal, and Choiseul.	Strengthened policy and institutions: <ul style="list-style-type: none">- Review of the policy framework and dissemination of legislation.- Increased investments for institutional strengthening, including at the provincial level.- Improved alignment of the organizational structure and the functions of MFMR in support of its mandate and strategic objectives.- Extensive capacity building for MFMR staff.- Development of a statistical system (including a database for inshore fisheries) to improve monitoring and reporting, as well as the feedback loops to strengthen the management arrangements for coastal fisheries.- Construction of the Malaita Fisheries Office in Auki.- Provincial fisheries Ordinances for Isabel, Temotu, and Rennell-Bellona.
Frame Surveys and Stock Assessments completed: <ul style="list-style-type: none">- Frame surveys were completed for seven sites comprising five Provincial Fisheries Centers and two Constituency Fisheries Centers in Isabel, Malaita, Temotu, and Choiseul and Western Provinces.- Stock assessment of key economically and culturally significant marine stocks, including coral and giant clam, were concluded at 13 sites in six provinces to provide the basis for fisheries management plans.	Strengthened basis for adaptive coastal fisheries management: <ul style="list-style-type: none">- Marine baseline surveys to inform CBRM.- Development of a central database system for inshore fisheries.- Online license and export permit system with georeferenced data.- Development of small-scale fisheries statistics strategy.- Data collection.
Coastal Fisheries Management Plans developed and CBRM expanded: <ul style="list-style-type: none">- Fisheries management plans were developed and gazetted for key coastal fisheries: coral, giant clam, and sea cucumber. A key purpose of the management plans was to regulate the quantity of exports for overharvested resources and to inform the issuance of export licenses. However, progress with the implementation of management plans and the associated licensing would benefit from improved monitoring and reporting.- CBRM was expanded from 20 to 38 communities in eight Provinces.- Five FADs were deployed in Malaita Province to relieve fishing pressure on nearshore reef fish.	CBRM expanded and communities empowered: <ul style="list-style-type: none">- Recognizing the importance of the process for community ownership of CBRM, buy-in to management measure, and incentives for behavioral change, SB PROPER will focus on strengthening CBRM in the existing sites with the preparation of CFMPs.- Training and outreach for communities on resource management and awareness.- Additional 75 submerged inshore FADs will be deployed.- Facilitated access to livelihood diversification and climate change adaptation programs.- Feasibility studies for the development and diversification of oceanic fisheries value chains.



Table A2.3. Summary of PROP First and Second Phase Projects

PROP individual projects	Financing (US\$ million)	Key focus	Period status
First phase projects			
Solomon Islands	IDA: 6.10 GEF: 1.37	Management of oceanic fisheries . Strengthen capacity of national & regional institutions to manage tuna fisheries . Ensure equitable distribution within PICs of benefits of managed tuna fisheries	2014–2021 Completed
Federated States of Micronesia	IDA: 5.5	Management of coastal fisheries . Manage coastal fisheries that can generate export earnings . Support livelihoods, food security, and dietary health . Empower stakeholders to manage targeted coastal fisheries	2014–2021 Completed
Marshall Islands	IDA: 6.75 GEF: 1.83	. Link sustainable coastal fish products to regional markets . SPC involved in regional implementation of management of sea cucumber	2014–2021 Completed
Tuvalu	IDA: 7.00 GEF: 0.91		2014–2022 Ongoing
Forum Fisheries Agency (FFA)	IDA: 3.97 GEF: 2.19	Sustainable financing of the conservation of critical fishery habitats . Establish Pacific Marine Conservation Development Financing mechanisms to support large Marine Protected Areas . Pilot Pacific Blue Carbon regional program for small to medium fishery habitats	2014–2021 Completed
Samoa	IDA: 9.00 for fisheries	Samoa: Agriculture & Fisheries Productivity and Marketing Project (SAFPROM) Strengthening National Institutions . Institutional capacity building for crops and livestock Strengthening the performance of selected value chains . Public-good infrastructure . Matching Grant Program	2019–2025 Ongoing
Tonga	IDA: 10.00	Tonga: Pathway to Sustainable Oceans Strengthening Fisheries Governance . Strengthening fisheries compliance capacity . MCS in Tonga's Exclusive Economic Zone Strengthening the Knowledge Base for Fisheries and Aquaculture . Improving fisheries science for decision making of selected fisheries . Developing high potential aquaculture technologies . Strengthening Tonga's Special Management Area Program Investing in Sustainable Fisheries Management and Development . Developing an effective policy and regulatory framework to support aquaculture development and inshore commercial fisheries	2019–2026 Ongoing
Kiribati	IDA: 19.50	Strengthening MCS of Large-Scale Oceanic Fisheries . Strengthen MCS capacity . Improve enforcement, including facilities and infrastructure Diversifying Marine-Based Revenue Streams for Outer Island Coastal Communities Improving Seafood Toxicology and Safety Measures in selected fisheries . Develop pollution & seafood toxin assessments for Tarawa lagoon and coastal fisheries . Build capacity in seafood toxicology & construction of supporting laboratories . Develop legal and regulatory frameworks	2020–2027 Ongoing
Vanuatu	IDA	To be determined	Proposed
Second phase projects			
Solomon Islands	IDA	Strengthening regional collaboration and national capacity for the management and sustainable development of the oceanic and coastal fisheries sector in the Solomon Islands	This Project
Federated States of Micronesia	IDA:	To be determined	Proposed
Forum Fisheries Agency (FFA)	IDA	To be determined	Proposed
Marshall Islands	IDA	To be determined	Proposed

**ANNEX 3: Detailed Project Description****Component 1: Strengthening Regional Collaboration and National Capacity for Oceanic Fisheries (US\$6.7 million)*****Subcomponent 1.1. Consolidating Oceanic Fisheries Management (US\$6.6 million)***

1. This subcomponent would support the (i) extension of the MFMR Headquarters Office and equipment of offices; (ii) construction of the National MCS Center in Noro⁵⁰; (iii) strengthening of MCS Officers capacity; (iv) implementation of vessel inspections in the archipelagic waters or territorial sea in the frame of Port State measures; (v) promotion of the ePort initiative for all landing and processing ports in the Solomon Islands; (vi) expansion of e-monitoring and e-reporting on longliners; and (vii) revitalization, adaptation and modernization of the Observer Program.
2. **Extension of the MFMR Headquarters Office and equipment.** The Project would finance the update of feasibility studies, including the incorporation of climate-resilient aspects to address local conditions into the design and construction of the building, and equipment for the newly recruited staff to accommodate the increase in MFMR personnel.
3. **Construction of the National MCS Center in Noro.** The Center would facilitate implementation of the regional MCS strategy and coordination of MCS activities at the regional and national levels. The Project would finance (i) the storage, insurance, and transport cost from New Zealand to the Solomon Islands (Noro) for construction materials purchased under the PROP first phase; (ii) the construction of the National MCS Center in Noro; and (iii) the supervision of the works. The construction will include climate-resilient stormwater drainage, rainwater harvesting tanks, waterproof membranes, and compliance with earthquake codes and AS/NZS 1770.2 wind speed ratings for cyclone events.
4. **Strengthening of MCS officers' capacity.** The Project would finance the training of the officers, their participation in regional and national workshops and meetings, and equipment to strengthen regional and national arrangements for effective fisheries MCS and climate change awareness and knowledge of officers.
5. **Implementation of fishing vessel inspections under the upcoming national Port State Measures strategy.** The Project would finance the operating costs for missions in the archipelagic waters or territorial sea, estimated at eight per year, for inspections of fishing vessels transshipping or unloading their catches, rotating crew, bunkering, and so forth.
6. **Promotion of the ePort initiative.** Two key priority activities have been identified to commence the second phase of the ePort system: migration of data from existing MFMR systems to the ePort system, and enabling authorized users from headquarters to access and enter data into the system. The Project would finance goods (such as network infrastructure, computers, and tablets); training of fisheries officers, the system administrator and system support staff at central and provincial levels; and consultant services for data entry officers and for the development of a cost recovery model. This will complement FFA's financing of software development.
7. **Expansion of e-monitoring and e-reporting on longliners.** The Project would finance workshops and dissemination related to the electronic monitoring (EM) five-year strategy, including using catch and effort data for informed climate-resilient decision making, the EM policy, and the EM regulations, to strengthen vessel and observer e-reporting. It would also support consultations with neighboring countries for data sharing agreements; goods for the installation or upgrading of EM systems onboard longline fishing vessels; data storage and logistics (one vehicle)

⁵⁰ The activity was initiated under the PROP first phase project.



for the fisheries officers; operating costs for air data time for observer ER; training of fisheries officers, EM debriefers, and technicians; and consultant services for EM analysts and for the development of an EM information management system.

8. Revitalization, adaptation, and modernization of the Observer Program. The Project would contribute to the regional Observer Program through financing the training of observers, including on climate change impacts; goods such as onboard safety gear, uniforms, and observer equipment; and consultant services for developing an Observer Career Development Program. It would include options for adapting observers' capacities to the evolution of the activity, including shocks – like COVID-19 – that prevented their presence on vessels.

Component 1.2. Harnessing Oceanic Fisheries to the Regional Economy

9. The Project would finance consultant services for studies to improve the harnessing of oceanic fisheries and their value chains to the Solomon Islands' economy. The consultant services will align with the Solomon Islands Government policies to consider climate change impacts in the fisheries sector and potential adaptation measures to enhance resilience. The results of these studies will be used to inform strategic sectoral investment planning that could be supported by additional financing to SB PROPER or through other sources.

Component 2: Strengthening Regional Collaboration and National Capacity for Coastal Fisheries (US\$4.5 million)

Subcomponent 2.1. Strengthening Policy and Institutions (US\$3.9 million)

10. The subcomponent would support (i) the review of the MFMR organizational structure and functions; (ii) the development and enhancement of the capacity and skills of the ministry to meet increasing responsibilities and needs; (iii) the review and dissemination of policy frameworks and legislation for both oceanic and coastal fisheries, including aquaculture, as well as the preparation of recommendations for addressing any inconsistencies with the United Nations Convention on the Law of the Sea; and (iv) the provision of support to provincial governments to manage their fisheries and aquatic resources, including the construction of the Malaita Fisheries Office in Auki, and the preparation of Provincial Fisheries Ordinances for Isabel, Temotu, and Rennell-Bellona provinces.

11. **Review of MFMR structure and functions.** The Project would finance consultant works for the institutional review; training and workshops for the implementation of the review's recommendations; and operating costs, including for M&E of the implementation of the review.

12. **Development and enhancement of MFMR personnel capacity and skills.** The Project would finance Performance Management Progress, Induction, Know Your Public Service, Incident and Emergency Response (that is, response to weather events), and workshops on Codes of Conduct for fisheries officers from the nine provinces; as well as training in basic English grammar.

13. **Review and dissemination of policy frameworks and legislation.** The Project would finance (i) the development of the Aquaculture Bill with consultant services for studies and reviews to inform the process, operating costs for stakeholder consultations and dissemination; and workshops for provincial and national validation; (ii) the review and development of policy frameworks for both oceanic and costal fisheries, including aquaculture, with consultant services for the Tuna Management Plan's policy planning and provincial development section, the National Plan of Action for combatting IUU fishing, the National Inspection Plan, Standard Operating Procedures, and the preparation of recommendations for addressing any inconsistencies with the UNCLOS; as well as trainings and workshops on FAD regulations, the review of the regulated fees, CFMPs to be regulated (Malaita, Guadalcanal), legal aspects, and terms and conditions of licenses; (iii) operating costs for the dissemination of policy documents, in particular for the offshore (oceanic) fisheries; and (iv) training and workshops for awareness raising on the Fisheries Management Act 2015, the Fisheries Management (Prohibited Activities) regulation 2018, and Provincial Fisheries Ordinances and



other subsidiary regulations, and the importance of legislative mechanisms in building the resilience of fisheries to climate change impacts. It will integrate and promote climate and disaster risk reduction into the policy frameworks and legislation supported by the Project through consideration of future climatic conditions, informing aquaculture and FAD outcomes for the purposes of securing national food security and building climate resilience into fisheries by reducing the anthropogenic impacts of overexploitation and IUU through enhanced management, surveillance, and compliance.

14. Support to provincial governments. The Project would finance (i) consultant services and works for the construction of the Malaita Fisheries Office in Auki; and (ii) consultant services for technical assistance to support the development of Provincial Fisheries Ordinances for Isabel, Temotu, and Rennell-Bellona provinces, as well as trainings and workshops for community consultations on the Provincial Fisheries Ordinances, including an element on climate change impacts on fisheries and management (three communities in each of the three provinces), validation consultations with Senior Provincial Government Officials, with the Attorney General, and with the Provincial Executive. The design of the Fisheries Office will incorporate climate-resilient elements including but not limited to the selection of an appropriate and climate risk-assessed site, compliance with relevant codes (such as wind and earthquake), and stormwater and drainage design commensurate with the climate risks and rainwater.

Subcomponent 2.2. Strengthening Coastal Fisheries Management (US\$486,000)

15. The subcomponent would facilitate the (i) empowerment of communities to better manage their fisheries through CBRM; and (ii) development of a statistical system for small-scale fisheries.

16. Empowerment of communities through CBRM. Activities would include resource management awareness, training, development of CFMPs, marine baseline surveys and monitoring, promotion of community livelihood enhancement and diversification considering climate change adaptation and resilience objectives. Training and awareness will be provided to communities on the impacts of climate change and management measures that can be implemented for climate change adaptation. CFMPs will include consideration of local climatic conditions, anticipated future climatic impacts, and management measures for building climate-resilient communities. Marine baseline surveys will be designed to ensure that the collected data will be fit for purpose for the analysis of trends and will be used to develop informed, ecosystem-based management measures in future CFMP revision and other policy and legislation, as relevant. Climate change interventions and activities will be carried out in collaboration with or in consideration of existing and planned programs with the Ministry of Environment, Climate Change and Disaster Management and Meteorology. The Project would finance, in five provinces (Central Province, Choiseul, Isabel, Makira, and Malaita), operating costs for consultations of 10 communities for the development of CFMPs; training of Monitors for MCS and basic monitoring skills, and of communities for the integration of Climate Change Adaptation Programs and of Livelihoods & Development Programs; goods for Monitors and for testing opportunities to enhance and diversify livelihoods and facilitating the implementation of the Programs; consultant services for a marketing study for bêche-de-mer (sea cucumber) (Malaita), and two Senior CBRM staff to support implementation.

17. Development of a statistical system for coastal fisheries. This activity aims to develop a central database system for inshore fisheries. The database will centralize data from communities, Provincial Fisheries Centers, and other stakeholders, and will assist in climate change adaptation efforts through collation of data to determine climate-informed management measures. The proposed database will integrate other existing systems for reporting (for example, the Convention on International Trade of Endangered Species [CITES] permits managed by the Ministry of Environment, Climate Change and Disaster Management and Meteorology) and provide an online application for license and export permits. In addition, a robust data collection and analysis system is needed for small-scale, inshore and inland fisheries to support implementation of management measures and to monitor the impact of investments. The Project would finance (i) the development of a central database for the inshore fisheries with operating costs for



the database development working group, national consultations, and data collection, and database system development by the Solomon Islands Government's Information & Communication Technology Support Unit, and consultant services for three enumerators for data collection; and (ii) consultant services for developing a small-scale fisheries statistics strategy that might inform management and adaptation measures.

Subcomponent 2.3. Developing and Diversifying Local Value Chains (US\$126,000)

18. This subcomponent would support (i) the FAD Program with goods for the construction of 75 submerged inshore FADs; and (ii) feasibility studies for informing additional financing to SB PROPER or a future project aimed at improving the development and diversification of the coastal fisheries and their value chains to the Solomon Islands economy. Expanding the use of nearshore FADs transfers some fishing effort away from sensitive ecosystems and potentially overfished areas and is a recognized method of increasing food security through reducing pressure on nearshore marine resources and increasing access to fish, thereby building climate resiliency.

Component 3: Project Management (US\$2.3 million)

19. The Project would finance consultant services for the PMU, annual financial audits, operating costs, goods, and training and workshops (for example, inception, midterm, and closure workshop) for the PMU. The PMU will consist of a Project Coordinator, a Project Accountant, a Senior Procurement Officer, a Project Administrative & Financial Assistant, a time-based international E&S Advisor, and a locally- and time-based E&S Officer as minimum staffing to be maintained throughout implementation. To complement the existing team, a Project Accountant, a Senior Procurement need to be hired no later than four months, and an Environmental & Social Officer no than one month after the Effective Date. 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 M&E Specialist, and an international Procurement Specialist.

20. A Project Preparation Advance of US\$0.5 million has been processed under the Project to finance key PMU staff and preparation studies.



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