
President's report

Proposed loan

Solomon Islands

**Agriculture Investment for Markets and Nutrition
(AIM-N)**

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Action: The Executive Board is invited to approve the recommendation contained in paragraph 63.

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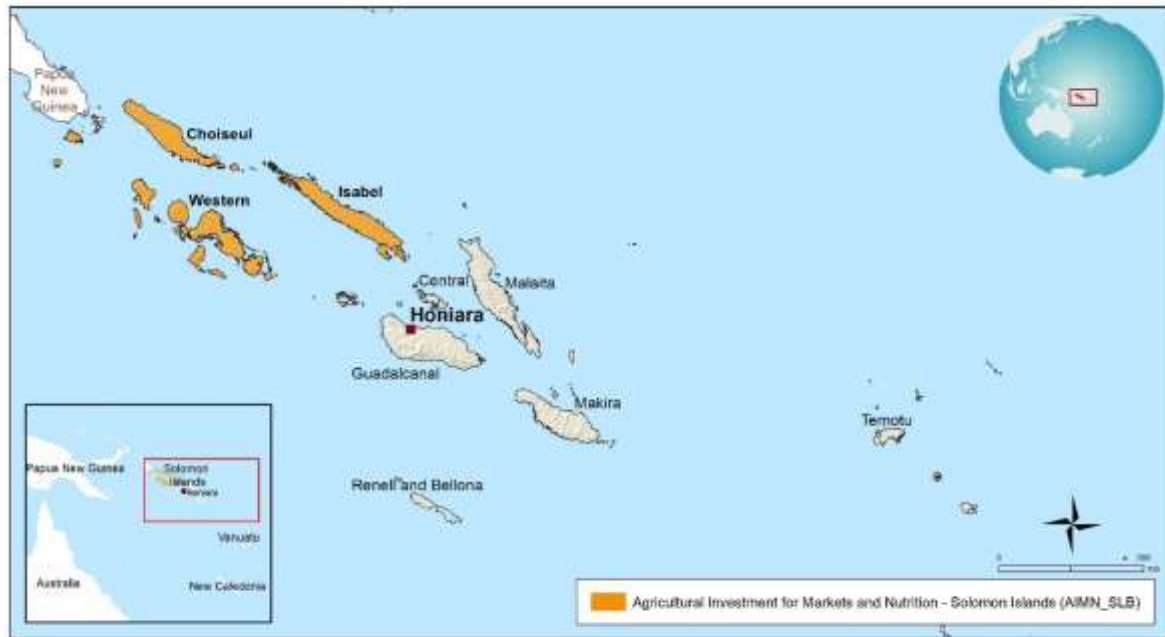
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- I. Negotiated financing agreement
- II. Logical framework
- III. Integrated project risk matrix

Project delivery team

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Map of the project area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 13-11-2023

Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Solomon Islands
Executing agency:	Ministry of Agriculture and Livestock
Total project cost:	US\$19.8 million
Amount of IFAD loan:	US\$9.3 million
Terms of IFAD loan:	Highly concessional (40 years, including a grace period of 10 years, with a service charge of 0.75 per cent per annum in special drawing rights) (adjustments for single-currency loans)
Amount of IFAD grant:	N/A
Cofinancier:	Global Agriculture and Food Security Program (GAFSP)
Amount of cofinancing:	US\$7.5 million US\$6.1 million supervised by IFAD and US\$1.4 million implemented by Food and Agriculture Organization of the United Nations (FAO)
Terms of cofinancing:	Grant
Contribution of borrower:	US\$1.1 million
Contribution of beneficiaries:	US\$0.9 million
Financing gap:	US\$1 million
Amount of IFAD climate finance:	US\$1.9 million
Cooperating institution:	Directly supervised by IFAD

I. Context

A. National context and rationale for IFAD involvement

National context

1. **Growing population and challenging geography.** Solomon Islands is a small island developing state in the South Pacific region with a population of 721,455. Its population has a young age structure, reflecting its rapid population growth rate of 2.7 per cent. The population consists primarily of Indigenous Melanesian communities. With 147 inhabited islands, the country faces major challenges relating to remoteness and internal dispersion, which result in high costs for basic infrastructure and inter-island transport services.
2. **Vulnerable economic growth.** Solomon Islands is classified as a least developed country and is expected to graduate in 2027. Close to 13 per cent of the population lives below the national basic needs poverty line, with the majority (87 per cent) residing in rural areas. The country achieved steady economic growth from 2010 to 2019, with average annual GDP growth of 4 per cent. However, because of the high population growth rate, GDP per capita remained almost stagnant, averaging US\$2,305 per year. The economy is highly vulnerable to exogenous shocks and the impact of climate change and natural hazards. COVID-19, the indirect impact of the Ukraine crisis and social unrest in 2021 led to an economic contraction in 2020–2022. While the majority of the population is employed in agriculture, the sector accounts for only 16 per cent of GDP.
3. **National policies.** The overarching policy framework in Solomon Islands is the National Development Strategy 2016–2035, the aims of which are to support sustained and inclusive economic growth, alleviate poverty, provide for basic needs and ensure food security. The Agriculture Sector Growth and Investment Plan for 2021–2030 lays out an ambitious path towards modernizing and commercializing the agricultural sector to ensure food and nutrition security and contribute to inclusive economic growth.
4. **Key institutions.** Guided by its New Day Strategy, the Ministry of Agriculture and Livestock is primarily responsible for food security and market-driven agriculture. However, it lacks operational resources, including for extension staff and transport, which seriously limits its capacity to provide support services to farmers. Nutrition is primarily the responsibility of the Ministry of Health and Medical Services, but the Ministry of Education and Human Resources Development shares responsibility for school feeding activities. Local staff of the Ministry of Health and Medical Services have a strong presence in rural communities but often lack sufficient resources to tackle health and nutrition challenges. Gender equality is promoted by the Ministry of Women, Youth, Children and Family Affairs.

Special aspects relating to IFAD's corporate mainstreaming priorities

5. In line with IFAD's mainstreaming commitments, the project has been validated as:
 - Including climate finance
 - Gender-transformative
 - Nutrition-sensitive
 - Prioritizing Indigenous Peoples
6. **Gender and youth inclusion.** While women play a prominent role in household feeding and agricultural production, they face barriers in accessing support services, have limited control over the use of productive resources and limited participation in decision-making. Growing dissatisfaction with the farming life is causing many young people, especially young men, to migrate to urban areas. This, coupled with migration of (mainly) men on overseas seasonal employment

schemes, has significantly reduced the labour force for farming, further increasing the burden on women.

7. **Nutrition.** Vulnerable populations, in particular women and children, are at risk from the triple burden of malnutrition/undernutrition, micronutrient deficiencies and obesity, and the associated morbidity and mortality. About one third of children under 5 show stunted growth and iron deficiency anaemia. More than 50 per cent of the adult population is overweight, and 30.4 per cent of adult women and 21.0 per cent of men are classified as obese.

Rationale for IFAD involvement

8. **National policy frameworks.** The Agriculture Investment for Markets and Nutrition (AIM-N) project is well aligned with national policies and programmes, which prioritize improved nutrition through increased production and consumption of healthy local foods. The project is also aligned with the Sustainable Development Goals (SDGs) and with IFAD's strategic objectives and corporate policies and priorities.
9. AIM-N will help to address the three interrelated problems of poor nutrition, low farm incomes and vulnerability of farming systems to natural disasters and climate change. AIM-N will directly contribute to programme 2 of the Agriculture Sector Growth and Investment Plan: National Food and Nutrition Security, and the project's gender and social strategy is in line with the Plan's gender and social inclusion focus. AIM-N also strongly aligns with the National Food Security, Food Safety and Nutrition Policy 2019–2023.
10. **Comparative advantage.** IFAD's comparative advantage stems from its expertise in integrated approaches to nutrition-sensitive agriculture, gender-transformative programming, social inclusion and climate change, both internationally and in Pacific island countries. From 2010 to 2021, IFAD cofinanced the Rural Development Programme and its second phase in Solomon Islands, with the World Bank as the lead financing agency. The second phase introduced collaborative arrangements between farmers and agribusiness through a partnership model. The Melanesian Rural Market and Innovation-Driven Development Programme (MERMAID) 2020–2024, currently being implemented by World Vision, is piloting an integrated approach to nutrition and agricultural production, which has guided the AIM-N design.
11. **Value proposition.** In partnership with FAO, IFAD will assist the Government in developing an integrated and evidence-based approach that will jointly address families' nutrition and cash income requirements, while promoting transformative change for improved gender equality and social inclusion.

B. Lessons learned

12. Consultations with stakeholders during the participatory design of AIM-N helped to identify lessons learned with regard to nutrition and nutrition-sensitive agriculture and to leverage initiatives that already have local traction.
13. **Integrated strategies for nutrition, production and gender-transformative outcomes.** Improved awareness of dietary principles alone does not result in improved diet, given the lack of knowledge. Behavioural change communication must be linked to measures for improving and diversifying the production of healthy foods and must create a desire for better dietary choices and for balanced diets incorporating imported food.
14. **Household methodology approach.** Women are primarily responsible for feeding their families. They also account for the majority (around 60 to 70 per cent) of subsistence food production activities. Household methodology approaches have been successfully piloted in Solomon Islands and have been found to offer an adequate platform for engaging families in improved nutrition and production, while

also empowering women and transforming social and gender norms that restrict women and girls.

15. **Partnerships.** Buyers targeting formal markets and interested in sourcing larger volumes of higher-quality products are interested in establishing and/or expanding stable relationships with farmers. Sourcing from smallholders entails risks, however, and side-selling is common. Nevertheless, there are successful examples in which lead partners have built farmers' loyalty through competitive price and a bundle of support services, including small-scale credit.
16. **Farmers' organizations.** Strengthening farmers' organizations is key to facilitating the aggregation of services and production in order to enable farmers to retain part of the value added and become less dependent on buyers by taking over some services or by negotiating better terms and conditions. A tailor-made approach, based on an initial capacity assessment, is required to gradually build organizations' capacities through a market-segmented approach in alignment with farmers' aspirations and objectives.

II. Project description

A. Objectives, geographical area of intervention and target groups

17. **Development objective.** The development objective of AIM-N is to improve food security, nutrition and household income through empowerment and resilient farming systems in Solomon Islands rural communities. The project will contribute to IFAD's three strategic objectives (SOs) for 2016–2025 by promoting increased production of nutritious foods and cash crops (SO1), supporting access to market for smallholders (SO2) and mainstreaming environmental sustainability and climate resilience in all project components (SO3).
18. **Project area.** AIM-N will be implemented in the Choiseul, Isabel and Western provinces. These provinces were selected because they are characterized by a combination of: (i) significant poverty and malnutrition; (ii) agricultural potential for increased sustainable and climate-resilient production; and (iii) access to rural, peri-urban or urban markets. The selection of these provinces also avoids geographical overlap with other projects, especially the Solomon Islands Agriculture and Rural Transformation Project, financed by the World Bank.
19. **Target groups.** The project will benefit 65 rural communities, where the majority of households engage in subsistence or semi-subsistence farming, with limited market linkages; some also receive non-farm income from seasonal youth migration. The project will reach 18,330 beneficiaries, including: (i) 3,468 rural households and their members, or 17,340 people, based on a household of five; (ii) 900 students in six secondary boarding schools; and (iii) 90 owners of micro, small and medium-sized enterprises. Target group selection is consistent with IFAD's targeting policy and mainstreaming objectives; accordingly, 50 per cent of beneficiaries will be women and 20 per cent youth. All direct beneficiaries are anticipated to be Indigenous persons.

B. Components, outcomes and activities

20. The project will have the following components: (i) action for nutrition; (ii) inclusive partnerships for market access; (iii) investments in resilient agrifood systems; and (iv) rapid disaster response.

Component 1: Action for nutrition

21. Component 1 will have three subcomponents: subcomponent 1.1 – nutrition-related social and behavioural change, which will foster a supportive environment for developing gender-transformative and inclusive nutrition education and behavioural change communication through nutrition-sensitive agricultural production and will also support outreach in communities; subcomponent 1.2 – diversified community-

based food production, which will support the delivery of gender-transformative, inclusive and nutrition-sensitive agricultural extension services and quality planting material to women for diversified, climate-resilient production and will promote further outreach to their communities; and subcomponent 1.3 – improved nutrition in boarding schools, which will improve the production and preparation of nutritious food and the provision of nutrition education in selected boarding schools; food products for schools will be procured from neighbouring farmer associations, in line with component 2.

Component 2: Inclusive partnerships for market access

22. Component 2 will have three subcomponents: subcomponent 2.1 – partnerships, which will promote the development of partnerships between buyers (exporters, local traders, processors) and farmers for the supply of formal export and domestic markets, building on existing market opportunities; subcomponent 2.2 – farmers’ organizations, which will support farmers involved in partnerships to improve their memberships registration, governance, technical and business skills to meet market requirements, strengthen climate resilience and obtain premium prices; and subcomponent 2.3 – public and private service providers, which will strengthen the capacities of extensionists, cooperatives, other farmers’ organizations and service providers to deliver quality extension services to farmers.

Component 3: Investments in resilient agrifood systems

23. Component 3 will provide financial instruments to support the implementation of component 2 and will have three subcomponents: subcomponent 3.1 – grants for gender-transformative outcomes, which will supply competitive grants to women groups participating in component 1 to enable them to finance their own initiatives in support of nutrition, labour-saving technologies and small-scale nutrition-sensitive production, processing and marketing; subcomponent 3.2 - financing of agribusiness, which will finance a line of credit for extending loans and performance-based grants for investment and working capital to micro, small and medium-sized agribusinesses and farmers’ organizations sourcing from small farmers, including women and young farmers; and subcomponent 3.3 – financing of enabling infrastructure, which will provide grant funding for the building or rehabilitation of collective productive infrastructures such as jetties and wharves, collection points and storage facilities and the building or rehabilitation of housing for extension officers.

Component 4: Rapid disaster response

24. This component will have no budget allocation and will only be used in the event of a disaster (e.g. weather event, animal / human pandemic, pest and disease incursion). Action under this component will be triggered upon request by the Government to IFAD to support a rapid adaptive response, with funding being drawn from uncommitted project resources from the other components.

C. Theory of change

25. Traditional farming systems in Solomon Islands are under stress because of declining fallow periods and loss of soil fertility, increased pests and diseases and vulnerability to climate change and natural disasters. The pressure on food production, combined with a lack of nutrition knowledge and a preference for imported, nutrient-poor food products, are key drivers of malnutrition and diet-related diseases in rural households. Low productivity also affects farming households’ incomes, which are further reduced by lack of market linkages, limited access to support services, weak farmers’ organizations, lack of access to capital and lack of post-harvesting capacity and productive infrastructure.
26. The project theory of change is that empowered households, women’s groups and farmers’ groups will be able to address these challenges and achieve improved food security, nutrition and family income (development objective) from increased production and consumption of nutritious, locally produced foods, increased market

access and sales through public-private-producer partnerships and increased productivity and value added through value chain investments.

27. The impact pathways for improving food security and nutrition are based on interventions designed to: (i) promote nutrition-related behavioural change communication and encourage the production of local varieties of nutritious and climate-resilient foods for self-consumption; (ii) support women's empowerment and gender equality in relation to nutrition, communication and food production; (iii) promote the use of income to purchase diverse and nutritious foods in local markets; and (iv) deliver various types of financial instruments.
28. AIM-N interventions thus combine: (i) the promotion of fair partnerships between farmers and buyers, giving farmers' access to stable and remunerative markets; (ii) support to enable farmers to form groups, develop market-driven, climate-resilient production and engage in farming as a business; and (iii) capacity-building for public and private service providers to enable them to deliver quality services. Women farmers will be empowered to participate in partnerships.

D. Alignment, ownership and partnerships

29. **Alignment with SDGs and IFAD policies.** AIM-N will contribute to the achievement of SDG 1 (end poverty) and, in particular, SDG 2 (end hunger, achieve food security and improved nutrition and promote sustainable agriculture), SDG 5 (achieve gender equality and empower all women and girls), SDG 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), SDG 9 (develop quality, reliable, sustainable and resilient infrastructure) and SDG 13 (take urgent action to combat climate change and its impacts).
30. **Country ownership.** AIM-N was proposed by the Government of Solomon Islands for GAFSP grant funding and approved at the end of 2021. The project was designed on the basis of extensive discussions with the Government and with private and associative stakeholders at the national and provincial levels. These discussions included several design workshops bringing together representatives from key ministries, the private sector, farmers' organizations and development partners.

E. Costs, benefits and financing

Project costs

31. The total project cost for AIM-N in Solomon Islands is estimated at US\$19.8 million over the six-year implementation period, including an expected grant from the Government of the Republic of Korea (US\$1.0 million) to fill the financing gap. The Government of Solomon Islands will contribute around US\$1.1 million, all in kind or in the form of tax exemptions. Investment costs are estimated at US\$19.0 million, representing 97 per cent of the total cost.
32. Project investments will be organized in five major components: (i) action for nutrition (15.4 per cent of total costs); (ii) inclusive partnerships for market access (12.3 per cent of total costs), including the expected grant from the Government of the Republic of Korea for innovations and South-South and triangular cooperation (US\$1 million); (iii) investment in resilient agrifood systems (53.7 per cent); (iv) rapid disaster response (zero costs); and (v) project management (18.6 per cent of total costs).

Table 1

Project costs by component and financier

(Thousands of United States dollars)

<i>Component</i>	<i>IFAD loan</i>		<i>IFAD/GAFSP grant</i>		<i>Financing gap (Republic of Korea grant)</i>		<i>Beneficiaries</i>			<i>Borrower/recipient</i>			<i>FAO technical assistance</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>In-kind</i>	<i>%</i>	<i>Cash</i>	<i>In-kind</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
1. Action for nutrition			2 686	44						230	20		136	10	3 053	15.4
2. Inclusive partnerships for market access			1 160	19						97	9		208	15	2 464	12.3
3. Investment in resilient agrifood systems	9 152	98			1 000	100	821	82.5	100	581	52				10 636	53.7
4. Rapid disaster response	-		-		-		-	-		-					-	
5. Project management	140	2	2 254	37						210	19		1 056	75	3 661	18.6
Total	9 292	47	6 100	31	1 000	5	821	82.5	4.5	1 118	5.5	1 400	7	19 814		

Table 2

Project costs by expenditure category and financier

(Thousands of United States dollars)

<i>Category</i>	<i>IFAD loan</i>	<i>IFAD/GAFSP grant</i>	<i>FAO technical assistance</i>	<i>Beneficiaries</i>	<i>Private enterprise contribution</i>	<i>Borrower/recipient</i>	<i>Financing gap (Republic of Korea grant)</i>	<i>Total</i>
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
1. Works	4 542.3					504.7		5 047.0
2. Goods, services and inputs	865.7	4 490.3	1 400.0			519.8	700.0	7 975.7
3. Equipment and materials	140.0	660.8				24.3		825.1
4. Grants, subsidies, guarantee funds	3 744.1	378.0		82.5	821.0	9.9	300.0	5 335.5
5. Recurring costs		571.4				59.6		631.0
Total	9 292.1	6 100.5	1 400.0	82.5	821.0	1 118.3	1 000.0	19 814.3

Table 3
Project costs by component and project year (PY)
 (Thousands of United States dollars)

<i>Component</i>	<i>PY1</i>		<i>PY2</i>		<i>PY3</i>		<i>PY4</i>		<i>PY5</i>		<i>PY6</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
1. Action for nutrition	18.9	2	788.6	26	1 075.7	21	440.7	9	376.5	11	352.2	14	3 052.6
2. Inclusive partnerships for market access	167.8	18.2	752.9	25	702.3	14	533.7	11	197.1	6	110.3	4	2 464.1
3. Investment in resilient agrifood systems	4.5	0.5	704.9	24	2 634.8	52	3 188.3	66	2 369.7	70	1 734.2	66	10 636.5
4. Rapid disaster response	0		0		0		0		0		0		0
5. Project management	731.6	79.3	728.1	25	688.9	13	663.9	14	432.9	13	415.7	16	3 661.1
Total	922.8	5	2 974.5	15	5 101.7	26	4 826.6	24	3 376.2	17	2 612.4	13	19 814.3

Financing and cofinancing strategy and plan

33. The AIM-N project will receive a GAFSP grant of US\$7.5 million (38.1 per cent of the total financing), of which US\$6.1 million (31 per cent) will be channelled through IFAD and US\$1.4 million (7.1 per cent) will be channelled through FAO for technical assistance. To complement the grant, IFAD will provide a loan of US\$9.3 million (47 per cent of the total project financing) at a concessional rate. The expected funding/grant from the Republic of Korea amounts to US\$1 million and will fill the financing gap. Other contributors will include local private enterprises (US\$0.82 million, or 4.1 per cent of the total), farmers (US\$0.083 million, or 0.4 per cent) and the Government of Solomon Islands (US\$1.12 million, or 5.6 per cent). The Government's in-kind contribution will cover taxes, duties and some rural infrastructure charges.

Disbursement

34. Two designated accounts in United States dollars will be opened at the central bank under the authority of the Ministry of Finance and Treasury to receive grant and loan funds. Project accounts in local currency will be opened at a commercial bank to receive funds transferred from the designated accounts to be used to finance all project activities and operational costs.
35. Fund flow will follow the revolving fund procedure, which is outlined in the IFAD Project Financial Management and Financial Control Handbook and the Project Financial Management and Financial Control Arrangements Letter. The project management units will need to submit the interim financial report and withdrawal applications through the IFAD Client Portal, together with the cash projection forecast for the next two quarters, in order to request disbursement of funds from IFAD. Withdrawal applications must be approved by the Ministry of Finance and Treasury and then submitted to IFAD for review before the disbursement process can proceed.

Summary of benefits and economic analysis

36. **Economic rate of return.** The economic internal rate of return (EIRR) is estimated at 37 per cent. Nevertheless, the project is about behavioural change and counselling of target groups, with a family/household approach. The expected EIRR with opportunity costs of 7 per cent is not very high. By comparison, the IFAD project Market for Village Farmers – Maket Bilong Vilis Fama in Papua New Guinea has an estimated EIRR of 40 per cent.

Exit strategy and sustainability

37. The AIM-N approach to project sustainability rests on three pillars: (i) a focus on changes in behaviour for sustainably improving nutrition and family food consumption patterns; (ii) development of partnerships between buyers and farmers, bringing mutual benefits, trust and loyalty; (iii) capacity-building not only for farming families and their organizations, but also for qualified service providers so that they can continue to provide support services. A project exit strategy will be prepared from the beginning of project implementation and will be adjusted as the project progresses to ensure its sustainability.

III. Risk management

A. Risks and mitigation measures

38. AIM-N is considered a medium-risk project. As shown in the integrated project risk matrix, risks assessed as high are all related to vulnerability to climate change and hazards. Mitigation measures will be built around the promotion of climate-smart agriculture and good agriculture practices. Furthermore, nutrition education will include the promotion of food conservation and processing, which will facilitate more rapid recovery from disasters. Component 4, rapid disaster response, will allow swift allocation of resources for recovery in the event of a major national or sectoral disaster.

Table 4
Overall risk summary

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Substantial	Substantial
Sector strategies and policies	Moderate	Moderate
Environment and climate context	Substantial	Substantial
Project scope	Substantial	Moderate
Institutional capacity for implementation and sustainability	High	Moderate
Financial management	High	High
Project procurement	Substantial	Substantial
Environment, social and climate impact	Moderate	Low
Stakeholders	Substantial	Moderate
Overall	Substantial	Moderate

B. Environment and social category

39. The proposed environmental and social category for AIM-N is moderate, based on the Social, Environmental and Climate Assessment Procedures (SECAP) screening tool. The project will have a zero forest encroachment and deforestation strategy, and it will not impact on any sensitive areas or result in any loss of natural habitat or biodiversity. The project will not negatively affect Indigenous Peoples and will adhere to the principle of free, prior and informed consent, for which an implementation plan is included in the SECAP. AIM-N will have a strong focus on social inclusion, with targets for the inclusion of women and youth.

C. Climate risk classification

40. The climate risk category for AIM-N is substantial. The final score from the climate risk screening is 5.8. A targeted adaptation assessment was therefore prepared as part of the project design in order to adequately identify measures to reduce risks. The main climate change-related impacts are associated with more unpredictable rainfall patterns, steadily increasing surface temperatures, continued sea level rise and frequent exposure to natural disasters and extreme weather events. A detailed climate risk analysis has been carried out, and relevant climate adaptation measures have been incorporated in the AIM-N design.

D. Debt sustainability

41. The public debt-to-GDP ratio in Solomon Islands is projected to reach the authorities' threshold of 35 per cent in 2031, driven by concessional external borrowing for infrastructure projects and increasing domestic financing. Debt sustainability is assessed as moderate with substantial space to absorb shocks.

IV. Implementation

A. Organizational framework

Project management and coordination

42. **Implementing agencies.** The project implementing agency is the Ministry of Agriculture and Livestock, which will be responsible for overall project accountability, oversight and coordination. The Ministry will engage and cooperate with other government entities as necessary, notably the ministries responsible for health, education, gender equality and women's empowerment, commerce and cooperatives, as well as with provincial governments and wards.
43. **Project management unit and provincial implementation units.** A ring-fenced project management unit (PMU) will be established in the capital and will be embedded within the Ministry of Agriculture and Livestock. It will be responsible for AIM-N implementation responsibilities and will be fully accountable for project

performance and the use of funds. Under the authority of the PMU, a provincial implementation unit (PIU) will be established in each of the targeted provinces and will be responsible for implementing component 2 and for ensuring monitoring and evaluation (M&E).

44. **National project steering committee and provincial multi-stakeholder platforms.** A national project steering committee will be established to provide guidance and oversight, support coordination and offer a means of sharing AIM-N good practices and channelling policy issues to the appropriate policymaking bodies. Provincial multi-stakeholder platforms will be established to support implementation and coordination in each province.

Financial management, procurement and governance

45. **Financial management organization and staffing.** The project will operate through ring-fenced project management and implementation units that will be separate from the country's public financial management. A qualified financial and administrative manager will be responsible for financial management functions. A financial assistant might be recruited later to support the financial and administrative manager in daily financial management activities.
46. The service provider(s) selected for project implementation will have capable staff and a financial management system for managing project funds, with qualified financial staff who will be responsible for safeguarding assets and providing periodic financial reports and audit reports to the PMU. The financial management system will be assessed during the selection process.

Target group engagement and feedback and grievance redress

47. The project design incorporates elements to ensure target group engagement in driving project investments and providing regular feedback, leading to the adjustment of interventions where necessary. These elements include: (i) mapping studies and province-specific social norm assessments, engaging target groups to identify intervention priorities; (ii) a household approach and capacity-building to support women's agency and the equitable participation of disadvantaged groups; (iii) capacity-building for women's and farmers' groups so that they can make informed decisions and participate actively in project planning and implementation; (iv) a project-supported process for engaging farmers' organizations in identifying mutual responsibilities, benefits, accountability, dialogue and conflict resolution processes; and (v) identification of grant investments through calls for proposals extended to women's and farmers' groups.
48. The project feedback mechanisms will include a feedback collection format and location, a project website and project social media platforms, and project reporting and satisfaction assessment through impact surveys, including through the implementation of the free, prior and informed consent plan. The participatory planning process will be based on community consultations and consent.

Grievance redress

49. AIM-N will establish a specific grievance redress mechanism that will receive, document and address any complaints, notices of emerging conflicts or grievances alleging actual or potential harm to people affected by project activities. These complaints will be analysed and measures to address them will be undertaken by the PMU. Information on the AIM-N grievance redress mechanism will be posted on the project website and social media platforms.

B. Planning, monitoring and evaluation, learning, knowledge management and communications

50. **Framework and implementation plans.** The M&E system will be set up and managed by the PMU in consultation with the Ministry of Agriculture and Livestock and other project stakeholders, with technical support from FAO. A detailed

M&E/knowledge management (KM) manual will be produced, together with an implementation plan, including capacity development arrangements.

51. **Baseline and impact surveys, thematic studies.** The status of the main indicators will be measured at project start-up, midterm and conclusion. Impact surveys will be carried out at project midterm and conclusion to compare the impact generated by project interventions with the baseline study. Annual outcome surveys will be carried out by the PMU/PIUs, following a format to be defined in the M&E/KM manual.
 52. **Project planning, data collection, management information system/ geographic information system, analysis and reporting.** Every year, the M&E/KM cycle will start with the preparation of the project annual workplan and budget (AWPB), building on annual plans prepared by service providers, PIUs and the Development Bank of Solomon Islands. A web-based management information system (MIS), complemented by a geographic information system (GIS), will be set up to track financial and technical data on project outputs and outcomes. The MIS/GIS will generate monthly dashboards profiling performance by component and by province. The PMU will prepare semi-annual technical and financial progress reports.
 53. **Knowledge management.** In consultation with project stakeholders and in collaboration with the M&E/KM manager, the same consultant hired to design the M&E system will prepare a detailed KM framework, which will describe objectives, responsibilities and methodology.
- Innovation and scaling up**
54. The innovative aspects of the AIM-N design include:
 - (a) **Behavioural change:** Linking the efforts of health outreach and agricultural extension services to promote the production and consumption of healthy, locally produced foods.
 - (b) **School feeding:** Building boarding schools' capacities to integrate healthy diets in school feeding plans and linking those plans to smallholder producers.
 - (c) **Agribusiness financing:** Introducing performance-based grants to provide an incentive for micro, small and medium-sized enterprises to obtain and repay loans and to provide partial security for the financial institution.
 - (d) **Measures to address fragility:** Addressing fragility in the Pacific context through introduction of an adaptive component in response to disasters.
 55. **Scaling up.** AIM-N has been designed with the aim of developing evidence-based and replicable models for linking improved nutrition and agriculture, promoting partnerships and farmers' organizations and supporting consumption of nutritious foods and the use of cash income for improved nutrition and well-being.

C. Implementation plans

Implementation readiness and start-up plans

56. AIM-N will have a six-year duration. This will make it possible to concentrate all the installation and formative activities required for successful implementation of project activities in the first year, start the implementation of project components early in the second year and have five full years available for operations. The project is expected to start in the first quarter of 2024.

Supervision, midterm review and completion plans

57. Annual supervision and implementation support missions will be organized by IFAD jointly with the Government of Solomon Islands and FAO, in close collaboration with cooperating agencies, the PMU/PIUs and project stakeholders. Supervision missions will offer an opportunity to assess achievements and lessons learned, review compliance with the conditions of the financing agreement, identify innovations and

reflect on improvement measures. Implementation support missions will assess performance but will mainly support the PMU in addressing specific issues.

58. The project midterm review mission is planned for 2027. The midterm review will: (i) assess achievements and interim impact, the efficiency and effectiveness of AIM-N management and the continued validity of the AIM-N design; (ii) identify key lessons learned and good practices; and (iii) provide recommendations for improved performance.
59. IFAD will conduct a project completion review, in consultation with the Ministry of Agriculture and Livestock and FAO, based on the results of the endline survey and other data, such as the baseline survey, the midterm review and technical reports and studies carried out during project implementation.

V. Legal instruments and authority

60. A financing agreement between Solomon Islands and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement is attached as appendix I.
61. Solomon Islands is empowered under its laws to receive financing from IFAD.
62. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

63. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to Solomon Islands in an amount of nine million three hundred thousand United States dollars (US\$9,300,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant to Solomon Islands through the Global Agriculture and Food Security Program in an amount of six million one hundred thousand United States dollars (US\$6,100,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario
President

Negotiated financing agreement

Agricultural Investments for Markets and Nutrition (AIMN)

(Negotiations concluded on 13 December 2023)

Loan No: _____

Grant No: _____

Project name: Agricultural Investments for Markets and Nutrition ("the AIMN"/ "the Project")

Solomon Islands (the "Borrower/Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower/Recipient has requested a loan and a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

WHEREAS, the Project shall be financed through a grant contribution from the Global Agriculture and Food Security Programme (GAFSP) for an amount of six million one hundred thousand United States dollars (USD 6 100 000) and an IFAD loan for an amount of nine million three hundred thousand United States dollars (USD 9 300 000);

WHEREAS, GAFSP will provide financing to FAO to provide technical assistance to the Project for the amount of one million four hundred thousand United States dollars (USD 1 400 000) through a specific agreement between FAO and GAFSP.

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Loan and a Grant (the "Financing") to the Borrower/Recipient, which the Borrower/Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1.
 - A. The amount of the loan is nine million three hundred thousand United States dollars (USD 9 300 000).
 - B. The amount of the GAFSP grant administered by IFAD is six million one hundred thousand United States dollars (USD 6 100 000).
2. The Fund shall credit the amount of the Grant into the Grant account only when the funds have been received from the GAFSP. Any withdrawals from the Grant Account shall be subject to the condition that sufficient funds for the Project shall have been received by the Fund from the GAFSP and deposited in the Grant Account to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing. The Fund shall have no obligation to extend financial assistance to the Recipient under this Agreement for the purpose of the Project if no funds are available in the Grant Account for the Project.
3. The Loan is granted on highly concessional terms. The Highly Concessional Terms (HCT) Loan shall be free of interest but shall bear a fixed service charge as determined by the Fund at the date of approval of the HCT Loan by the Fund's Executive Board, payable semi-annually in the Loan Service Payment Currency. The HCT Loan shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the HCT Loan by the Fund's Executive Board. The principal of the HCT Loan will be repaid at two per cent (2%) of the total principal per annum for years eleven (11) to twenty (20), and four per cent (4%) of the total principal per annum for years twenty-one (21) to forty (40).
4. The Loan Service Payment Currency shall be in United States dollars.
5. The first day of the applicable Fiscal Year shall be the 1st of January.
6. Payments of principal and service charge shall be payable on each 15th January and 15th July.
7. There shall be two Designated Accounts (DAs), one for the Grant and one for the Loan, in USD, for the exclusive use of the Project opened in the Central Bank of Solomon Islands (CBSI). The Borrower/Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.
8. There shall be two Project Accounts in local currency for the benefit of the Project Management Units (PMUs) in the Bank South Pacific (BSP), for receiving funds transferred from the DAs.
9. The Borrower/Recipient shall provide in-kind counterpart financing for the Project in the amount of one million one hundred thousand United States dollars (USD 1 100 000) in the form of tax exemption.

Section C

1. The Lead Project Agency shall be the Ministry of Agriculture and Livestock (MAL).
2. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

3. The Project Completion Date shall be the sixth (6) anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower/Recipient.
4. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with procurement methods and any other measures identified by IFAD.

Section D

1. The Fund will administer the Loan and the Grant and supervise the Project.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:
 - (a) The PIM and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower/Recipient, has determined that it has had, or is likely to have, a material adverse effect on the Project.
 - (b) In the event that the Borrower/Recipient did not request a disbursement of the Financing for a period of at least 12 months without justification.
2. The following are designated as additional grounds for cancellation of this Agreement:
 - (a) In the event that the Borrower/Recipient did not request a disbursement of the Financing for a period of at least 12 months without justification.
3. The following are designated as additional (general/specific) conditions precedent to withdrawal:
 - (a) The IFAD no objection to the Project Implementation Manual (PIM) shall have been obtained;
 - (b) Key Project personnel has been appointed as per Schedule 1 part II of this Agreement;
 - (c) the Designated Accounts shall have been duly opened and IFAD must receive a duly completed Authorised User(s) Letter, from the designated representative or a sufficiently senior delegated official, designating the name(s) of official(s) authorised to approve Withdrawal Application(s) and Interim Financial Reports (IFR);
 - (d) The first AWPB shall have been submitted and received no-objection from IFAD.
4. This Agreement is subject to ratification through receipt of a legal opinion from the Borrower/Recipient.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower/Recipient:

The Minister of Finance and Treasury
P.O Box 26
Honiara
Solomon Islands

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement, dated _____, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower/Recipient.

SOLOMON ISLANDS

[Authorized Representative Name]
[Authorized Representative Title]

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

The President

Date: _____

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population.* The Project shall benefit sixty-five (65) rural communities where the majority of households engage in subsistence or semi-subsistence households farming, with limited linkages with the market and some non-farm income from seasonal youth migration. In these communities, the project will target 50 percent of women and 20 percent of youth. The project will reach out to about 18,330 beneficiaries.

2. *Project area.* The Project will be implemented in Choiseul, Isabel and Western Provinces (the "Project Area").

3. *Goal.* AIM-N's strategic goal is to contribute to improved nutrition and food security and to reduce poverty in rural areas, building on the indigenous peoples' traditional farming systems.

4. *Objectives.* The objective of the Project is improved food security, nutrition and household income through empowerment and resilient farming system in Solomon Islands. The project will contribute to IFAD's three Strategic Objectives (SOs) for 2016-2025, by promoting increased production (SO1) of nutritious foods and cash crops, supporting access to market for smallholders (SO2), and mainstreaming environmental sustainability and climate resilience (SO3) in all project components. In alignment with IFAD's mission to transform rural economies and food systems, AIM-N aims to demonstrate solutions that improve the nutrition status of the population, support rural women and youth to achieve transformative gender impact and enable young people in taking advantage of opportunities for developing gainful activities.

5. *Components.* The Project shall consist of the following Components:

5.1 **Component 1: Action for nutrition.** This component gathers all the activities aimed at improving nutrition and at diversifying and increasing food production for home consumption with an integrated gender and climate resilient approach. The component will support nutrition behaviour change and link it to the expansion and diversification of agriculture production, food processing, purchasing and cooking, leading to a healthy diet with high local food content. The expected outcome is that target households will have increased production, purchasing and consumption of nutritious locally-produced foods. It consists of three sub-components

5.1.1 *Sub-Component 1.1:* Nutrition behaviour change will provide a supportive environment for developing gender transformative and inclusive nutrition education and behavioural change communication through the nutrition-sensitive agriculture production, and will support outreach in the communities.

5.1.2 *Sub-Component 1.2:* Diversified community-based food production will support the delivery of gender transformative, inclusive and nutrition-sensitive agriculture extension services and quality planting material to women for diversified, climate-resilient production, and will promote further outreach to their communities.

5.1.3 *Sub-Component 1.3:* Improved nutrition in boarding schools will improve the production and preparation of nutritious food, as well as nutrition education in selected boarding schools, building on school procurement of food products from neighbouring farmer associations, linked to Component 2.

5.2 **Component 2: Inclusive partnerships for market access.** Component 2 will organize and connect smallholders, including women and youth, with profitable markets to gain stable income from resilient farming. The expected outcome is: Increased market access through public-private-producer-partnerships (4P). This will be achieved by building

inclusive partnerships between farmers' organizations (FOs)/women's groups (WGs) and micro, small and medium enterprise (MSME) buyers, whereby producers will gain improved access to markets and support services, and buyers will better manage their supply chain risks through stable sourcing of volumes and quality of produce to supply remunerative markets. The component has three sub-components: (i) Partnerships; (ii) Farmer organizations; and (iii) Public and private extension service providers.

5.2.1 *Sub-Component 2.1: Partnership.* Partnerships will promote the development of partnerships between buyers (exporters, local traders, processors) and farmers for supplying formal export and domestic markets, building on existing market opportunities. The marketing of quality products as well as value addition at farm level will be promoted so that farmers can obtain better prices.

5.2.2 *Sub-Component 2.2: Business oriented Farmers' Organizations.* Farmer organizations (FOs) will support farmers involved in partnerships to improve their registration, governance, technical and business skills to meet market requirements, strengthen climate-resilience and get premium prices. FOs will be provided a set of services tailored around a detailed assessment of capacity and interest among other FOs will be classified by stages, and services and investments delivered accordingly to move them through the stages. Special attention and incentives will be given to attract young people.

5.2.3 *Sub-Component 2.3: Public and private extension service providers* will strengthen the capacities of extensionists, cooperatives, other farmer organizations and service providers to deliver quality extension services to farmers.

5.3 **Component 3: Investments in resilient agri-food systems.** Component 3 will finance three financial instruments to support the implementation of Components 1 and 2: (i) competitive grants for gender transformation, accessible to WGs to finance their own initiatives in support of nutrition, labour-saving technologies and nutrition-sensitive production, processing and marketing (only in Solomon Islands); (ii) a line of credit with performance-based grants benefitting MSMEs and qualified FOs that will be implemented by the Development Bank of Solomon Islands (DBSI) (only in Solomon Islands); and (iii) grants for small-scale, public infrastructure supporting Component 2 value chains. The expected outcome is: Increased productivity and value added through value chain investments. Component 3 has three sub-components: (i) Grants for gender transformation; (ii) Investment in productive and resilient assets of MSMEs and FOs; and (iii) Financing of enabling infrastructure.

5.3.1 *Sub-Component 3.1: Grants for gender transformation* will supply competitive grants to women groups participating in Component 1 to finance their own initiatives in support of nutrition, labour-saving technologies and small-scale nutrition-sensitive production, processing and marketing

5.3.2 *Sub-Component 3.2: Investment in productive and resilient assets of MSMEs and FOs* will finance a line of credit for extending loans for investment and working capital to micro, small and medium agribusinesses as well as FOs sourcing from small farmers, including women and young farmers. In the target provinces, the line of credit will be complemented by performance-based grants benefitting the borrowers.

5.3.3 *Sub-Component 3.3: Financing of enabling infrastructure* will provide grant funding for the building or rehabilitation of collective productive infrastructures such as jetties and wharves, collection points and storage, as well as the building or rehabilitation of housing for extension officers.

5.4 **Component 4: Rapid disaster response.** Component 4 does not have any allocation in the budget but offers a mechanism for governments to gain rapid access to financing to respond to an eligible crisis or emergency. It would allow for rapid reallocation of uncommitted project funds towards urgent actions and recovery needs in the event of a natural disaster affecting rural areas that place the project at a risk not to achieve its development objectives, such as weather-related or natural hazards (including cyclones, storms, drought, earthquakes, landslides, tsunami, volcanic activities), human and animal

pandemics, or agriculture pest and disease incursions. In case of an eligible crisis, the respective Ministries of Treasury and Finance (MoFT), in consultation with Ministry of Agriculture and Livestock (MAL) and other relevant government departments, may request IFAD to reallocate funds to support rapid response and recovery, indicating the type of expenditure required and reallocation from unused resources in other component(s), subject to budget availability and IFAD no-objection. The rapid disaster response component is introduced in response to the fact that Pacific Island Countries are exposed, prone and vulnerable to natural disaster and other crises.

A Rapid Disaster Response Implementation Manual, acceptable to IFAD, will be prepared and will constitute a disbursement condition for this component. The RDD Implementation Manual will define: (i) the legal and institutional framework for national disasters and disasters in the agriculture sector; (ii) eligible investments; (iii) steps for triggering and implementing RDD, with assigned responsibilities; (iv) procurement, disbursement and financial management; compliance with safeguards policies; and (v) monitoring and evaluation. Eligible investments would cover critical goods, civil works, and consulting services required to support the immediate response and recovery needs and aligning with the main project activities such as: clearing and disposal of debris, repairs to small economic infrastructure and equipment, water supply, replacement of vegetation destroyed by the hazard, purchase of farming implements that promote resilience, purchase and distribution of vaccines, etc.

II. Implementation Arrangements

6. *Lead Project Agency.* The project implementing agencies will be the Ministry of Agriculture and Livestock (MAL). It will be responsible for overall accountability, oversight and coordination of the project. It will engage and cooperate with other government entities as necessary, notably the ministries responsible for health, education, gender equality and women empowerment, commerce and cooperatives, as well as with provincial governments, wards.

7. *National Project Steering Committee and Provincial Multi-stakeholder Platforms.* A National Project Steering Committee (NSC) will be established to provide guidance and overseeing, support coordination, and offer a venue for sharing AIM-N good practices and for channelling policy issues to the appropriate policy making bodies. It will also approve AWPBs and annual progress and financial reports. Provincial Multi-stakeholder Platforms will be established to support implementation and coordination in each province.

8. *Project Management Unit (PMU) and Provincial Implementation Units (PIU).* A ring-fenced PMU will be established and will be embedded in MAL. It will be responsible for carrying out AIM-N implementation responsibilities and will be fully accountable for project performance and the use of funds. Under the authority of the PMU, a Provincial Implementation Unit (PIU) will be established in the capital of each of the target provinces and will be responsible for implementing Component 2, and for ensuring monitoring and evaluation (M&E).

The PMU will be composed of: (i) Project Manager; (ii) Inclusive Partnerships Manager; (iii) M&E and KM Manager; (iv) GESI Officer; (v) Infrastructure Engineer; (vi) Finance and Administration Manager; (vii) Financial Assistant; (viii) Procurement Officer; (ix) Office Assistant; (x) Gender Transformative Grant Manager; and (xi) Rural Finance Specialist

The PIU will be composed of: (i) Partnership Development Officer; (ii) Inclusive Partnerships Young Professionals; (iii) GESI Young Professionals; (iv) M&E and KM Officer; (v) 3 Young Nutrition Professionals.

FAO will field a full-time adviser in the PMUs for 3 years. The adviser will help the PMU in starting the project, coordinating the development of project methodologies, building capacities, and ensuring learning throughout the project across teams and project stakeholders. Furthermore, short-term experts will be fielded.

9. *Monitoring and Evaluation.* The M&E and KM system will: measure project results against targets in the project logical framework; provide project stakeholders with data and analyses to assess project achievements and improve project performance; allow project stakeholders, in particular women groups, partnerships, farmers' organizations farmers and agribusiness partners, service providers and the PMU, to make informed decisions for the development of profitable and sustainable activities; and develop lessons learnt, capture good practices and successful innovation, and share knowledge, with a view to support performance and policy dialogue.

The M&E system will be set up and managed by the PMU, in consultation with MAL and other project stakeholders, and with support from a short-term international consultant fielded by FAO. The consultant will produce a detailed M&E/KM manual, together with an implementation plan, including capacity development arrangements. The system will be harmonized with that of MAL.

10. *Knowledge Management.* In consultation with project stakeholders and in collaboration with the M&E/KM Manager, the same consultant hired to design the M&E system will prepare a detailed KM framework. The framework will describe objectives, responsibilities and methodology, together with an implementation plan for the first year and include a communication strategy. Particular attention will be given to documenting innovative models as described in the next section.

11. *Project Implementation Manual.* The Project Implementation Manual (PIM) guides implementation of the Agriculture Investment for Markets and Nutrition (AIM-N). The PIM is intended primarily for use by Project Management, implementing agencies and contracted services providers. The purpose of the PIM is to assist Project Management to achieve the Project Development Objective and Project Outcomes defined in the Project Design Report and the Project Financing Agreement. The PIM reflects agreements between IFAD, GAFSP, FAO and the Governments of Solomon Islands on how project funds will be used. The PIM presents important principles and guidelines for implementing project activities. The PIM cannot provide every detail. Detailed procedures will be developed as needed by the project implementation team and consultants during the start-up phase of implementation. The PIM itself is a living document that will be updated and improved continuously during project implementation and can be changed through agreement between the Project Manager and IFAD. In particular, Terms of Reference for service providers and technical advisers should be annexed to the PIM. The first draft PIM includes a general list of the TORs of PMU and PIU staff, forms and checklists that will be needed but not all these have been developed yet. When a new TOR, form or checklist is developed for use in the Project it should be added to the PIM annexes so that all these documents are available in one place.

Schedule 2

Allocation Table

1. *Allocation of Loan/Grant Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan/Grant and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Table 1.a. Allocation of IFAD Loan funds

Category	Loan Amount Allocated (expressed in USD)	Percentage eligible for IFAD financing
Works	4 550 000	100%
Goods, Services and Inputs	866 000	100%
Equipment & Materials	140 000	100%
Grants, Subsidies, Guarantee Funds	3 744 000	100%
TOTAL	9 300 000	

(b) The terms used in the Table above are defined as follows:

- (i) Category I – Works shall mean eligible expenditures incurred on civil works under Component III.
- (ii) Category II - Goods, Services and Inputs shall mean eligible expenditures incurred on Consultancies & Studies and Supplementary Services Allowance under Component III.
- (iii) Category III – Equipment & Materials shall mean eligible expenditures incurred on Vehicle Boat and OnBoardMoter (OBM) under Component IV.
- (iv) Category IV – Grants, Subsidies and Guarantee Funds shall mean eligible expenditures incurred on Community Sub-project Grants, Complementary Equity Facility with PB Grant and Partnership with Private Sector (Stand-alone Loan) under Component IV.
- (v) Percentage indicated under “Percentage eligible for IFAD financing” is applied to Project expenditures, excluding taxes and shares of other financiers.

Table 1.b. Allocation of GAFSP Grant funds

Category	Grant Amount Allocated (expressed in USD)	Percentage eligible for IFAD financing
Goods, services and Inputs	4 490 000	100%
Equipment & Materials	661 000	100%
Grants, Subsidies, Guarantee Funds	378 000	100%
Recurrent costs	571 000	100%
TOTAL	6 100 000	

(c) The terms used in the Table above are defined as follows:

- (i) Category II – Goods, Services and Inputs shall mean eligible expenditures incurred on Trainings & Workshops, Young Graduates & Fellowships, Consultancies & Studies, Contract/ Service Provider and Supplementary Services Allowance under Components I, II and IV.
- (ii) Category III - Equipment & Materials shall mean eligible expenditures incurred on equipment and materials only under Component IV.
- (iii) Category IV – Grants, Subsidies and Guarantee Funds shall mean eligible expenditures incurred on Community Sub-project Grants only.
- (iv) Category V – Recurrent costs shall mean eligible expenditures incurred on operating costs under Component IV.
- (v) Percentage indicated under “Percentage eligible for IFAD financing” is applied to Project expenditures, excluding taxes and shares of other financiers.

2. *Disbursement arrangements*

(a) The disbursement arrangements will be set forth in detail in the Financial Management and Financial Control Arrangements Letter (FMFCL) to the Borrower/Recipient.

(b) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal, from the IFAD GAFSP grant, shall not exceed an aggregate amount of USD 500 000 for PMU staff recruitment and for procurement of goods and services. Activities to be financed under start-up financing will require the no objection from IFAD to be considered eligible.

(c) *Audit arrangements.* The Office of the Auditor General (OAG) will audit project financial statements each year, in accordance with acceptable to IFAD audit standards. It will send audit reports to IFAD within six months of the end of the financial year.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan/Grant Account if the Borrower/Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within 6 months of entry into force of the Financing Agreement, the Project will procure and install a customized accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.
2. *Planning, Monitoring and Evaluation.* The Borrower/Recipient shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
3. *Gender.* The Borrower shall ensure that appropriate measures will be taken in order to support women and youth inclusion.
4. *Indigenous People Concerns.* The Borrower/Recipient shall ensure that the concerns of IPs are given due consideration in implementing the Project and, to this end, shall ensure that:
 - (a) the Project is carried out in accordance with the applicable provisions of the relevant IP national legislation
 - (b) indigenous people are adequately and fairly represented in all local planning for Project activities;
 - (c) IP rights are duly respected;
 - (d) IP communities, participate in policy dialogue and local governance;
 - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected;
 - (f) The Project will not involve encroachment on traditional territories used or occupied by indigenous communities.
5. *Land tenure security.* The project does not foresee any requirements for land acquisitions. However, in case it involves any in the future, the Borrower/Recipient shall ensure that the land acquisition process will be completed before the construction start and that compensation processes are consistent with international best practice and free prior and informed consent principles.
6. *Anticorruption Measures.* The Borrower/Recipient shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
7. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower/Recipient and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.
8. *Use of Project Vehicles and Other Equipment.* The Borrower shall ensure that:

- (a) all vehicles and other equipment procured under the Project are allocated to the MAL and other Implementing Agencies for Project implementation;
- (b) The types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project; and
- (c) All vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.

9. Ifad Client Portal (ICP) Contract Monitoring Tool. The Borrower/Recipient shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower/Recipient shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower/Recipient shall ensure that the contract data is updated on a quarterly basis during the implementation of the Project/Program.

10. The Key Project Personnel are: Project Manager, Financial Specialist, Officer for Monitoring and Evaluation, Procurement Officer, and Social Inclusion and Gender Specialist. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the PMU in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Project's circumstances.

II. SECAP Provisions

1. For projects presenting high or substantial social, environmental and climate risks, the Borrower/Recipient shall carry out the implementation of the Project in accordance with the measures and requirements set forth in the [Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMs) for high risk projects and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans] (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower/Recipient shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower/Recipient has complied with the requirements applicable to the original adoption of the Management Plan(s).

2. The Borrower/Recipient shall not, and shall cause the [Executing Agency, all its contractors, its sub-contractors, and suppliers] not to commence implementation of any works, unless all Project affected persons have been compensated and/or resettled in

accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

3. The Borrower/Recipient shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Project stakeholders and interested parties in an accessible place in the Project -affected area, in a form and language understandable to Project affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

4. The Borrower/Recipient shall ensure [or cause the Executing Agency and Implementing Agency to ensure] that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project implementation that, with respect to the relevant IFAD Project:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower/Recipient shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Project -affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Project -level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Borrower/Recipient's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower/Recipient (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Project workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely

to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Borrower/Recipient shall ensure [or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure] that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Borrower/Recipient shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Project and propose remedial measures. The Borrower/Recipient will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project							
	Males - Males		3	9				
	Females - Females		3	9				
	Young - Young people		1	3				
	Indigenous people - Indigenous people		7	18				
	Total number of persons receiving services - Number of people		6	18				
	1.b Estimated corresponding total number of households members							
	Household members - Number of people			18				
	1.a Corresponding number of households reached							
	Women-headed households - Households							
Non-women-headed households - Households								
Households - Households		1	3					
Project Goal Improved nutrition and reduced poverty in agricultural households	Proportion of population living on less than \$US 2.15 per day				National Data	annual	National Statistics Office / World Bank data	Combination of improved dietary health and increased farm incomes leads to reduction in poverty headcount
	Proportion in Solomon Islands - Percentage (%)		26.6					
Development Objective Improved food security, diet quality empowerment and higher farm incomes from resilient farming systems in the Solomon Islands and rural communities.	Improvement on the Food Security Experience Scale (GAFSP 1.1)				Impact Survey	BL, MT, EL	Service provider	
	Households - Number		760	1				
	Total number of household members - Number of people		3	9				
	Women-headed households - Number							
	1.2.8 Women reporting minimum dietary diversity (MDDW)							
	Women (%) - Percentage (%)	20	40	60				
	Women (number) - Females							
	Households (%) - Percentage (%)							
Households (number) - Households								

	Household members - Number of people						
	Women-headed households - Households						
	Increase in household income from farming and agri-business (GAFSP 1.2)				Impact Survey	BL, MT, EL	Service provider
	% increase in household income for 5,400 participating households - Percentage (%)		10	20			
	IE.2.1 Individuals demonstrating an improvement in empowerment				COI Survey	BL, MT, EL	Service Provider
	Total persons - Percentage (%)	0	25	50			
	Total persons - Number of people	0	8	16			
	Females - Percentage (%)	0	25	50			
	Females - Females	0	4	8			
	Males - Percentage (%)	0	25	50			
	Males - Males	0	4	8			
Outcome Outcome 1. Improved diets due to Increased production and consumption of nutritious and locally-produced foods and increased knowledge of nutrition	SF.2.1 Households satisfied with project-supported services						
	Household members - Number of people		1	3			
	Indigenous households - Households		1	3			
	Women-headed households - Households						
	Households (%) - Percentage (%)		30	70			
	Households (number) - Households		324	756			
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers						
	Household members - Number of people		540	1			
	Indigenous households - Households		540	1			
	Women-headed households - Households						
	Households (%) - Percentage (%)		10	25			
	Households (number) - Households		108	270			
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)						
	Households (number) - Households		270	540			
Households (%) - Percentage (%)		25	50				
Household members - Number of people		1	2				

Number of people receiving improved nutrition services and products (GAFSP 2.11)				Progress report	annual	PMU
Number of people who received nutrition counselling / education - male - Number of people		1	2			
Number of people who received nutrition counselling / education - female - Number of people		1	2			
Number of people who received nutrition counselling / education - young - Number of people		430	1			
Number of people receiving extension support for nutrition-relevant techniques (e.g. homestead gardens, Farmer Field School support) - male - Number of people		1	2			
Number of people receiving extension support for nutrition-relevant techniques (e.g. homestead gardens, Farmer Field School support) - female - Number of people		1	2			
Number of people receiving extension support for nutrition-relevant techniques (e.g. homestead gardens, Farmer Field School support) - young - Number of people		430	1			
Number of school students consuming locally produced nutritious foods at least one time per day in target schools				MIS	annual	Service provider
Number of students - Number of people		600	1			
Number of male students - Males		300	900			
Number of female students - Females		300	900			
IE.2.1 Individuals demonstrating an improvement in empowerment						
Indigenous people - Percentage (%)						
Indigenous people - Indigenous people						
Young - Percentage (%)						
Young - Young people						
Total persons - Percentage (%)						
Total persons - Number of people						
Females - Percentage (%)						
Females - Females						

	Males - Percentage (%)							
	Males - Males							
	Persons with disabilities - Number							
	Persons with disabilities - Percentage (%)							
Output Output 1.1.1 Participatory Situation Analysis	Number of area-level participatory situation analyses completed				MIS	annual	Service provider	One situation analysis per health service area
	Number of situation analyses - Number		18	18				
Output Output 1.1.2 Behaviour Change Communication (BCC) Materials Improved	Number of packages of BCC materials approved by Health Ministry (MHMS / MoH)				MIS	annual	PIU/PMU	One package of BCC materials approved by Health Ministry in each country
	Number of packages - Number		2	2				
Output Output 1.1.3 Capacity Building for Behaviour Change Communications	Number of public healthcare outreach staff (Nutrition Field Officers / Village Healthcare Workers and primary healthcare staff trained in BCC techniques and deployed				MIS	annual	Service provider	One NFO / VHW and two primary healthcare facility staff trained in each health service area. Assume 200 mothers per health area.
	Total number of trainees - Number of people		54	54				
	Number of male trainees - Number of people		34	34				
	Number of female trainees - Number of people		20	20				
	Number of expectant women and mothers of children under 5 receiving nutrition advice based on improved BCC materials				MIS	annual	Primary Healthcare Facilities	
	Number of women - Number of people		1	3				
Output Output 1.1.4 Women's Groups Capacity Enhanced	Number of women's groups with enhanced capacity to promote nutrition behaviour change				MIS	annual	Service provider	Assume 50 members per women's group. Assume 6 members per household.
	Number of groups - Groups		108	108				
	1.1.8 Households provided with targeted support to improve their nutrition				MIS	annual	Service provider	
	Total persons participating - Number of people		32	32				
	Males - Males		16	16				
	Females - Females		16	16				
	Households - Households		5	5				
	Household members benefitted - Number of people							
	Young - Young people		10	10				
Output Output 1.1.5 Behaviour Change Outreach Through Women's	Number of women's groups achieving a defined benchmark of progress in community-based behaviour change communication activities				MIS	annual	Service provider	Same beneficiaries as 1.1.4 but progress benchmark achieved later
	Number of groups - Groups		40	108				

	Number of group members (female) - Number of people		2	5				
	Number of group members (young, aged 15-35) - Number of people		670	1				
	Number of households - Households		1	5				
	Number of household members - Number of people		10	32				
Output Output 1.2.6 Community Action Projects Designed	Number of Community Action Projects Designed				MIS	annual	Service provider	Assume 200 beneficiaries per project
	Number of projects - Number		18	54				
	Number of Project Beneficiaries				MIS	annual	Service provider	
	Number of beneficiaries - Number of people		3	10				
	Number of beneficiaries (women) - Number of people		1	5				
	Number of beneficiaries (young) - Number of people		600	1				
Output Outcome 1.3.3 Nutrition Education in Schools	Number of school students benefitting from improved nutrition education				MIS	annual	Schools	One per country 300 students per school
	Number of students - Number of people		900	2				
	Number of students (male) - Number of people		450	1				
	Number of students (female) - Number of people		450	1				
Output Outcome 1.3.4 Access to Nutritious Foods Improved	Number of schools with improved food environment				MIS	annual	Schools	Assume 10 snack vendors per school, all vendors are women
	Number of schools - Number		0	9				
Output Output 1.3.5 School Feeding Contracts Established	Number of schools with contracts for supply of nutritious local foods				MIS	annual	Schools	Assume 300 students per school
	Number of schools - Number		9	9				
	Number of students consuming nutritious local foods at least one meal per day				MIS	annual	Schools	
	Number of students - Number of people		1	1				
	Number of students (male) - Number of people		900	900				
	Number of students (female) - Number of people		900	900				
Outcome Outcome 2 - Market access improved and sales increased through Public-Private-Producer Partnerships	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities				MIS	Annual	Service Provider	Assume formalizing PGs are larger than average with 100 members each
	Number of POs - Organizations		8	24				
	Women in leadership position - Females		3	8				
	2.2.5 Rural producers' organizations reporting an increase in sales				MIS	Annual	Service Provider	

	Number of Rural POs - Organizations			48					
	Rural POs with women in leadership position - Organizations		6	16					
Output Output 2.1.4 - Producer Group Formation and Capacity Building	2.1.3 Rural producers' organizations supported				MIS	Annual	Service Provider	Capacity benchmark to be defined in PIM	
	Total size of POs - Organizations		6	16					
	Rural POs supported - Organizations		20	54					
	Males - Males								
	Females - Females		6	16					
	Young - Young people		4	10					
	2.1.4 Supported rural producers that are members of a rural producers' organization				MIS	Annual	Service Provider		
	Total number of persons - Number of people		801	4					
	Males - Males		1	3					
	Females - Females		800	1					
Young - Young people		670	1						
Output Output 2.1.5 - Production and Marketing of Nutritious Fresh Produce	Number of Farmer Field Schools conducted				MIS	Annual	PMU	9 FFS with 25 participants, 60% are women, 33% are youth	
	Number of FFS - Number		6	18					
	Number of participants - Number of people		150	450					
	1.1.4 Persons trained in production practices and/or technologies				MIS	Annual	PMU		
	Total number of persons trained by the project - Number of people		150	450					
	Males trained at least once by the project - Males		60	180					
	Females trained at least once by the project - Females		90	270					
Output Output 2.1.6 - Establishment of Nursery Enterprises	Number of nursery enterprises established				MIS	Annual	PIU/PMU	One nursery enterprise per Province	
	Number of nursery enterprises - Number		3	3					
Output Output 2.2.1 Identification of 4P Partnerships	Number of 4P partnerships established				MIS	Annual	Service Provider / SMAE	Assume 36 4P partnerships with average 50 farmers per 4P, 40% female	
	Number of partnerships - Number		12	36					
	Number of farmers participating - Number of people		600	1					
	Males - Number of people		360	1					
	Females - Number of people		240	720					
	Young - Number of people		200	600					

Output Output 2.2.3 - 4P Business Plans	Number of 4P Business Plans completed				MIS	Annual	Service Provider	
	Number of plans - Number		12	36				
Output Output 2.2.4 - PG Registration and signing of formal contracts	Number of Producer Groups registered as legal entities				MIS	Annual	Service Provider	Assume 12 PGs register as legal entities and sign contracts
	Number of PGs - Number		5	12				
	Number of contract farming contracts signed				MIS	Annual	Service Provider	
	Number of contracts - Number		5	12				
Outcome Outcome 3 - Productivity and value added increased by sustainable	2.2.6 Households reporting improved physical access to markets, processing and storage facilities							
	Households reporting improved physical access to markets - Percentage (%)		20	50				
	Size of households - Number of people							
	Women-headed households - Households							
	Households reporting improved physical access to markets - Households							
	Number of post-harvest facilities constructed / rehabilitated (GAFSP 2.8)							
	Number of facilities - Number		10	30				
	Average financial return on cash-generating investments				Special survey	MTR and EL	Service Provider	
	Average financial return - Percentage (%)		10	20				
	Output Output 3.1.1 Groups supported to sustainably manage natural resources and climate-related risks	Number of groups supported to sustainably manage natural resources and climate-related risks				MIS	Annual	
Total size of groups - Number of people			350	890				
Groups supported - Number - Number			60	170				
Groups supported - Number - Males			170	445				
Groups supported - Number - Females			170	445				
Groups supported - Number - Indigenous people			350	890				
Output Output 3.1.2 Community action projects successfully implemented with small grant funding.	Number of small grants awarded				MIS	Annual	Service Provider	Assume 90 grants per country
	Number of grants - Number		45	90				
	Number of small grant projects successfully completed				MIS	Annual	Service Provider	
	Number of sub-projects - Percentage (%)		30	100				

Output Output 3.2.1 Combined loan and grant financing to enterprises for investments in 4P business plans	Number of community-based enterprises awarded integrated loan and blocked matching grant finance for value chain investments				MIS	Annual	Banks (DBSI / NBV)	Assume 45 matching grants peer country. For Solomon Islands, assume a further 45 loans with no matching grant
	Number of enterprises - Number		22	45				
	Number of enterprises - (women led) - Number		5	14				
	Number of POs awarded integrated loan and blocked matching grant finance for value chain investments							
	Number of POs - Number		0	28				
	Number of POs- (women led) - Number		2	8				
	Number of enterprises awarded loan finance only				MIS	Annual	Banks (DBSI / NBV)	
Number of enterprises - Number		22	45					
Number of enterprises - (women led) - Number		5	14					
Output Output 3.3.3 Value Chain Enabling Infrastructure	Number of smallholders receiving productivity enhancement support				Impact Survey	BL/MT/EL	Service Provider	All project beneficiaries access support, minus the target number of students
	Number of smallholders receiving productivity enhancement support - Number		9	14				
	Number of persons receiving capacity development support - Number of people		9	14				

Integrated project risk matrix

Risk categories and subcategories	Inherent	Residual
Country context	Substantial	Substantial
Political commitment	Moderate	Moderate
<p>Risk(s):</p> <p>Moderate political commitment to project from government due to weak institutional structure. As per National Development Strategy NDS 2016-2035, the Solomon Islands Government is committed to 'Improving the Social and Economic Livelihoods of all Solomon Islanders'.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>(1) Project validation and ownership-building during design mission. (2) Ensure implementation arrangements are robust (e.g. through use of service providers). (3) Following road path carved out in NDS 2016-2035.</p>		
Governance	Substantial	Substantial
<p>Risk(s):</p> <p>Weak institutional structure and poor coordination between key Ministries (e.g. Agriculture and Health Ministries) reduce the effectiveness of the integrated project approach. Main risks would be related to the lack of previous experience with IFAD projects and to elite capture in allocation of project investments.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>Coordination between implementing agency (Agriculture Ministry) and other key agencies clearly defined by MOU. Strengthening institutional capacity building i.e Agriculture, Health, Education ministries.</p> <p>Extensive capacity building and coaching will be provided throughout inception and during implementation through Project Expeditor, FAO TA and regular IFAD backstopping in ISMs. Solid consultative processes for the allocation of resources.</p>		
Macroeconomic	Moderate	Moderate
<p>Risk(s):</p> <p>High inflation, high unemployment, limited private sector, lack of infrastructure pose a significant development challenges. The country is heavily dependent on development assistance, while governance challenges limit state effectiveness.</p> <p>Produce markets for project supported value chains affected by international economic conditions.</p> <p>Cost increases driven by external factors (increased cost of energy and transport). Markets for supported commodities affected by international economic conditions.</p>	Moderate	Moderate
<p>Mitigations:</p>		

Risk categories and subcategories	Inherent	Residual
<p>Prudent use of resources without distortion of market of forces. Increased employment among youngsters. Include contingency in budget in infrastructure part.</p> <p>Project supports diverse value chains with proven market demand, including in domestic markets. Market opportunities to focus on closer markets. Project to support partnerships with identified, more stable markets.</p> <p>Contingencies included in the budget. Market opportunities to focus on closer markets. Project to support partnerships with identified, more stable markets.</p>		
Fragility and security	Substantial	Substantial
<p>Risk(s):</p> <p>Risks are unlikely to affect the target provinces, but may affect the capital. Risks of fragility primarily relate to grievances and possible secession by one province, with protests happening in the capital. Neither that province nor the capital province, are targeted. The targeted provinces have not recently suffered from civil conflict, which is not of the concern of local population.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>In the target provinces a strong participatory and inclusive process will underlie all project activities, which makes it even more unlikely that conflicts could occur in target provinces.</p>		
Sector strategies and policies	Moderate	Moderate
Policy alignment	Moderate	Moderate
<p>Risk(s):</p> <p>Change of government policy (e.g. due to change in government). Project is aligned with existing government policies, which support inclusive growth, poverty alleviation and nutrition, financial inclusion, in line with IFAD objectives, over medium term perspective beyond project duration. Government policies are not expected to change in fundamental respects. However, the National Food Security, Food Safety and Nutrition Policy is expected to end this year (2019-2023).</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Project is aligned with existing government policy which is not expected to change in fundamental respects. Alignment is ensured between national policies and design. National Development Strategy NDS 2016-2035, including those which may be newly developed beyond 2023.</p>		
Policy development & implementation	Moderate	Moderate
<p>Risk(s):</p> <p>Project is aligned with existing government policies, which support inclusive growth, poverty alleviation and nutrition, in line with IFAD objectives, over medium term perspective beyond project duration. Government policies are not expected to change in fundamental respects</p>	Moderate	Moderate

Risk categories and subcategories	Inherent	Residual
Mitigations: Alignment is ensured between national policies and design.		
Environment and climate context	Substantial	Substantial
Project vulnerability to environmental conditions	Moderate	Moderate
Risk(s): Solomon Islands form part of the East Melanesian Islands which contain high numbers of endemic plant and animal species, threatened by human activity including commercial logging and mining, agricultural expansion, increasing populations, and increasingly the impacts of climate change and extreme events. The predominantly rural populations of the two countries rely heavily on this biodiversity for their livelihoods and food security and nutrition. The forests provide multiple benefits to communities, including but not limited to protection of critical water resources, prevention of soil erosion, timber and non- timber forest products as well as important contributions to local food and nutrition security and family health. Solomon Islands' economy is still heavily dependent on its timber industry, which brings in about 15 percent of government revenue and 66 per cent of foreign exchange earnings. The loss of biodiversity and crop diversity reduction increases vulnerability to disease outbreaks and other natural shocks. Solomon Islands registered a progressive decline in traditional crop production as agricultural land. Natural resources become more limited, claiming food production in Solomon Islands faced increased threats from pests and disease. The intensification of land use in several provinces has led to soil degradation, which now challenges subsistence viability.	Moderate	Moderate
Mitigations: The project aims to establish in both country trainings in Good Agricultural Practices (aligned with CSA) for food crop production including: i) use of tolerant climatic varieties; ii) soil fertility management – cover crops and rotations; iii) agroforestry and traditional mixed cropping; iv) integrated pest management; nets protecting against ashes.		
Project vulnerability to climate change impacts	Substantial	Substantial
Risk(s): Climate change is likely to have substantial and widespread impacts on Pacific island countries including Solomon Islands. Among the most substantial damages would be losses of coastal infrastructure and coastal lands resulting from inundation, storm surges, or shoreline erosion. Climate change could also cause more intense cyclones and droughts, the failure of subsistence crops and coastal fisheries, and the spread of malaria and dengue fever. Changes in climatic conditions would affect most Pacific islanders, but have its greatest impact on the poorest and most vulnerable segments of the population – those most likely to live in squatter settlements exposed to storm surges and disease and those most dependent on subsistence fisheries and crops destroyed by cyclones and droughts. Increased temperatures and prolonged dry conditions, increased variability of rainfall, salt-water intrusion, drought, soil erosion, and frequent cyclones damage local crops productivity. Increased humidity and rainfall could provide ideal conditions for the proliferation of many plant pathogens. Both commercial and subsistence agriculture in Solomon is based on rain-fed agricultural production systems. Changes in rainfall, high intensity storm events, increased evaporation, and more	Substantial	Substantial

Risk categories and subcategories	Inherent	Residual
pronounced dry seasons could induce plant stress, thereby, reducing productivity and subsequently affecting food security.		
<p>Mitigations:</p> <p>The project will invest in climate-resilient agriculture practices and increasing the climate proofing of target value chains, including post harvest. All infrastructure in the project will be climate-smart and informed by the best available climate impact assessments. Support to food conservation and processing allowing rapid recovery from disasters. Component 4 - Rapid Disaster Response allows fast reallocation of resources in case of major national or sectoral disaster. Project activities will be informed by Targeted Adaptation Assessment to ensure evidence-based climate interventions are prioritized.</p>		
Project scope	Substantial	Substantial
Project relevance	Low	Low
<p>Risk(s):</p> <p>Project design faces low risk for being not relevant to the needs/interests of the target beneficiaries. Participatory design process with multiple multi-stakeholder workshops, and building on successful experiences in the two countries ensure alignment with national policies, priorities and stakeholders' expectations.</p>	Low	Low
<p>Mitigations:</p> <p>Participatory design process with multiple multi-stakeholder workshops, and building on successful experiences in the two countries ensure alignment with national policies, priorities and stakeholders' expectations. Multi-stakeholder platforms will discuss project achievements and relevance, and built-in flexibility should allow adaptations.</p>		
Technical soundness	High	Moderate
<p>Risk(s):</p> <p>High cost of purchasing / high effort cost of producing nutritious local foods means that imported foods remain the preferred option. Project unsuccessful because of the high cost and logistical challenges of working with remote communities. School feeding programme not successful because of lack of interest (school management and / or students) or lack of resources to sustain. Cultural factors make parts of the project messaging (e.g. on role of women in farming as a business) unacceptable to local communities. Farming-as-a-business activities not successful because of lack of access to viable markets (because of logistical challenges) Farming-as-a-business activities not successful because of low capacity of SMAEs and producer groups. Credit activities fail because of weak capacity of financial institutions, lack of credit culture, or competition from poorly designed subsidy schemes.</p>	High	Moderate
<p>Mitigations:</p>		

Risk categories and subcategories	Inherent	Residual
<p>Strong social Behaviour Change Communication campaign plus linking nutritious food production to local processing and marketing (increase affordability of nutritious local foods and increase cash incomes). Sound implementation arrangements including use of service providers with proven track record.in implementing nutrition sensitive project School programme treated as a pilot with viability and sustainability through local purchase of food from farmers and assessed at each stage. Ensuring methodology and communication materials carefully adapted to local and cultural context; include all household members; work through established groups in the community; work with experienced local service providers. Focusing on established value chains with proven potential to be nutrition sensitive. Being realistic about actual and potential capacity and set simple and achievable targets. Strong technical assistance on NS by FAO. Working with established financial institutions and providing capacity support where needed (DBSI). Using of “blocked” matching grant funds as collateral.</p>		
Institutional capacity for implementation and sustainability	High	Moderate
Implementation arrangements		
<p>Risk(s): Project management capacity in implementing agencies insufficient to overcome challenges, especially given lack of track record and experience in implementing IFAD projects.</p>	High	Moderate
<p>Mitigations: External expertise with capacity building: FAO Project Advisors and short-term TA. Project Expeditors to establish management systems, Procurement expert, inception workshops and induction week.</p>		
M&E arrangements	High	Moderate
<p>Risk(s): M&E unable to fully track project progress and / or measure impacts because of lack of capacity and high cost and difficulty of data collection.</p>	High	Moderate
<p>Mitigations: M&E plan to be prepared with FAO support during project start-up</p>		
Procurement	Substantial	Substantial
Legal and regulatory framework	Moderate	Moderate
<p>Risk(s): The risk that the Borrower’s regulatory and institutional capacity and practices (including compliance with the laws) are inadequate to conduct the procurement in a manner that optimizes value for money with integrity</p>	Moderate	Moderate
<p>Mitigations: IFAD Procurement Guidelines and IFAD Procurement Handbook to be adopted.</p>		

Risk categories and subcategories	Inherent	Residual
Included Standard Procurement Documents for IFAD - SBD's and other document.		
Accountability and transparency	Moderate	Moderate
<p>Risk(s):</p> <p>The risk that accountability, transparency and oversight arrangements (including the handling of complaints regarding, for example, SH/SEA and fraud and corruption) are inadequate to safeguard the integrity of project procurement and contract execution, leading to the unintended use of funds, misprocurement, SH/SEA, and/or execution of project procurements outside of the required time, cost and quality requirements.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Project to fully conform with IFAD PPF, engage and capacitate civil society on public procurement to promote transparency with procurement rules that are accessible in all ministerial websites. Cross Debarments and IFAD Due Diligence Screening with self certification adopted.</p>		
Capability in public procurement	Substantial	Substantial
<p>Risk(s):</p> <p>The risk that the implementing agency does not have sound processes, procedures, systems and personnel in place for the administration, supervision and management of contracts resulting in adverse impacts to the development outcomes of the project.</p>	Substantial	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> - Enroll personal in BuildProc training - Adopt IFAD SDB and standardise processes in reference to the IFAD Procurement Handbook. - SECAP (Safeguards) risk associated to procurement to be closely monitored - Adopt IFAD CMT and OPEN Systems 		
Public procurement processes	Substantial	Substantial
<p>Risk(s):</p> <p>The risk that procurement processes and market structures (methods, planning, bidding, contract award and contract management) are inefficient and/or anticompetitive, resulting in the misuse of project funds or sub-optimal implementation of the project and achievement of its objectives.</p>	Substantial	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> - TPU to develop training modules on procurement planning - TPU to focus on developing training modules and conduct training on contract management. PCAM to be amended to provide for defined responsibilities in contract management - Procuring entities to proactively engage private sector to improve procurement planning 		

Risk categories and subcategories	Inherent	Residual
- More engagement of key sectors needed for targeted assessments for targeted assessments to strengthen integrity, sustainability and/or innovation in public procurement - More capacity interventions and strong oversight will be needed		
Financial management	High	High
Organization and staffing	High	High
Risk(s): <ul style="list-style-type: none"> • Lack of Qualified PMU staff, including Finance and Administration Manager. • weak Staff capacity on IFAD FM requirement • Selection of Qualified Service Provider with capable FM functions. 	High	High
Mitigations: <ul style="list-style-type: none"> • Qualified F&A Manager will recruited. • Start-up training, and continuous support missions from IFAD. • Experience exchange between PMUs on FM. • Service Provider for Comp 1 is selected through competitive bidding with sound FM capacity 		
Budgeting	Substantial	Substantial
Risk(s): <ul style="list-style-type: none"> • Preparation of AWPB might be delayed due to staff capacity and approval procedures. • AWPB might not be realistic or not achievable. 	Substantial	Substantial
Mitigations: <ul style="list-style-type: none"> • Training to PMUs on preparation of AWPB. • A mechanism in place to timely capture the progress of expenditure Vs. budget. 		
Funds flow/disbursement arrangements	High	High
Risk(s): <ul style="list-style-type: none"> • Delay during the start-up of project activities. • Delay in submission of IFR and WA to IFAD. • Service Provider might have issue in handling the fund from PMU and might not be able to provide the required financial reports. 	High	High
Mitigations: <ul style="list-style-type: none"> • Ensure good accounting system that capable to provide IFR and WA in required formats. • Training on preparation of IFR. • Service Provider have strong capacity on FM system and can provide PMU the required FM reports. 		
Internal controls	High	High
Risk(s):	High	High

Risk categories and subcategories	Inherent	Residual
<ul style="list-style-type: none"> • Lack of banking facility and branches, cash and encashed cheque are used frequently. • Project staff and activities will be scattered in remote provinces/islands. • Limited suppliers for goods and services. • Staff capacity and awareness of anti-corruption policy 		
<p>Mitigations:</p> <ul style="list-style-type: none"> • Detailed PIM with practical procedures will be • MAL/MARD conduct internal audit/inspection on project at least annually. • IFAD anti-corruption policy will be included in PIM and training delivered to staff and stakeholders. • Promote the use of bank transfer instead of cash or cash cheque. • Effective computerized software shall be used to ensure the reconciliation of account and chasing of payment. 		
Accounting and financial reporting	High	High
<p>Risk(s):</p> <p>Risk that accounting systems – including polices and standards – are not integrated and reliable, leading to inaccuracies in financial records and that reasonable records are not prepared, issued and stored, leading to lack of informed decision-making.</p>	High	High
<p>Mitigations:</p> <ul style="list-style-type: none"> • Procurement and Payment procedures are clearly outlined in PIM. • Computerized system (MYOB for SI) will be set up to meet to project accounting and financial reporting requirement. 		
External audit	Substantial	Substantial
<p>Risk(s):</p> <p>Risk that independent and competent oversight of the Project financial statements is not in place or performed timely leading to possible misrepresentation of the financial results and/or suspension or other remedies due to compliance breaches.</p>	Substantial	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> • Auditor General will the external Auditor for projects. IFAD will have a meeting with AG for briefing IFAD manual for financial reporting and auditing. 		
Environment, social and climate impact	Moderate	Low
Biodiversity conservation	Low	Low
<p>Risk(s):</p> <p>Potential impacts on biodiversity from primary production of living natural resources: rearing of plants and animals, including annual and perennial crop farming, animal husbandry. Moreover, the two countries have extensive natural resources, including forests, uplands and atolls which provide livelihoods of the 80% of the population that reside in rural areas. Land degradation (in both countries) and deforestation (in Solomon Island) represent serious concerns for biodiversity loss.</p>	Low	Low

Risk categories and subcategories	Inherent	Residual
<p>Mitigations:</p> <p>The project will not establish new farmland and change natural habitats. Specific criteria are also elaborated in the SECAP analysis to exclude such activities that involve alien species or any significant risks on biodiversity, animal welfare, land conversion or legally protected natural resources. The project will support local communities to use traditional knowledge and science together to support the sustainability of traditional shifting cultivation practices.</p>		
Resource efficiency and pollution prevention	Moderate	Moderate
<p>Risk(s):</p> <p>Potential pollution and resource damage associated with small-scaled infrastructure, agricultural and livestock development (poultry) are likely localized, site specific, and manageable with known technical approaches. The project can include activities that may lead to pest and pesticide management issues.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project will apply the hygiene, health, and safety standards required under the FAO guidelines, site-specific might be required subject to results of the environmental and social impact screening during implementation. Moreover, pesticide use in Solomon Islands is very low as pesticides are expensive and smallholder farmers cannot afford. Relevant environmental and social regulations to address environmental issues and social risks have been enforced in the Solomon Islands. The Environment Act 1998 provides an integrated system of development control, environmental impact assessment, and pollution control. The Environment Regulation (2008) and the Environment Impact Assessment Guidelines (2010) outline the requirements for environmental impact assessment, review, and monitoring.</p>		
Cultural heritage	Low	Low
<p>Risk(s):</p> <p>95% of the population in Solomon Island is composed by indigenous peoples. There is always an inherent risk in any development initiative to cause damage to tangible and intangible heritage.</p>	Low	Low
<p>Mitigations:</p> <p>The project activities will not create new agricultural areas and it is unlikely to affect the tangible and intangible cultural heritage. The project is a community based project whereby decisions on activities will be taken at the local level through the existing governance systems.</p>		
Indigenous peoples	Moderate	Moderate
<p>Risk(s):</p> <p>Solomon Islands can be considered as 95 per cent Indigenous, there is a diversity of identity, languages, culture, and customary law across the islands. The concept of "custom" is central to indigenous identity,</p>	Moderate	Moderate

Risk categories and subcategories	Inherent	Residual
encompassing traditional knowledge, social norms, and belief systems. Customary land tenure and traditional governance structures are crucial elements of indigenous culture. Intervening in indigenous peoples' areas presents a risk of causing adverse physical, social, or economic impacts on the peoples, their resources and assets if development initiatives are top down and not co-created with the communities and their governance systems.		
<p>Mitigations:</p> <p>The project is a bottom up, community development project. Decisions at community level will be taken through Community consultations through existing local governance systems. Consultations will be facilitated and documented by qualified experts as part of the. In addition, the FPIC process for which an FPIC implementation plan is included in the SECAP analysis.</p> <p>Individuals are not a target for the access to finance activities except through their groups so as to not risk indebtedness at the household level.</p>		
Community health and safety	Moderate	Low
<p>Risk(s):</p> <p>The activities proposed by AIM in Solomon Island in food production, nutrition and gender transformative approaches bring an inherent risk to cause adverse impacts to individuals and groups including in gender based violence as despite the commitment of Solomon Islands Government to promote gender equality, the conditions surrounding women remain difficult in the country. The risk is moderate given the high prevalence of gender based violence existing within the context</p>	Moderate	Low
<p>Mitigations:</p> <p>The SECAP evaluates the risks and impacts to community health and safety during the project life cycle and establishes preventive and control measures. Health and safety measures will be applicable to all projects subcontractors, community labor and suppliers.</p> <p>The Gender strategy includes specific actions to mitigate risks of gender based violence in the project initiatives. The project will adopt a Do No Harms approach and will be alert to and committed to addressing unintended consequences and potential harms. The project will be committed to protection of all vulnerable people and will include articulated channels for referral to services where available. As part of its gender and social inclusion (GSI) strategy, it will reflect the understanding that bias, resistance and backlash and has nuanced approaches to address them and will also reflect the principle of transformation starting with oneself by investing in GSI capacity building of project implementers and community members.</p>		
Labour and working conditions	Low	Low
<p>Risk(s):</p> <p>Labor risks are related to possible accidents and relatively weak labor law</p>	Low	Low

Risk categories and subcategories	Inherent	Residual
enforcement for seasonal workers at production bases. Project staff can frequently expose safety risks when they are required to travel to the provinces by boat or small aircraft.		
<p>Mitigations:</p> <p>The project aims to establish strict travel regulation especially in severe weather conditions and appropriate safety equipment during the travel to the provinces.</p> <p>Safety measures to be included as part of social safeguards in partnership development plans, to be monitored by the PIUs. The PMU will establish strict travel regulation especially in severe weather conditions and appropriate safety equipment (first aid and radio phone) will be provided during travel to the provinces.</p>		
Physical and economic resettlement	Low	Low
<p>Risk(s):</p> <p>In rural development projects in areas home to indigenous peoples and marginalized groups as in the case of Solomon Island the inherent risk of causing damage to peoples' asset is there, including involuntary loss on their resources and means of livelihoods through the activities proposed by the project.</p>	Low	Low
<p>Mitigations:</p> <p>Low risk. The project activities do not require the acquisition of land, cause restrictions on land use or include involuntary resettlement.</p>		
Greenhouse gas emissions	Low	Low
<p>Risk(s):</p> <p>The risk that the project may significantly increase greenhouse gas (GHG) emissions and thereby contribute to anthropogenic climate change.</p>	Low	Low
<p>Mitigations:</p> <p>The project is not expected to result in substantial or significant point sources of greenhouse gas (GHG) emissions and focuses on climate adaptation.</p> <p>The project will support Climate Smart Agriculture (CSA) practices that aim to increase productivity, raise adaptation resilience and contribute to lower or not increase greenhouse emissions.</p>		
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Substantial
<p>Risk(s):</p> <p>The population of Solomon Islands is vulnerable to the climate variability (temperature increase, sensible rainfall patterns) and hazards (floodings, tropical cyclones). Solomon Islands experiences acute economic challenges. This relates to a combination of issues including weak infrastructure, income inequality, heavy reliance on agriculture for income</p>	Substantial	Substantial

Risk categories and subcategories	Inherent	Residual
<p>revenue as well as the country's remote location. The countries face multiple hazards which are directly linked with climate change dynamics. These directly affect poverty and vulnerabilities in the country. The lack of state and individual resource to cope with natural hazards is a particular issue with regards to food availability and the nation's dependence on imports, leading to frequent food poverty. In both countries, many of the climate changes projected are likely to disproportionately affect the poorest groups in society.</p>		
<p>Mitigations:</p> <p>Project will support Climate Smart Agriculture (CSA) as well as Good Agriculture Practices (GAP) that can strengthen local livelihood and improve sustainable agriculture. The training of trainers' mechanism will allow to reach the specific beneficiaries. Several CSA practices and technologies for specific crop / climatic issue have been already identified during the design mission – i) use of tolerant climatic varieties; ii) soil fertility management – cover crops and rotations; iii) agroforestry and traditional mixed cropping; iv) integrated pest management. Support to food conservation and processing allowing rapid recovery from disasters. Component 4 - Rapid Disaster Response allows fast reallocation of resources in case of major national or sectoral disaster. Project activities will be informed by Targeted Adaptation Assessment to ensure evidence-based climate interventions are prioritized.</p>		
Stakeholders	Substantial	Moderate
Stakeholder engagement/coordination	Moderate	Low
<p>Risk(s):</p> <p>There is a limited risk regarding the coordination of stakeholders including government line agencies, implementation partners, technical agencies for services, bank and financial institutions and private sector partners for market linkages. The correct engagement/coordination is necessary to ensure the adequate project correct implementation.</p>	Moderate	Low
<p>Mitigations:</p> <p>The project will establish a robust mechanism to ensure the target group's engagement and feedback, including through the FPIC process. The project will establish a multi- stakeholder platform with participation of family farmers and producer groups along with stakeholders for forward and backward linkages at block levels. Household approach. GESI plan and officer. Provincial multi-stakeholder platform.</p>		
Stakeholder grievances	Substantial	Moderate
<p>Risk(s):</p> <p>The project acknowledges the challenges with marginalized and vulnerable social groups, especially those living in remote areas, including women and children in Solomon Islands.</p>	Substantial	Moderate
Mitigations:		

Risk categories and subcategories	Inherent	Residual
Project implementation is based on a solid inclusive and participatory strategy. The project outlines the FPIC implementation plan and the Stakeholders Grievance Mechanism (GM) which enables stakeholders to raise project related concerns and grievances. In addition, IFAD has a Complaints Procedure to receive and facilitate resolution of concerns.		