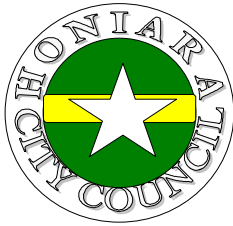


SOLOMON ISLANDS GOVERNMENT



MINISTRY OF INFRASTRUCTURE DEVELOPMENT
HONIARA CITY COUNCIL

Rapid Employment Project
PROJECT OPERATIONS MANUAL

**Ministry of Infrastructure Development
Honiara City Council**

**Rapid Employment Project
PROJECT OPERATIONS MANUAL**

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ANNEXES

The Annexes to the REP Project Operations Manual are contained in a separate document

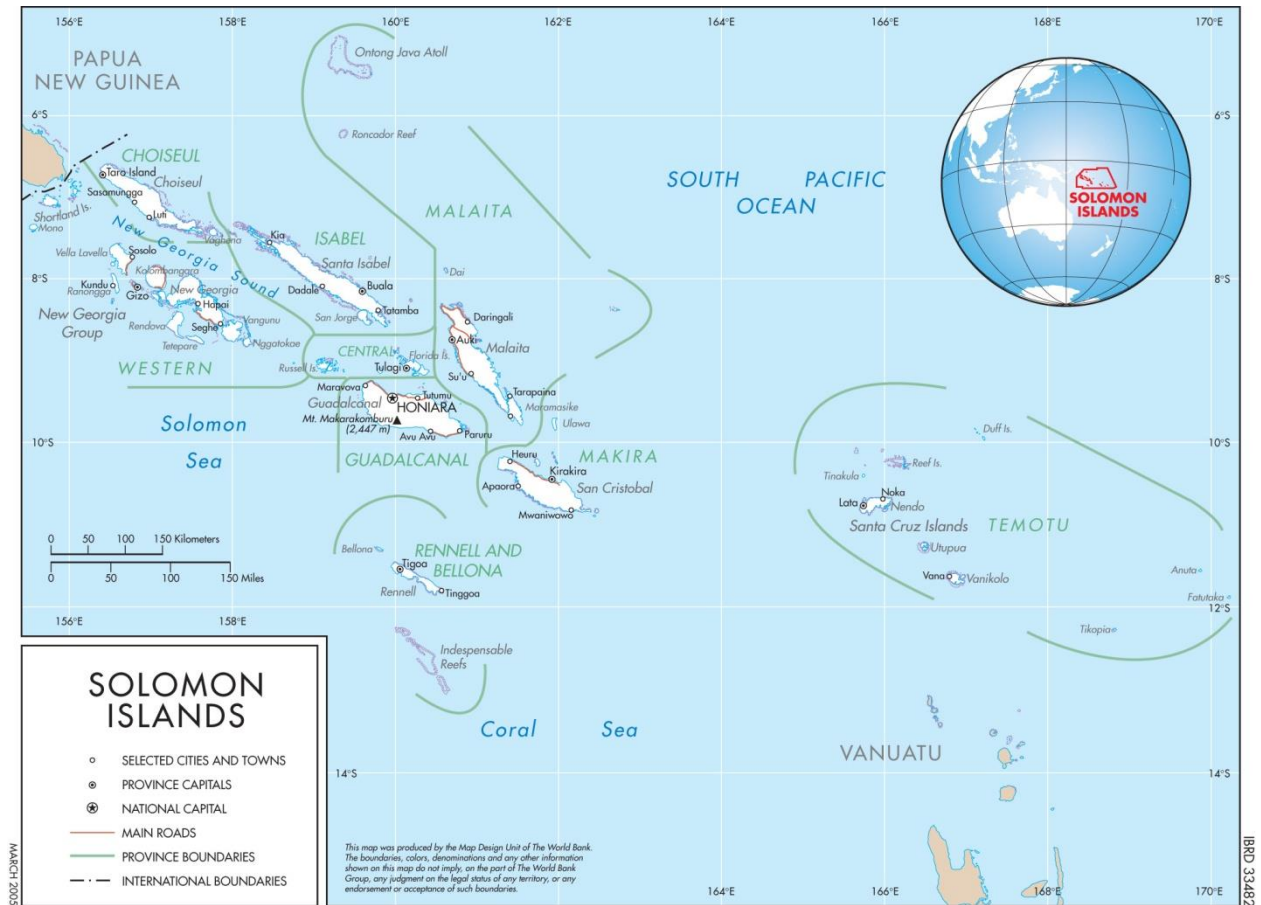
- 1 TOR for REP Steering Committee
- 2 TOR for the REP Technical Coordination Committee
- 3 TOR for Project Management Staff
- 4 MID Letter of Appointment
- 5 HCC Contract Agreement of Service
- 6 TOR for Pre-Employment Training Consultant
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- 8 Evaluating the PET Training and Communications
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ABBREVIATIONS

AusAID	Australian Agency for International Development	MTB	Ministry Tender Board
CLO	Community Liaison Officer	MTR	Mid Term Review
CTB	Central Tender Board	MYOB	Mind Your Own Business (financial management software)
FIDIC	International Federation of Consulting Engineers	NCB	National Competitive Bidding
FM	Financial Management	NGO	Non Governmental Organisation
FO	Finance Officer	NZAID	New Zealand Agency for International Development
HCC	Honiara City Council	PET	Pre-Employment Training
ICB	International Competitive Bidding	PM	Project Manager
ICR	Implementation Complete Report	PO	Procurement Officer
IDA	International Development Association	POM	Project Operations Manual
IFR	Interim Financial Report	PRIF	Pacific Regional Infrastructure Fund
KPI	Key performance indicators	PSC	Project Steering Committee
m	Million	REP	Rapid Employment Project
M&E	Monitoring and Evaluation	RES	Rapid Employment Scheme
MID	Ministry of Infrastructure Development	SB\$	Solomon Islands Dollar
MIS	Management Information System	SIG	Solomon Islands Government
MoDP&AC	Ministry of Development Planning & Aid Coordination	SIRIP	Solomon Islands Road Improvement Programme
MoE	Ministry of Education	SPF	State and Peace-Building Fund
MoFT	Ministry of Finance and Treasury	SWO	Works Coordinator
MoCI&E	Ministry of Commerce, Industry & Employment	TA	Technical assistance
MoWY&CA	Ministry of Women, Youth & Children Affairs	TCC	Technical Coordination Committee
MT	Management Team	TEC	Tender Evaluation Committee
		TIMS	Transport Infrastructure Management Services
		TOR	Terms of reference
		US\$	United States Dollars

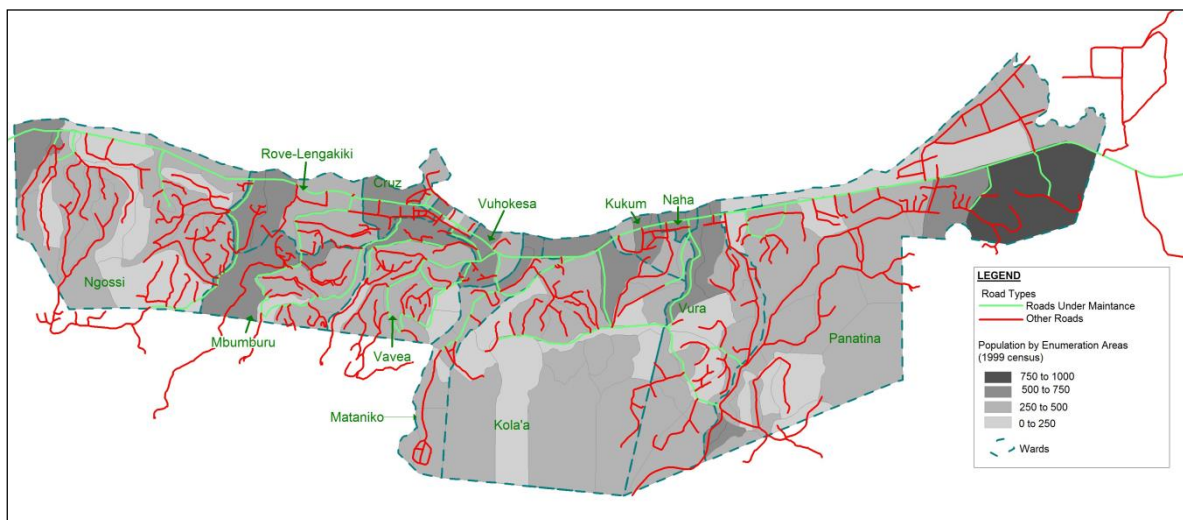
United States Dollar (US\$)	1.00	=	Solomon Islands Dollar (SB\$)	7.78210	@ 23 Aug 2010
Australian Dollar (AU\$)	1.00	=	Solomon Islands Dollar (SB\$)	6.97687	@ 23 Aug 2010

MAP OF SOLOMON ISLANDS



Source: Emergency Project Paper for a Rapid Employment Project (World Bank, 23 March 2010)

ROADS IN HCC JURISDICTION AND POPULATION DENSITY



Source: From REP Environmental & Social Management Guidelines (March 2010)

INTRODUCTION & PURPOSE OF THE MANUAL

PURPOSE OF THE PROJECT OPERATIONS MANUAL

The Rapid Employment Project (REP) Operations Manual (POM) is a practical guide for those organisations and individuals responsible for REP implementation. The POM sets out the context for the project: the objectives, components, activities and expected results; and the management framework: the procedures, criteria and formats to be followed by all implementation agencies and REP Management Team (MT) staff.

After this introduction, the Project Operations Manual has a further nine sections:

- ⇒ **Section II. Summary of the Project:** Describes the objective, components, project period, overall budget and implementing agencies.
- ⇒ **Section III. Project Management Structures:** Describes the management structures – the project staffing and reporting arrangements, which is responsible for what, how the different components will be coordinated, and how direction and oversight are to be provided.
- ⇒ **Section IV. Implementation of Component 1, Rapid Employment Scheme (RES):** Details the processes, timings and responsibilities for implementation of Component 1; the delivery of labour based road maintenance and community works by Ministry of Infrastructure Development (MID) and Honiara City Council (HCC).
- ⇒ **Section V. Implementation of Component 2, Pre-Employment Training (PET):** Details the basic life skills training to be provided to approximately 7,500 participants in the labour-based works delivered in Component 1.
- ⇒ **Section VI. Implementation of Component 3:** Describes the procedures for project management; staffing, support services and facilities.
- ⇒ **Section VII. Procurement Procedures to be used:** Describes the responsibilities of the two implementing agencies and the project staff and procedures for the preparation, issue, evaluation, award and management of tenders for small works, goods and consultants (individual and firms); the forms of contract, preparation and updating of procurement plans and World Bank requirements.
- ⇒ **Section VIII. Community Works:** Honiara City Council will undertake labour intensive urban works and services using community work groups that are identified by either communities or by HCC
- ⇒ **Section IX. Financial Management Procedures to be used:** Describes the responsibilities of the two implementing agencies and the project staff; disbursement procedures, bank accounts and system for replenishing accounts; the financial management, reporting and software systems.
- ⇒ **Section X. Environmental and Social Management Guidelines:** Summarizes and refers to the separate Environmental and Social Management Guidelines and the key procedures to be followed by the REP.
- ⇒ **Section XI. Monitoring and Evaluation:** Provides the REP Results Framework and key performance indicators; describes the means for monitoring and reporting inputs, outputs, outcomes and impacts; and for collecting M&E/MIS data.

The POM Annexes are contained in a separate document and provide: Terms of Reference for staff and activities; standard formats and templates to be used for administration, financial and progress reporting; the REP Procurement Plan and 5-Year budget; M&E data collection matrix and other documents to be used by implementing agencies, project staff and firms.

SUMMARY OF THE PROJECT

OBJECTIVE AND COMPONENTS

The objective of the Rapid Employment Project (REP) is to:

- a. Increase incomes of the urban poor through the provision of short term employment; and
- b. Improve their knowledge, experience and basic employment skills that are valued in the work place and society.

The REP will target urban and peri-urban poor, specifically those households living below the Basic Needs Poverty Line¹, and expects to reach at least 30 percent of the poorest households. It is expected that the beneficiaries will include at least 50% youth (ages 16 to 29) - considered to be a potential source of social unrest—and also support equitable gender participation. The REP will emphasize the participation of urban youth and women. Secondary benefits will accrue to the target communities/neighbourhoods and the general urban population from the infrastructure and services that are provided through the Rapid Employment Scheme (RES).

The REP has three components. The first component has two sub-components:

- 1 Component 1: Rapid Employment Scheme (RES);
 - a. Sub-Component 1a: Road Repair and Maintenance,
 - b. Sub-Component 1b: Urban Works and Services,
- 2 Component 2: Pre-Employment Training (PET); and
- 3 Component 3: Project Management.

OVERALL BUDGET²

SUMMARY REP BUDGET AND FINANCING BY COMPONENT (US\$)

REP Budget and Financing by Component	Financing Source			Total	% of Total
	IDA	SPF	PRIF		
1. Rapid Employment Scheme					
a. Road Repair & Maintenance	965,000	210,000	1,662,730	2,837,730	39%
b. Urban Works and Services	1,398,249	1,075,000	114,410	2,587,659	36%
2. Pre-Employment Training	519,550	286,200	0	805,750	11%
3. Project Management					
a. Ministry of Infrastructure Development	50,000	129,535	128,001	307,536	4%
b. Honiara City Council	167,201	174,535	0	341,736	5%
4. Unallocated	100,000	124,730	95,270	320,000	4%
Total US\$ million	3,200,000	2,000,000	2,000,411	7,200,411	100%
Percentage of Total	44%	28%	28%	100%	

¹ As defined by the *Household Income Expenditure Survey (HIES) 2005/06*; Solomon Islands Statistics Office (2008).

² The source of the following three tables is the Emergency Project Paper for a Rapid Employment Project, World Bank, 23 March 2010

SUMMARY REP BUDGET BY COMPONENT & EXECUTING AGENCY (US\$)

	Executing Agency			Total
	MID	HCC	WB	
1. Rapid Employ Scheme				
a. Road repair & maintenance	2,837,730			2,837,730
b. Urban works & services		2,587,659		2,587,659
2. Pre-employment training		805,750		805,750
3. Project Management				
a. Ministry of Infrastructure Development	224,411		83,125	307,536
b. Honiara City Council		246,111	95,625	341,736
4. Unallocated	210,000	290,000		320,000
Total (US\$)	3,272,141	3,929,520	178,750	7,200,411
Percent of Total	45%	55%	2%	

SUMMARY REP BUDGET AND FINANCING BY EXPENDITURE TYPE (US\$)

	Financing Source			Total	% of Total
	IDA	SPF	PRIF		
1. Works	500,000	800,000	693,168	1,993,168	28%
2. Goods	245,000	42,000	85,925	372,925	5%
3. Technical Assistance	1,650,000	776,270	1,065,548	3,491,818	48%
4. Training	20,000		20,000	40,000	1%
5. Sub-grants	635,000	225,000		860,400	12%
6. Operating costs	50,000	32,000	40,500	122,100	2%
7. Unallocated	100,000	124,730	95,270	320,000	4%
Total (US\$)	3,200,000	2,000,000	2,000,411	7,200,411	100%

PROJECT PERIOD

The REP will be implemented over five years from 2010 to 2015. It is expected to close on June 30, 2015

IMPLEMENTING AGENCIES

Component 1a. Rapid Employment Scheme, Road Repair and Maintenance will be implemented by the Ministry of Infrastructure Development. REP activities will be managed by a TA Project Manager who will report to the Director, Transport Infrastructure and Management Services (TIMS). The Under Secretary (Technical) will provide overall guidance and coordination. RES activities will be closely integrated with MID's Community Sector Programme that commences in mid 2010. The REP MID Management Team will be located in MID's main HQ building in Honiara.

Component 1b. Rapid Employment Scheme, Urban Works and Services will be implemented by the Honiara City Council. REP activities will be managed by a TA Project Manager who will report to the Director of Works. The RES activities will build on and scale

up HCC's existing Community Works Programme. The REP HCC Management Team (MT) will be located in offices immediately behind HCC's HQ building in Honiara.

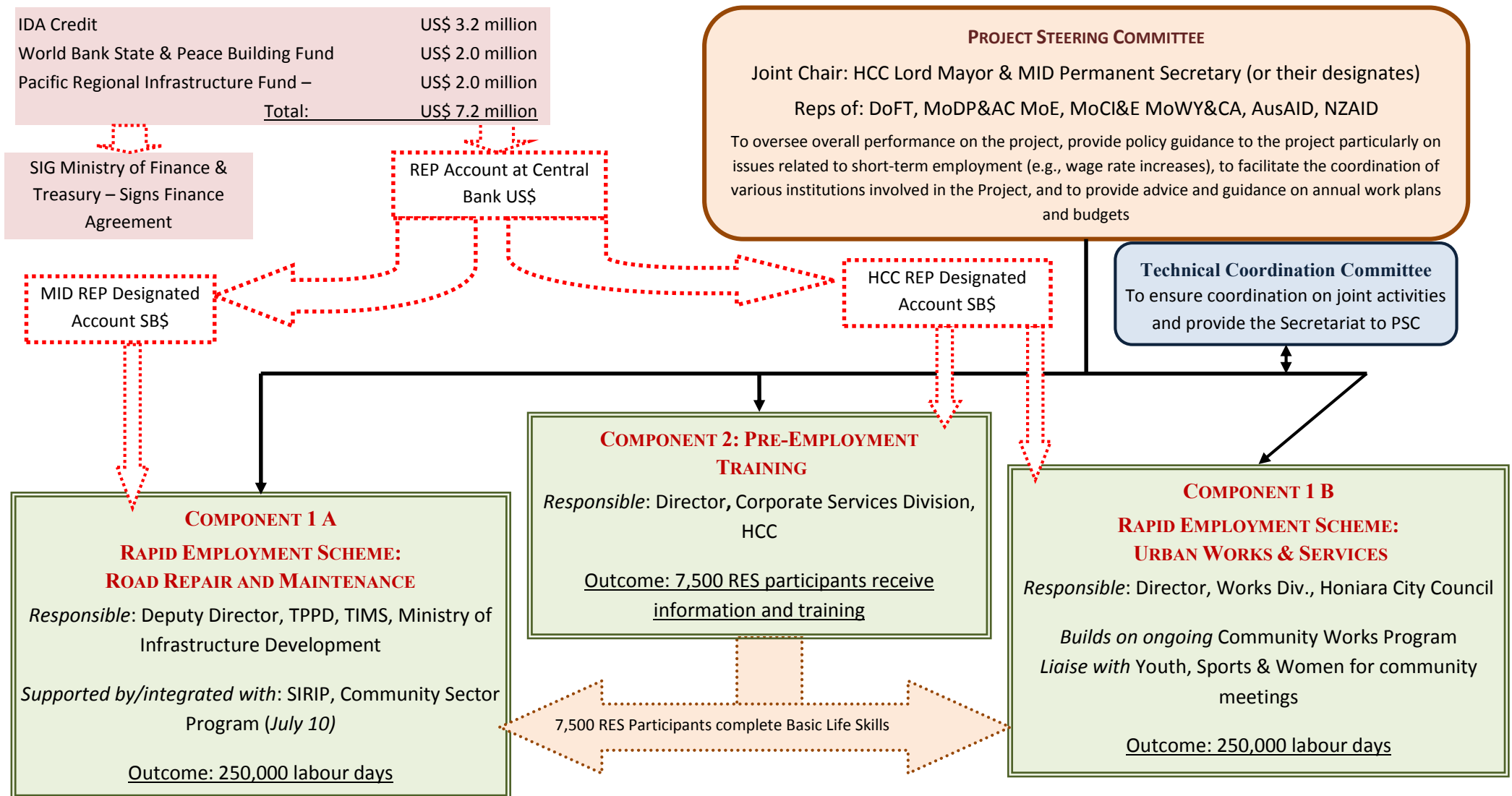
Component 2. Pre-Employment Training will be implemented by a Consulting firm employed and administered by HCC and operating out of the consultant's premises in Honiara. The PET Consultant's representative will attend coordination and forward planning meetings organised by the Technical Coordination Committee (See Section 3). Contract administration will be provided by HCC's Corporate Services Department, who are responsible for the performance of the PET Consultant.

Component 3. Project Management. Honiara City Council and the Ministry of Infrastructure Development are responsible for securing, supervising and ensuring proper performance of individual consultants employed separately by each of HCC and MID who will make up the MTs for each implementing agency respectively. HCC and MID will provide³ the office space, furniture, equipment and vehicles for their Management Teams.

0 on the following page provides an overview of the REP organisation, components, funding and management arrangements and main results.

³ Funds for these purchases are included in REP budget estimates.

RAPID EMPLOYMENT PROJECT ORGANIZATION, FUNDING & COMPONENTS



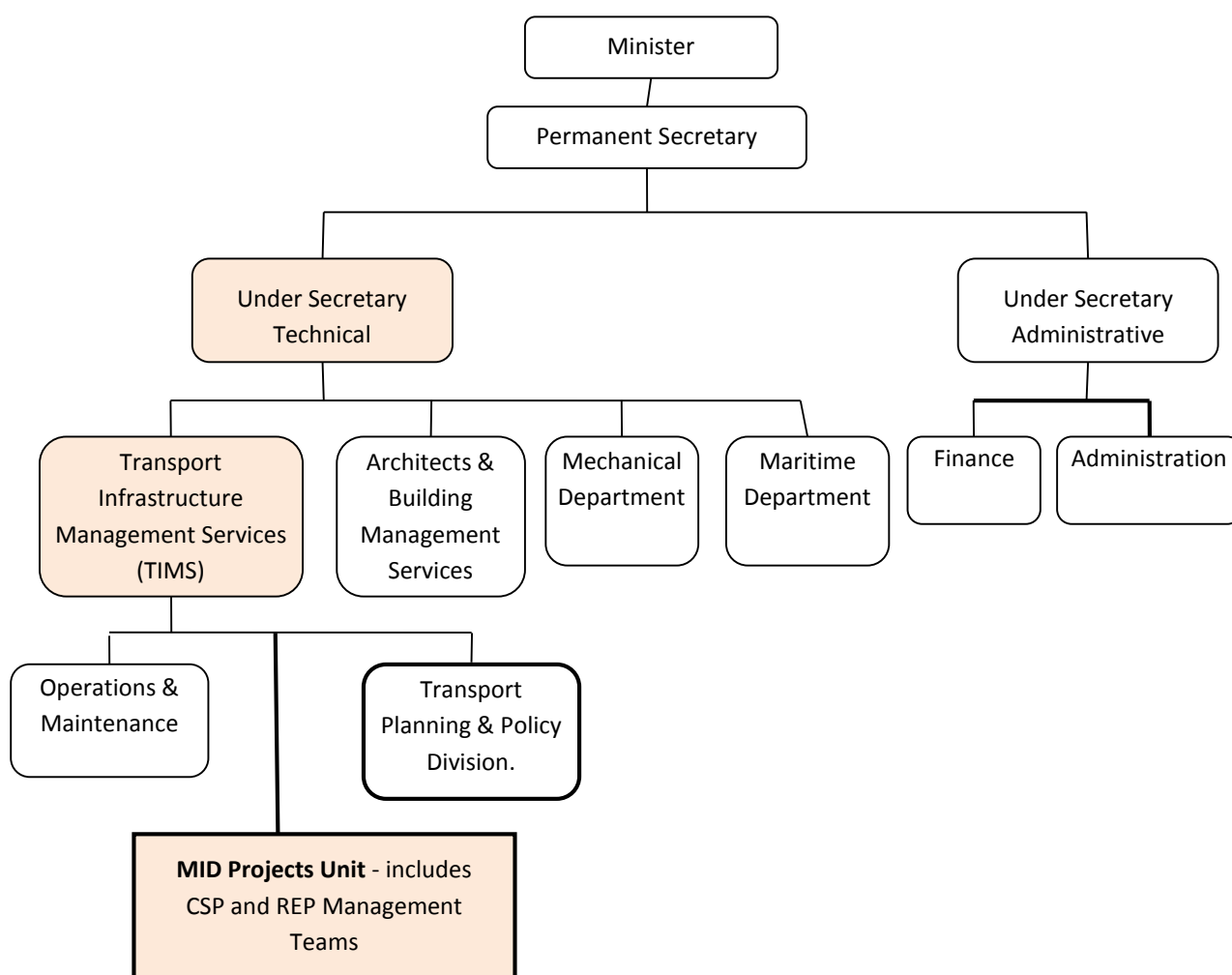
PROJECT MANAGEMENT STRUCTURES

IMPLEMENTING AGENCIES

Ministry of Infrastructure Development

The organisational structure of MID is provided in below.

MID ORGANISATIONAL STRUCTURE⁴



The MID operates within the context of the Solomon Island Government's (SIG) 4-Year (2006-2010) Medium Term Development Strategy. A 20-year National Transport Plan has been developed and is currently under review. The SIG Financial Year is 1 January to 31 December. The annual budget preparation starts in August each year and is completed by 30 September, being approved and submitted by end October. The Ministry operates a recurrent and a development budget. Externally financed projects are usually integrated in the development budget. SIG has a project approval process with the Ministry of Planning and Aid Coordination being the lead coordinating Ministry.

MID is implementing the Asian Development Bank funded Solomon Islands Road Improvement Programme (SIRIP). A contracted TA firm⁵, based in MID offices adjacent to

⁴ MID formally took over responsibility for the maintenance of all roads in Honiara in 2007

⁵ Cardno Acil in association with Labour-Based Engineers.

their HQ, is providing project implementation support. With the support of SIRIP, MID has developed⁶: a Contract Administration Manual, a Procurement Manual, a Quality Control Manual (Roads & Bridges), and a Specification for Road Maintenance. The SIG Financial Instructions 2004⁷ recognise the MID SIRIP Procurement and Contract Administration manuals. SIRIP uses an MYOB based project accounting system and has produced a Financial Management (FM) and Accounting Manual (see Annex 11.)

The Procurement Advisor working in the SIRIP Consultant's team will support REP activities for a time commensurate with the SIRIP project procurement load.

Generally, MID contracts out the maintenance, rehabilitation and construction of roads and bridges. The MID is using standard tender documentation for procurement of local contractors to undertake labour intensive road maintenance. Recent tenders have had up to 10 small contractors submitting bids. The FIDIC (Short Form) Conditions of Contract are used. Forms for consent of community leaders involved in provision of community labour are included in the tender documents. These contracts involve routine maintenance works such as (indicative):

- a. Removal of litter and other road debris (every three months);
- b. Vegetation trimming and removal (every three months);
- c. Grub vegetation and disburse gravel on centre of road. (every six months);
- d. Clear road side and mitre drains (every six months);
- e. Clear structures and their waterways (every three months);
- f. Pothole and other pavement repairs (whenever required);
- g. Grub and reshape unsealed pavement (whenever required); and
- h. Install Scour Checks.

MID will offer to all interested contractors a training workshop aimed at building local capacity ensuring better bids. There are two parts to the training: i) training and information about making a bid, calculating rates, etc; and ii) technical information on how to do the works specified, the quality requirements, etc. The training would not be mandatory or serve as a pre-qualification mechanism for contractors. It will help to develop awareness, transparency and more competition amongst contractors. The training MID currently offers for this purpose under SIRIP would need to be modified in accordance with the REP's objectives

Honiara City Council

Honiara City Council is established by the Honiara City Act 1999. It is responsible under its founding mandate to the Ministry of Home Affairs, who approve HCC's annual budget estimates. However HCC is not required to comply with SIG systems; for instance SIG financial instructions or use the Central Tender Board for procurement over SB\$ 500,000 – although it chooses to follow SIG Financial Instructions where appropriate. HCC follows the SIG financial year and has similar timing and processes for preparation and approval of its annual budget – except that the budget is passed and adopted by a full meeting of the Council around October each year before submission to the Home Affairs Minister.

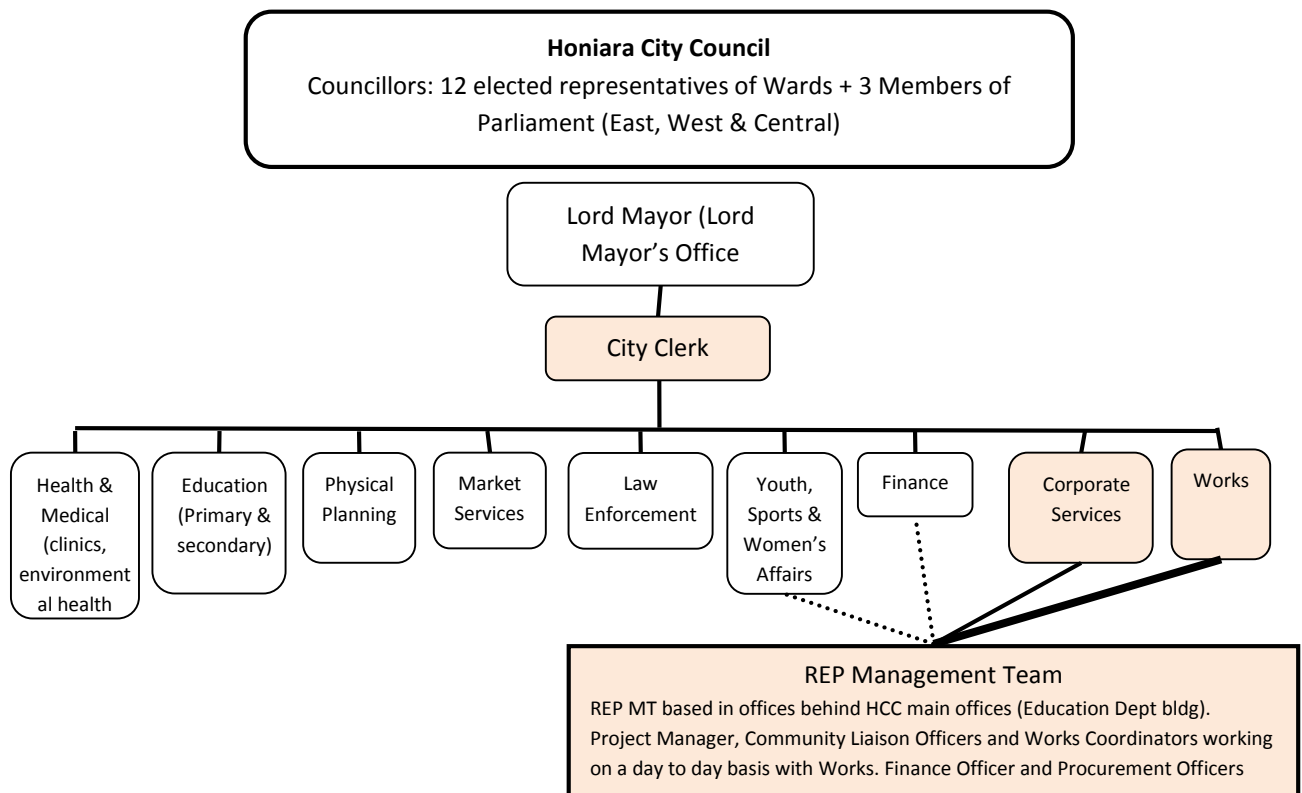
⁶ All dated December 2006.

⁷ The Financial Instructions 2004 are a code of instructions on accounting matters applicable to all officers in the service of Solomon Islands Government (including HCC). Financial Instructions are issued by the Permanent Secretary, Ministry of Finance under the direction of the Minister of Finance under Section 6(2) of the Public Finance Act. The Financial Instructions are regularly updated by Amendments.

HCC's performance and capability was devastated during the "Tensions" (1998-2003). Two years ago it started a process of re-building its ability to mobilise resources, provide services to residents and manage its affairs competently. It has made significant progress, both in increasing revenues and in improved delivery of services. HCC is receiving support from the New Zealand Government through the Commonwealth Local Government Forum project for the in-line posts of City Clerk, Director Works and Director Corporate Services, as well as having TA financial management support.

The organisational structure of HCC is provided in below.

HCC ORGANISATIONAL STRUCTURE



HCC have developed a Community Works Programme that provides grants to communities to either: a) pay community groups to carry out simple local projects identified by HCC; b) provide materials, money or other resources to support communities in carrying out projects they identify and bring forward to HCC. The Community Works Programme is managed by HCC's Works Department and under takes a variety of works that will be scaled up through the RES:

- Restoration of community access footpaths and construction /repair of steps (leading to down or up to settlements);
- Construction/repair of drains and drain de-silting;
- Rubbish / litter collection;
- Grass cutting, trimming road edges, cutting back vegetation, landscaping and beautification works; and
- Daily and cyclical street cleaning of Central Business District and main roads.

PROJECT STEERING COMMITTEE – ROLE AND RESPONSIBILITIES

The REP Project Steering Committee (PSC) will be jointly chaired (on an alternating basis) by the City Clerk and MID Permanent Secretary (or their designates) and will be composed of⁸: Permanent Secretaries of the Ministries for Finance and Treasury, Home Affairs, Development Planning and Aid Coordination, Environment, Commerce Industry and Employment,; one representative of the key development partners working with each agency (AusAID, New Zealand, and/or ADB); and other agencies as deemed appropriate by the Committee. Terms of Reference for the REP PSC are in Annex 1; the relationship between the PSC and other organizational units is illustrated in 0.

The REP Steering Committee's responsibilities are to initiate, promote and provide overall direction and decision-making authority to the three components of the REP:

- ⇒ Provide guidance to the REP on relevant policy issues;
- ⇒ Review and endorse the REP's annual plan and budget;
- ⇒ Review and comment on the REP's quarterly progress reports;
- ⇒ Discuss and facilitate critical decisions for the implementation of components;
- ⇒ Review and where necessary act on annual audit reports and recommendations;
- ⇒ Review and act on World Bank supervision reports;
- ⇒ Support media and other communication events as necessary; and
- ⇒ Facilitate relevant inter-institutional linkages and coordination.

The PSC does not have the authority to direct the project to undertake activities or finance expenditures that are not consistent with and supportive of the objectives of the REP nor the legal obligations of Solomon Islands Government and implementing agencies with the World Bank for this project.

The PSC will meet quarterly for the first 2 years of the project, on a twice yearly basis thereafter and additionally if deemed necessary and called for by either chairs. One reason for meeting on a quarterly basis is the importance of ensuring good coordination between the quarterly work programmes of HCC and the annual work programme of MID. If it is found that this level of oversight is not required the PSC could decide to move to twice per year meetings.

The REP MID and HCC Project Managers will agree between themselves (in consultation with the Under Secretary MID and City Clerk HCC) how secretariat support will be provided to the PSC by the two MTs - how PSC meetings are arranged, where located and how proceedings are recorded. The relationship between the PSC and other organizational units is illustrated in 0.

TECHNICAL COORDINATION COMMITTEE – ROLE AND RESPONSIBILITIES

A Technical Coordination Committee (TCC) will be established. The TCC will ensure good coordination and forward planning for MID and HCC (and other affected parties) on joint activities such as the MID road maintenance and HCC sub-grant works, pre-employment training, community sensitization, review of safeguard procedures, financial management advisory services and monitoring efforts.

The TCC will consist of the two (HCC and MID) Project Managers, Finance and Procurement Officers, Community Liaison Officers and a representative of the PET Consultant. The HCC

⁸ Or delegates of.

Director of Works and MID Director of Transport Infrastructure Management Services will be invited to and attend meetings, should they deem necessary. The TCC meetings are working sessions. Additional technical staff will be invited (depending on the meeting agenda) as needed. It is suggested that the World Bank Operations Officer resident in Honiara is invited to attend TCC meetings as an observer at least in first year, to assist with clarification of Bank procedural issues and to improve communications between relevant task team members, the project and the two implementing agencies.

The TCC will, initially, meet on a monthly basis but may, at the early stages of project implementation, meet more frequently if necessary. The meetings will provide detailed forward planning and coordination for the MID and HCC works programmes and the linked community sensitization, pre-employment training and other project activities. Although MID road maintenance works will be planned and implemented through a rolling annual programme, HCC community works will be planned and implemented on a quarterly basis. There is, therefore, a need to integrate activities and forward plan on a quarterly basis. Initially, there is likely to be a demand for daily and weekly coordination. It will be particularly important to ensure that:

- a. There are no clashes or overlaps between the two implementing agencies works programmes in the same wards or neighbourhoods;
- b. There is an equitable (fair) distribution of works over Honiara's 12 local government wards and 3 parliamentary constituencies;
- c. The sequencing of linked activities proceed as smoothly and cost effectively as possible; and
- d. All parties involved and affected are properly briefed and consulted.

IMPLEMENTATION OF COMPONENT 1: RAPID EMPLOMENT SCHEME

COMPONENT OBJECTIVE, PRINCIPLES & CRITERIA FOR IMPLEMENTATION

Component 1 (estimated at US\$5.4 million): **Rapid Employment Scheme (RES)** will provide short-term temporary employment opportunities for the urban poor through labour-based public works – i.e., a wage transfer to vulnerable urban populations. This component will consist of the following two sub-components: Sub-Component 1A): Road Rehabilitation & Maintenance implemented by MID; and Sub-Component 1B): Urban Works and Services, implemented by HCC. The combined programmes are expected to generate approximately 500,000 labour days over the life of the REP. The project will prioritize the participation of vulnerable women and youth, with at least 50 percent of project beneficiaries coming from these groups.

MID AND HCC RESPONSIBILITIES FOR IMPLEMENTATION OF COMPONENT 1

Ministry of Infrastructure Development, through its **Transport Infrastructure Management Services (TIMS)**, is responsible for implementation of **Sub-Component 1A, Road Repair and Maintenance**. The RES will work through local works contractors, and is expected to generate approximately 250,000 labour-days over the course of the project. This sub-component will focus on the 105 kilometres of the tertiary, unpaved “spur” roads in and around Honiara⁹ that have been inventoried by HCC. The repair and maintenance of these roads will have an estimated level of 50% or more of labour content. This proposed work is consistent with the National Transport Plan that gives priority to maintaining the existing road network (over constructing new roads). The short links between housing areas and the main urban (paved) network have an important access function for a large number of Honiara residents and as such serve an important social and economic purpose for these people.

It is expected that a larger part of these unpaved roads will require significant repair work to bring them back into a maintainable condition mainly by restoring positive drainage through road-side drainage ditches, cross drainage, turn-outs, and scour checks for erosion on sensitive steeper sections, and formation of camber on the road. While repair works of the drainage system (including camber) are often done using machines, or a combination of labour and machines, the REP will apply labour intensive methods, using appropriate machinery for compaction only. Regular road maintenance work will be carried out on all restored roads as well as those that are found (through the condition survey) to be in acceptable condition. **It is estimated that repair work will generate approximately 150,000 labour-days while regular maintenance for the four-year implementation period will provide an additional 100,000 labour days.**

In the first year it is expected that MID will put out to local (National Competitive Bidding) tender for two 12 month contracts. Depending on the most effective “packaging” of road maintenance works, the number of 12 month local contracts put out to tender for implementation in the 2nd, 3rd, 4th and 5th years could be between 2 and 4. The total number of 12 month contracts put out to tender during the 5 year REP period will, therefore, be around 12-15.

Honiara City Council is responsible for implementation of **Sub-Component 1B, Urban Works and Services**. HCC, through its **Works Department**, will arrange sub-grants to

⁹ This does not include an estimated additional 23 kilometres of roads immediately outside the Honiara city boundaries that may generate up to an additional 50,000 labour-days of rehabilitation and maintenance work.

community groups, and supervise work carried out by community groups. The Works Department will supervise activities that require minimal technical design and supervision input, such as restoration of footpaths, construction of stairs (leading to settlements) construction/repair of drainage, rubbish collection and street cleaning activities. It is expected that the HCC will programme implementation of public works generating a targeted 250,000 days of temporary employment over five years. Preliminary programmes have already been identified as illustrated in the below.

HCC Proposed Urban Works Programmes

Rubbish Collection & Street Cleaning. HCC will expand their current general clean-up programme, targeting poorer communities such as Mataniko River, and extend to new activities such as river, stream and costal area clean-up. Community groups will be directly hired and supervised by the Works Division; groups will be employed on a daily basis in designated areas in each Ward. Roads will be scheduled for regular maintenance with high use roads being done every day and outside roads approximately every 2 weeks. It is expected that 2-3 groups of 20-30 will be engaged at any one time for these types of activities. Supervision requirements for these activities are low as the work completed can be measured easily and a head-count of workers done once a day. These activities can be expanded immediately based on current systems and capacity and it is estimated that they could generate up to 25,000 labour-days of work per year.

Community Works. HCC's existing Community Works Programme focuses on verge brush cutting, minor drain cleaning and local field slashing. This will be expanded under REP and additional emphasis shall be put on regular road maintenance and expanding the works to more remote locations. Close coordination with MID will therefore be required to delineate between these expanded works and those activities under sub-component 1.A. Existing Community Works Programme procedures will be applied under this component and contract amounts may be increased to cater for the expansion to include minor drainage works. The Works Division will oversee this expansion to generate an estimated 23,000 labour days per year. Assuming a community group size of approximately 30, it's estimated that an average of four community groups will be working fulltime.

Access improvements. HCC will initiate projects in drainage and pedestrian access in communities in and around Honiara. While smaller projects can be designed and managed directly by the Works Division. The Works Division will also need to develop an asset management system and annual (rolling) work plans, to plan and prioritize infrastructure improvements and to assess and quantify interventions. Standard designs and specifications will be developed by the REP Project Manager who will also be responsible for directly managing the project within HCC. Community groups will be employed on a daily basis for these activities. Ideally the local community that will benefit from the infrastructure will be the group that carries out the work. The paths are to be constructed to a design and technical specification as detailed by the Director of Works Division. It is anticipated that HCC will have 1 group of 40 working at any one time to generate an estimated 5,750 labour-days per year.

Beautification. Additional areas of work include city beautification activities such construction of concrete walkways to painting of existing pavements and cleaning and minor improvements of public buildings and creating new landscape areas.

Traffic Monitoring and Recording. HCC proposes to employ groups of people to monitor traffic over fixed periods of time (e.g., 24 hours over a two-week interval) to generate information that will be useful for future town planning and traffic regulation. Traffic counts will record the number of vehicles, buses, pedestrian traffic along the highway and feeder road junctions. This information could also be used for assessing project impacts related to road repair and maintenance investments. This activity is likely to involve 30-40 people at any one time.

SPECIFIC PROCEDURES FOR CONTRACTING UNDER COMPONENT 1.A

Procedures for contracting under Component 1A will apply standard SIG procurement procedures for NCB, with relevant and agreed upon adaptations to Government systems and SBDs as outlined in Annex 14.

The purpose of routine maintenance is to prolong the life span of the road, delaying major repair works. A key objective is to ensure positive drainage of the road - this means maintaining an effective camber, a functional side and cross drainage and turn-outs (mitre drains) to carry surface water away from the road.

Estimates of worker-day outputs and estimated worker-days generated by types of routine maintenance work activities per kilometre and year will be calculated as a basis for developing the Bills of Quantity. These estimates are based on the Community Support Programme feeder road routine maintenance experience, which are subject to change, depending on work organization and actual quantities.

The procurement procedures (more fully described in Section 7) are to be carried out under the leadership responsibility of the REP MID Project Manager, within a newly created Projects Unit that will also house an AusAID funded TA to support on-going Community Sector Programme work and to start centralizing the project work for which MID is the implementing agency. This will involve overall guidance and coordination by the Under Secretary (Technical) MID and close (day-to-day) consultation with and supervision by the Director, MID Transport Infrastructure Management Services to ensure good coordination and integration with other MID roads programmes including the SIRIP and the Community Sector Programme.

SPECIFIC PROCEDURES FOR CONTRACTING OR GRANTS UNDER COMPONENT 1.B

The HCC works programme will be implemented directly by the HCC Works Department, scaling up its existing Community Works Programme and using the system for delivery of that programme – **direct payment of grants to community groups for works completed according to agreed rates**. Community groups will complete an Agreement for Community Works (see Annex 15) that identify group members (disaggregated by gender/age and home province) and group representatives responsible to ensure that all participating members enjoy the benefits fairly. Basic criteria for review, evaluation and selection of Community Works are described in the Table below. Procedures for review, evaluation and selection of Community Works are contained in Section 8. Procedures for Community Works Applications are contained in Annex 15.

Within 1 month of commencement of the REP, the criteria for review, evaluation and selection of Community Works by HCC will be scrutinised by the HCC REP Management Team, discussed with the Director of Works and City Clerk, and amended as agreed,

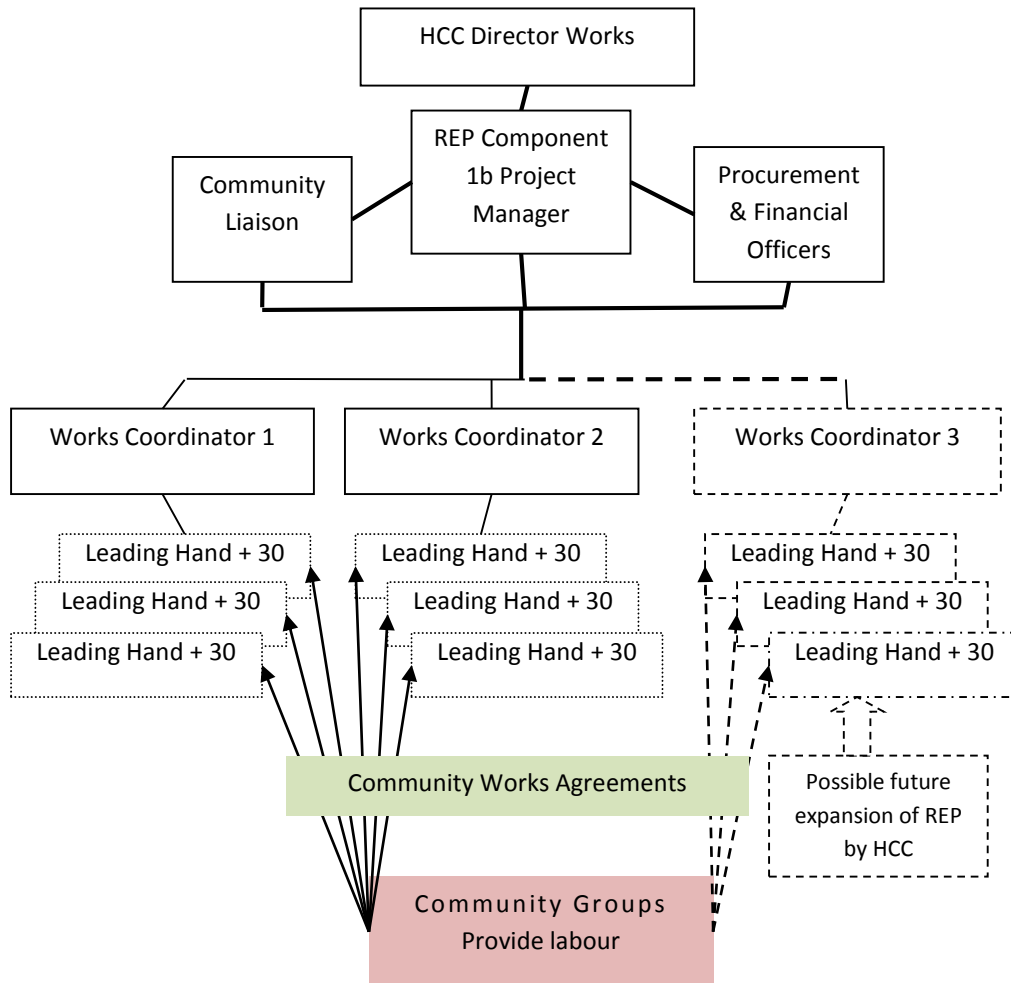
CRITERIA FOR REVIEW, EVALUATION AND SELECTION OF COMMUNITY WORKS

No.	Criteria	Result	Action to be taken
1.	Agreement for Community Works		
1.1	Is the Agreement Form completed fully?	Yes/No	
1.2	Is the Statute of Declaration signed and dated?	Yes/No	
1.3	Is the Counsellor's Endorsement signed, dated and affixed by a known Counsellor?	Yes/No	
1.4	Has the Community Liaison Officer signed and dated?	Yes/No	
1.5	Are the works approved by the Director of Works or City Clerk?	Yes/No	
2	Description of Works		
2.1	Do the works proposed have a direct benefit to the community?	Yes/No	
2.2	Do the works proposed contribute to the REP Key Performance Indicators?	Yes/No	
2.3	Do the works contribute to the HCC Community Works programme for the period?	Yes/No	
3	Participants		
3.1	Were participants identified by local community leaders (with input from works contractors under component 1.a)?	Yes/No	
3.2	Is there equitable access for men and women?	Yes/No	
3.3	Are all participants healthy; are participating on a voluntary basis; agree to undertake the pre-employment training and work for the Rapid Employment Scheme?	Yes/No	
3.4	Are all the participants clearly identified by name, gender and age group?	Yes/No	
3.5	Are the group representatives clearly identified?	Yes/No	

Community projects may be identified by community groups who identify small works project benefiting their community or by HCC as a labour intensive priority project involving community/group labour.

The HCC Director Works will provide overall direction and coordination with HCC's other programmes. The HCC REP Project Manager and Community Liaison Officers will play leading roles throughout; supported by the Procurement and Finance Officers as required, with the REP MT Works Coordinators involved in field level supervision and coordination. The approaches that will apply are illustrated in 0 below,

HCC REP ORGANISATION FOR SMALL COMMUNITY WORKS



IMPLEMENTATION OF COMPONENT 2 – PRE-EMPLOYMENT TRAINING

COMPONENT OBJECTIVE, PRINCIPLES AND CRITERIA FOR IMPLEMENTATION

The objectives of the Pre-Employment Training are to provide up to 7,500¹⁰ Component 1 RES participants with information and training that will support their effective participation in the RES, and provide additional knowledge, skills and attitudinal change related to their overall health, safety and other work skills that will increase their value in the work-place and society at large.

The HCC will be responsible for Component 2, which will be implemented by a firm or NGO hired as the REP's training consultant; reporting to the HCC's Director for Corporate Services Division. The PET will be outsourced to a training consultant firm recruited by HCC through an open and competitive process. Draft Terms of Reference are contained in Annex 6. The responsibility in HCC for overseeing and securing approvals where required will be the Director Corporate Services. The steps leading to contract award are summarized as follows:

- a) Invitation to submit Expressions of Interest published in press;
- b) Development of the Request for Proposals;
- c) Issue the invitation to bid;
- d) Undertake a technical evaluation of proposals;
- e) Convene an award committee to review the proposals; and
- f) Award the bid, sign contract and commence delivery of services.

The Pre-Employment Training (PET) component will provide about 7,500 RES participants with information and training to help ensure job-site safety, appropriate work habits, and to promote general knowledge and skills valued in the community at large. The principle purpose of the component is to support a smooth transition into the labour-intensive works activities under Component 1 of the project. In addition, the training is geared to supporting changes in lifestyle, values, and behaviours that will lead participants to more productive and socially responsible lives. Each new participant selected for the RES will be required to satisfactorily complete the basic life skills pre-employment training course prior to being engaged for employment under the project. An indicative curriculum for the PET is shown in below.

INDICATIVE CURRICULUM FOR PRE-EMPLOYMENT TRAINING PROGRAMME

Personal <ul style="list-style-type: none">o managing expectations and emotionso admitting one's own faultso seeking cooperation with otherso taking personal responsibility for one's behaviouro developing confidenceo respect for self and others	Health <ul style="list-style-type: none">o substance abuse preventiono importance of nutritiono STD/HIV/AIDS preventiono healthy relationships with spouses, children and otherso one's right to decide about health issues
Problem solving <ul style="list-style-type: none">o making decisions in lifeo short and long-term goal setting	Gender and Diversity <ul style="list-style-type: none">o respect for differenceso tolerance

¹⁰ It is assumed that 7,500 participants will provide an average of approximately 50 labour-days work on the REP work programmes. A little under half of whom – who will not go through the PET a second time – providing a further 50 labour-days input during the REP 5-Year period.

<ul style="list-style-type: none"> o managing conflicts o reducing bullying 	<ul style="list-style-type: none"> o values o sexual harassment – your rights and options
Community and environmental awareness <ul style="list-style-type: none"> o environmental awareness o importance of maintaining quality o home and community living space 	Community Service <ul style="list-style-type: none"> o importance of civic responsibility o community service and volunteering
Financial skills and management <ul style="list-style-type: none"> o importance of saving - use of savings and checking accounts o how to get out of debt o getting insurance) 	Seeking Employment <ul style="list-style-type: none"> o how do you get a job - applying and interviewing for employment o appearances are important - dressing for the interview o workplace protocol o use of timecards and sign in procedures
Workplace Safety: <ul style="list-style-type: none"> o understanding the use of safety zones around dangerous equipment and activities o using defensive safety habits o use of safety clothing o use of safety equipment o handling dangerous liquids and other materials o playing and roughhousing on the job – effects on safety o importance of maintaining clean and tidy work stations o property security (use of locks and secure areas) o personal security (one the job, coming to and leaving work, how to report occurrences) 	Supervisor – Employee Relations <ul style="list-style-type: none"> o importance of teamwork o taking pride in a job well done o understanding and respect for authority o effective time management o anger management and problem resolution o workers’ responsibilities and rights o understanding reasons why workers are dismissed
Basic Training in the Use of Hand Tools <ul style="list-style-type: none"> o tool names, nomenclature and use o practical exercise in the use of hand tools o handling hand tools safely o tool maintenance, security and storage 	Community Organizations and their Role in the REP <ul style="list-style-type: none"> o responsibilities of committees and individuals o pricing and wages for services provided o labour teams - issues related to selection and employment

CRITERIA FOR SELECTION OF PARTICIPANTS

The criteria for selection of the estimated participants in the REP are:

- Participants are identified by local community leaders – in consultation with works contractors under Component 1a;
- Equitable access for men, women and youth (under 30); and
- That all participants are healthy; are participating on a voluntary basis; agree to undertake the pre-employment training and work for the Rapid Employment Scheme.

ROLES AND RESPONSIBILITIES OF THE PET CONSULTANT

The role and responsibilities of the PET consultant are described in the TOR in Annex 6. The performance of this consultant will be measured through established criteria specified in these TORs and summarized below. Activities and outputs will be reported on by the consultant and monitored by the project management team. The following indicators will be considered during that process:

- As compared to the initial enrolments, the number/percentage of persons who complete the training class;

- b. The number/percentage of participants who state that they are satisfied with the training programme, and have demonstrated programme success as measured by class records and a final PET questionnaire (administered at end of training through an exit interview);
- c. Based on regularly scheduled survey of works contractors and community groups that hire youth and adults under the RES, the level of satisfaction with the training received; and
- d. As compared to the initial number of identified participants with serious values/behaviour problems, the percentage of those who were successfully supported through counselling and behavioural modification, retained in the class, and finally enrolled and completed the RES;

The PET component is designed to help address many of the socially unacceptable values and behaviours found in disadvantaged populations, before they are placed into the RES where employers will have less time or tolerance for such behaviours. The PET consultant will provide a professional counselling service for trainees in support of these aims.

It is estimated that each class will be receive about 30 training hours offered over a period of one week (6 hours a day); and that a total of 250 classes will be offered to project participants over a five year period. Each class will enrol 20-40 participants with an expected average of 30. The following schedule of training programmes is envisioned:

INDICATIVE SCHEDULE OF TRAINING PROGRAMMES¹¹

	Year 1		Year 2		Year 3		Year 4		Year 5	
Half year	1 st 1/2yr	2 nd 1/2yr	1 st 1/2yr	2 nd 1/2yr	1 st 1/2yr	2 nd 1/2yr	1 st 1/2yr	2 nd 1/2yr	1 st 1/2yr	2 nd 1/2yr
# Classes	15	26	28	28	28	28	28	28	26	15

Each class will be taught by a single trainer; however the consultant hired to provide the training will have the option to use specialized trainers for different modules/sessions within the course. If this last approach is chosen, a team of trainers may teach several classes at one time, rotating the specialized trainers into each class at an appropriate time. Each trainer will be a well-qualified teacher with demonstrated experience in a classroom working with disadvantaged students. Each participant will also have access to the services of a professional counsellor. This counsellor will be focused on the identification and alleviation of personal issues, and dysfunctional attitudes, values and behaviours that could be a barrier to success in the RES and sustainable employment for that participant.

The PET Consultant firm will also be responsible for sensitizing participating communities about the REP, and in orienting community groups about the arrangements under the REP and their specific responsibilities regarding participant selection and wage distribution. In addition, the consultant will be responsible for collecting baseline socio-economic data on participants (see Annex 6).

The PET Consultant will be responsible to execute the entire component; as indicated below.

¹¹ The frequency and scheduling of the 5-day training courses will need to be carefully coordinated by the two MTs in the Technical Coordination Meetings and with the MID Works Contracts and HCC Community Works sub-projects. Regularity and frequency will be important for all parties concerned. One option is, while maintaining flexibility, work around a delivery of 2 by 1-week courses fortnightly with intervening weeks used for pre-course interviews, survey & media work, etc.

RESPONSIBILITIES OF THE PRE-EMPLOYMENT TRAINING CONSULTANT

Output: Delivery of approximately 250 1-week (30 hours) Pre-Employment Training courses to approximately 7,500 trainees.

- 1 Establishing the structures to provide ‘on-demand’ pre-employment training over a period of five years;
- 2 Updating the basic pre-employment curriculum that will be used by the project;¹²;
- 3 Preparing and producing all instructional materials required;
- 4 Recruiting and employing necessary staff, teachers and counsellors;
- 5 Planning and implementing in-service staff and teacher training as required;
- 6 Providing an appropriate training venue as needed;¹³
- 7 Providing translation services as required;
- 8 Coordinating training with the MID and HCC REP MTs, community groups and works contractors;
- 9 Deliver all training services – an estimated 250 courses (each of 30 hours - 5 days x 6 hours) for about 7,500 participants; and
- 10 Managing and processing daily payments for food and transportation to trainees.

Output: Data required to support parts of the REP Monitoring and Evaluation system (See Section 11 & Annexes 6 (baseline) and 7).

- 1 Conduct a baseline socio-economic survey (See TOR in Annex 6) to monitor the REP’s related impacts on participants income & welfare as well as the gender and youth disaggregation. The survey data will be collected at the commencement of services (baseline); for each class on enrolment. A second follow up semi-annual surveys will be conducted on a 20% sample set of beneficiaries within six months after their exit from the REP. The second survey will be implemented by another consulting firm.
- 2 Store, codify and present data required (See TOR in Annex 6)
The consultant will maintain, in an electronic database, all required records for the services it provides. These include, but are not limited to:
 - Training progress records for all participants;
 - Daily attendance records on all training participants;
 - Counselling records (intake interviews, exit interviews);
 - Participant intervention records – where special problems are addressed by consultant’s team (primarily counsellors);
 - Time, dates, participants and activities conducted for all presentations and community committee; and

Data collection instruments and data bases to support monitoring and evaluation activities.

Output: Community presentations and, workshops and media events

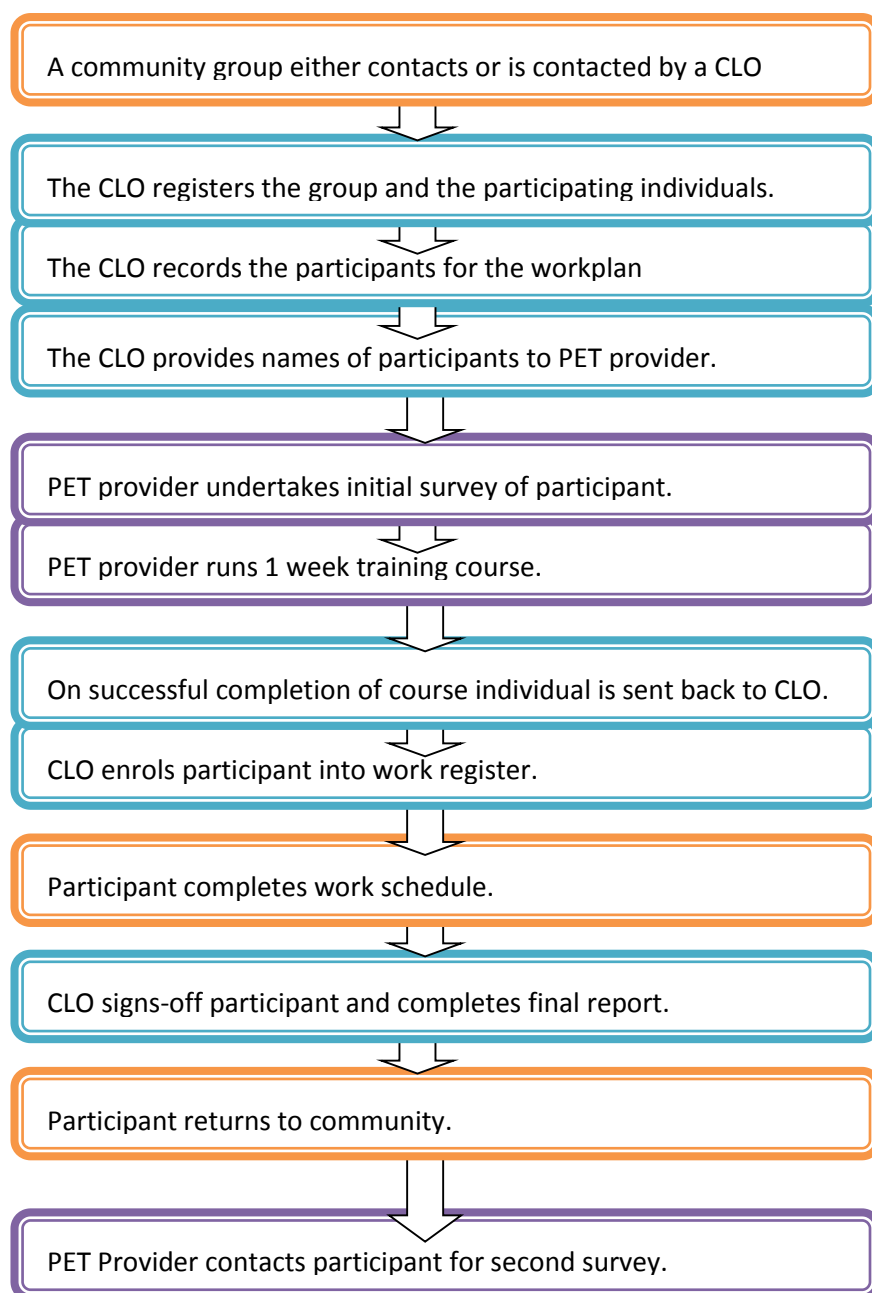
- 1 Prepare and implement a number short community presentations, approximately 10 x 1 day, each year, to advertise and promote the project;
- 2 In cooperation with the HCC and MID plan, coordinate and host about 12 community group workshops each year to promote the project and explain project policies and procedures; and
- 3 Deliver a programme of sensitization and advocacy that targets Honiara business to encourage their up-take of promising REP trainees once work under the project has concluded.

¹² There are a number of satisfactory curricula for basic pre-employment training available through NGOs and other sources. Although readily available at no cost, the curriculum and instructional materials will require some adaptation to the needs of the project.

¹³ It is envisioned that the training provider will have an established facility for training, however, in some cases; the use of other facilities (churches, other NGO facilities, community halls) may be required.

The following table illustrates the activities undertaken by the community, REP Community Liaison Officer, PET provider and individual participant.

LIFECYCLE OF A COMMUNITY/INDIVIDUAL



SELECTION OF THE PET CONSULTANT

HCC will recruit, thru an international competitive selection process, a training services firm (NGO, university or for-profit consultant) using the World Bank's Fixed-Budget Selection method of procurement (See Section 7 for details). A Terms of Reference and cost estimate for the PET Consultant is provided in Annex 6. The steps for the selection of the PET Consultant will follow World Bank procedures described in *Guidelines: Selection and Employment of Consultants by World Bank Borrowers* dated May 2004, revised 2006.

RESPONSIBILITY OF HCC AND MID TO OVERSEE THE PET CONSULTANT

The PET Consultant will provide their own offices and training facilities. The PET Consultant's nominated representative will report to HCC's Director of Corporate Services concerning contractual and administrative matters. For day to day delivery of services, forward planning and coordination with the MID and HCC Component 1 activities, the PET Consultant will:

- a. Attend all Technical Coordination Committee meetings to coordinate and integrate smoothly the work programme activities in the field of the HCC and MID programmes; and coordinate and integrate smoothly the MID/HCC work programmes and the PET training courses
- b. Regularly consult and maintain a good working relationship with the MID and HCC MT Project Manager, Community Liaison Officers and the Works Superintendents.
- c. Have direct access to the Under Secretary MID and the City Clerk HCC, at the initiative of the PET Consultant, to raise and resolve issues which might reasonably be expected to affect the achievement of the REP Project Development Objectives.
- d. Attend REP Steering Committee meetings as required.

IMPLEMENTATION OF PROJECT MANAGEMENT ELEMENTS

Note: The quantities, estimated costs, unit rates and budget amount in Tables 7, 8, 9 and 10 below are estimated and can vary depending on final decisions of both MID and HCC, in consultation with the World Bank.

PROJECT STAFF AND CONSULTANTS

The Rapid Employment Project will secure two teams of project management staff, one located in Ministry of Infrastructure Development and one in Honiara City Council. Annex 3 provides Terms of Reference for all posts; Annex 4 provides an example of a MID/SIG Letter of Appointment (form of contract) and Annex 5 provides an example of the HCC Contract Agreement of Service. All MID/HCC REP MT staff will be employed on individual contracts. 0 indicates the provisions made in the REP budget.

PROJECT IMPLEMENTATION STAFF – RESIDENT LONG-TERM

No.	Position	No. of positions	International / Local	Contract period
Ministry of Infrastructure Development REP Component 1A Management Team				
1.	Project Manager – experienced road works engineer with labour intensive systems experience	1	International	48 months
2.	¹⁴ Senior Works Supervisor – experienced road works engineer with labour intensive systems experience (<i>to be absorbed by MID within the first year of implementation</i>)	1	National	12 months
3.	Procurement Officer (<i>MID REP Requisition Officer</i>)	1	National	42 months ¹⁵
4.	Finance Officer (<i>MID REP Accounting Officer</i>)	1	National	54 months
5.	Trainee (labour-based) Road Works Supervisors	2	National	114 months
6.	Community Liaison Officer	1	National	48 months
Honiara City Council REP Component 1B Management Team				
1.	Project Manager – experienced city/municipal works engineer with labour intensive systems experience	1	International	48 months
2.	Works Coordinators	2 ¹⁶	National	108 months
3.	Procurement Officer (<i>HCC REP Requisition Officer</i>)	1	National	42 months
4.	Finance Officer (<i>HCC REP Accounting Officer</i>)	1	National	54 months
5.	Community Liaison Officers	1	National	48 months

During preparation and implementation of the REP additional technical assistance will be secured, in some cases for specific, and in other cases for as yet unidentified tasks. These short-term individual consultants are indicated in 0 below.

¹⁴ The REP will employ a national engineer who will be a counterpart to the REP international Project Manager; will be paid for by the REP for the first year and will thereafter be taken onto MID's full time staff.

¹⁵ The need for MID and HCC to each have a full time Procurement Officer, or whether another arrangement where procurement services are shared, or are intermittently supplied, will be reviewed and a decision reached in the 2nd year of REP Operations. Initially both Procurement Officers are recruited for 2 years

¹⁶ 2 SWOs are provided for at the start of the REP. A third SWO may be added later in the project if required.

PROJECT PREPARATION & IMPLEMENTATION CONSULTANTS – SHORT TERM

No.	Position	No. of positions	When required:	Contract period
1.	REP Environmental & Social Management Framework	1	Pre- approval	1 month
2.	REP Project Operations Manual	1	Pre- approval	1.5 month
3.	PET Training Contract Evaluation	1	Start-up	1 month
4.	Quantity Survey of Honiara Roads	1	Start-up	1.5 month
5.	MIS design and set-up	1	Start-up	3 month
6.	Financial management advisor	1	Start-up	1 month
7.	PET Consultant monitoring	4	Implementation	4 months
8.	Independent monitoring surveys	TBD	Implementation	TBD
9.	Unallocated	TBD	Implementation	20 months

PROJECT GOODS

The estimated project goods required for project operations and shown in Tables 9 and 10 below will: a) all be consumed or be operated and maintained by the MID and HCC Management Teams during the whole period of the REP; b) be registered where necessary in the names of MID and HCC; and c) be formally handed over¹⁷ by the MT PM to MID and HCC respectively on completion of the REP. The MT Finance Officers will maintain an up-to-date inventory and asset register. Project vehicles will be regularly maintained and kept in reasonable condition.

GOODS PROVIDED FOR IN MID REP BUDGET

No.	Item	No.	Unit rate (US\$)	Budget (US\$)
1. Purchase of Goods				
1.1	Vehicles	2 vehicles	20,000	40,000
1.2	Survey & soil testing kits	2 sets	2,500	5,000
1.3	Safety equipment & clothing	Lump sum	6,000	6,000
1.4	Computer & printer	4 sets	3,500	14,000
1.5	Office furniture4 sets	4 sets	500	2,000
1.6	Photocopier, scanner, fax & printer	1 unit	5,000	5,000
1.7	Office equipment - miscellaneous	Lump sum	2,000	2,000
1.8	Office supplies	Lump sum	5,000	5,000
Subtotal				US\$ 79,000
2. Operating costs				
2.1	Vehicle operation & maintenance	2x54 months	250 pm	27,000
2.2	Office operating costs	54 months	300 pm	16,200
Subtotal				US\$ 43,200
Total				US\$ 122,200

¹⁷ By signed exchange of letter and checked initialled inventory.

GOODS PROVIDED FOR IN HCC REP BUDGET

No.	Item	No.	Unit rate (US\$)	Budget (US\$)
1. Purchase of Goods				
1.1	Vehicles	4 vehicles	20,000	80,000
1.2	Computer and printer	6 sets	3,500	21,000
1.3	Photocopier, scanner, fax and printer	1 unit	5,000	5,000
1.4	Office equipment - miscellaneous	Lump sum	2,000	2,000
	Office furniture	6 sets	500	3,000
1.5	Office supplies	Lump sum	15,000	15,000
1.6	Tools	5 sets	2,000	10,000
1.7	Safety equipment and clothing	Lump sum	6,000	6,000
1.8	Materials for small works (<i>drain de-silting pipes, cement, etc</i>)	Annual amounts	Various pa	151,925
Subtotal				US\$ 293,925
2. Operating costs				
2.1	Vehicle operation & maintenance	186 months (3x54+1x24)	250 pm	46,500
2.2	Office operating costs	54 months	600 pm	32,400
Subtotal				US\$ 78,900
Total				US\$ 372,825

MANAGEMENT AND OTHER OPERATIONAL INPUTS

The HCC and MID have responsibility for management, coordination and performance of the REP. HCC and MID will be responsible for implementation of the REP and serve as IDA's main counterpart and technical focal point during project implementation. The MID and HCC MTs will be responsible for the preparation of work plans, procurement plans, procurement of services and goods, coordination and consultation with relevant stakeholders, monitoring and evaluation. The HCC and MID MTs will specifically supervise and monitor the work of all implementing partners of the REP.

Core functions for which the HCC and MID MTs will be responsible for are summarized below:

MANAGEMENT

- a) Develop and ensure adherence to the REP Project Operations Manual and Environmental & Social Management Framework;
- b) Manage REP Components 1a, 1b and 2 activities¹⁸ required to achieve REP objectives and results; ensuring good coordination between and management of sub-component activities so as to ensure efficient and effective delivery of public works, employment services and trainees through and from sub-component to sub-component;

¹⁸ Because Component 2 is mainly contracted out, REP MT management involves more oversight and monitoring of contractor performance and coordination of the contractor's activities, than direct management.

- c) Promote the objectives and activities of the REP so as to achieve a high degree of public understanding and recognition with the purpose of building positive public support of the REP, especially among youth;
- d) Prepare TORs and oversee and support the work of the MT personnel;
- e) Provide secretariat services to the REP Project Steering Committee
- f) Guide the implementation of tasks against work plans and targets; and
- g) Prepare REP Quarterly Progress Reports, (in the format presented in Annex 22), for the PSC and IDA review and approval.
- h) Oversee and support the work of the REP's short term technical consultants;
- i) Review, monitor, and follow-up on works contracts and community agreements;
- j) Procure and manage contracts (for goods, works and services) required for delivery of REP outputs and outcomes;
- k) Coordinate with other organizations involved in the REP, including the supervision of contractors involved in REP implementation. In particular maintain a close relationship MID's SIRIP and HCC's Community Works Programme;
- l) Maintain regular communication with the IDA Team;
- m) Endorse key decisions arising from recommendations made by the REP's short term technical consultants; and support activities/decisions for implementation;
- n) Advise and report to the REP PSC; and
- o) Prepare Annual Work Plans (in the format presented in Annex 27), updated (simplified annual) Procurement Plans (in the format presented in Annex 19), Annual Budgets, Interim Financial Reports (quarterly - in the format presented in Annexes 26 and 28), and Quarterly and Annual Progress Reports (in the format presented in Annex 22), as described in this Project Operational Manual, and submit these to the PSC and IDA.
- p) Form and convene a Technical Coordination Committee (See TOR in Annex 2) to coordinate, integrate and manage Component 1a, 1b and 2 activities.

FIDUCIARY

- a) Prepare and update the REP's Financial Management, Procurement and Disbursement Plans and ensure adherence to IDA guidelines;
- b) Support formation of a Tender Evaluation Committee to evaluate tenders in accordance with IDA guidelines;
- c) Manage the technical negotiations of contracts in accordance with the SIG Financial Instructions and IDA guidelines;
- d) Follow up on contract preparation and initiate contracts with REP consultants and contractors. Review and address issues arising from the REP's procurement and contract processes, including:
 - Advertising, short-listing and evaluation;
 - Contract negotiations, approval and co-signatory;
 - Contract supervision and payments to consultants and suppliers;
 - Delays in procurement or payments;

- Monitor the REP's Designated Account and managing replenishments based on the Interim Financial Reports (IFRs) (in the format presented in Annex 26), and annual Procurement Plan (in the format presented in Annex 19),.
- e) Both MID or HCC can process payment requests and withdrawal applications directly to World Bank to authorize payment for REP activities against invoices and work plans; and
- f) Prepare of the Interim Financial Reports (in the format presented in Annex 26), for submission to the IDA as specified in the Financing Agreement.
- g) Establish and maintain an MYOB based project financial management and accounting system as described in Annex 11.

MONITORING AND EVALUATION

- a) Prepare and update the REP's M&E Framework (See Section 11);
- b) Monitor, supervise and support the PET Consultant to establish a simple and functioning MIS and collect and monitor data against the M&E framework, administer and supervise formative/exit evaluations for the REP's trainees;

ENVIRONMENTAL AND SOCIAL MANAGEMENT GUIDELINES

- a) Prepare, administer and update the REP's Environmental and Social Management Guidelines (See Section 10);
- b) Ensure preparation and implementation of Environmental Management Plans and Resettlement Plans as needed; and
- c) Monitor and appraise sub-project activities against the Environmental and Social Management Guidelines.

General Management Systems: The HCC and MID management teams will develop and implement five main management systems. Four are described in the following sections: the financial management, procurement, environmental and social safeguards and monitoring and evaluation system. The monitoring and evaluation system will include a REP management information system.

General Management System: The first system covers day to day operations, including relationships with other parties. The HCC and MID Project Managers will provide leadership to each MT and, between them, determine the most appropriate mechanisms for ensuring good integration of individual MT staff activities.

MT staff meetings: Each PM will hold a (MID/HCC) staff meeting at least once a week to review progress, identify bottlenecks and provide forward planning. The importance of motivating staff and building consistency in approaches and systems is emphasized. Brief notes of decisions/ agreements made at staff meetings will be made and circulated to the respective MT staff.

Monthly Time Sheets: All project staff will prepare and submit, within 3 days of the month end, a signed Monthly Time Sheet showing days worked, on leave and sick, in the form provided in Annex 18.

The **HCC PM** should have regular meetings, at least once a week with the HCC Director Works and the **MID PM** should have regular meetings, at least once a week, with the Director, Transport Infrastructure Management Services, and the Under Secretary, MID.

IDA: The HCC and MID PMs will ensure that the designated project staff and IDA task team responsible for oversight of the REP are kept well informed of significant activities, opportunities and constraints that may affect REP performance. The two PMs will participate in regular IDA supervision missions organized by the World Bank. The status for delivery of key reporting outputs will be advised in advance of due dates, and, where possible the documents should be provided as an email attachment. These include:

- ⇒ Interim Financial Reports, Quarterly Progress Reports, Bi-annual updates of REP Procurement Plans, Annual Work Plans; and
- ⇒ Milestone activities such as: Draft Bid or Request for Proposals documents, Bid or Request for Proposals invitations, Bid Evaluation reports, Contracts awarded, agreements reached with significant new employers, numbers of new trainees entering/departing Sub-Components 1.b, 1.c, 2.a, and 2.b (in general these will occur every 8 weeks).

Finance Officers: The HCC and MID Finance Officers will have regular meetings, at least once per month with the respective MID and HCC accounts units – MID Chief Accountant & HCC City Treasurer: to review: a) the status of draw down of IDA funds to Central Bank of Solomon Islands and of transfers to and utilization of the REP or Designated Account; b) overall financial management and budgeting procedures; and forward planning for annual budget preparation and interim financial reports.

Community engagement: The REP will support a number of specific activities designed to assist in the socialization and expand community awareness of the REP. The scope of work of the PET Consultant includes provision for initiating and delivering community engagement and public awareness activities.

Capacity building/knowledge transfer: The REP Project Managers will develop and agree specific strategies and actions, with the MID Director TIMS and the HCC Director Works, to:

- a. Strengthen the capacity of the HCC and MID and to: i) develop pro-poor policies and plan for public employment programmes as well as more market-oriented and demand-driven labour market insertion programmes, ii) monitor and evaluate their implementation, and iii) inform and advise on labour intensive urban public works programmes.
- b. In the case of internationally recruited staff, to transfer knowledge and skills relating directly to the performance of his/her tasks in the REP to any counterpart or subordinate assigned.

REP records/filing system: The HCC and MID Procurement Officers will each develop and put in place a REP information registration and records maintenance system. All incoming and outgoing correspondence will be registered by the MT. The REP will have a centralized information system. Individual staff members will not develop and maintain separate personal information systems.

Circulation of key documents: The Management Teams (as determined by the Project Managers) will develop a circulation list for key documents (Annual Budgets, Procurement Plans, Interim Financial Reports, Progress Reports, Minutes of Steering Committee and other important meetings (including monthly staff meetings and meetings with other agencies). The Key Documents Circulation Matrix format is provided in Annex 23. Procurement filing and archiving guidelines are presented in Annex 13.

Feedback Procedures: The REP will develop a complaints handling and grievance redress system. The REP HCC/MID Project Managers will review the processes described in the

Annex 21 Complaints Handling and Grievance Redress Process, in close consultation with the Community Liaison Officers, and ensure proper implementation and compliance within each management team. A Framework for Complaints Handling and Grievance Redress is provided below.

There are several “layers” of feedback incorporated in the project including: PET Consultant trainee exit interviews; MID works Contractors monthly site meeting questionnaire of the results of training; CLO monthly reports on issues and lessons. In addition, trainees will be fully briefed at various stages (Training, media campaign, baseline interview) as to the channels for and value of providing feedback. They will include: a) focused community group meetings organized by the Community Liaison Officers; b) a help desk (provided by the HCC/MID Project Managers with assistance from CLOs) where trainees can formally lodge complaints or through their community leaders and ward councillors who will assist the project teams in mediating community-level disputes. The MID and HCC Project Managers will, with support from the Community Liaison Officers, put in place feedback procedures based on the framework described in below.

FRAMEWORK FOR REP FEEDBACK HANDLING

Objectives	To promote transparency and accountability in REP component activities and transactions across all operating levels; to gather and act on grievances, complaints and/or anomalies during the planning and implementation of component activities at all operating levels especially at the community level.	
Frequency	As and when reports are received	
Information campaign	Target beneficiaries, clients, various interest groups and the general public as well will be encouraged to report or to lodge criticisms, grievances, complaints or suggestions for improvement pertaining to the implementation of REP activities. HCC and MID will embark, through the PET Consultant, on an information campaign through: (a) radio announcements; (b) posters; and (c) focused community group meetings.	
Mechanics	Complaints could be lodged or sent through: (a) text messages ¹⁹ ; (b) letters or any written report by hand or by post; (c) faxed report.	
	Each report will contain the following information: <ul style="list-style-type: none"> Complaint including its relevance to any specific REP subproject, activity, office, or person/s, circumstances that led to the complaint, and dates; Name of complainant or sender (Optional – to accommodate anonymous complaints) Village/Location of sender Date complaint was sent 	
	Reports on complaints will be received by anyone of the following and reported to the REP Project Managers: Community Liaison Officer, Works Coordinators/Supervisors, HCC Councillors, MID & HCC officers	
	The Project Managers will determine the merits of pursuing an initial fact finding mission even in cases where complaints are received from anonymous persons. An investigation could be carried out later depending on the results of the initial fact finding mission. All complaints will be recorded and reported in brief in the Quarterly Progress Reports, as follows: No. of complaints, Nature of complaints, Actions taken to respond	
Responsibility centre	Reporting	Beneficiaries, clients, interest groups
	Report transfer	Whoever and wherever reports are received for transfer to the

¹⁹ The HCC/MID Project Managers will develop a system to implement.

		next higher operating level
	Data entry	Procurement Officer or Administrative Assistance (with training support from the MIS Consultant)CLOs
	Action and feedback	Centralised with the MID and HCC Project Manager

Community Liaison Officers will work in the field to support Components 1 and 2. The CLOs will work through the respective MTs and will be responsible for carrying out the necessary follow-up with the works contractors and PET Consultant on a regular basis to check on the progress of trainees and work programme participants; and provide early identification of programme issues and worker/employee conflicts. Monthly (very brief not more than 1 to 2 pages) reports will be submitted to the respective MTs for review and action. Their inputs will become part of the MIS. The HCC and MID project teams will also maintain a scheduled and unscheduled programme of visits to all training sites and employers as part of the monitoring regime. In this way, both the MTs will maintain an ongoing review of the REP's progress.

Project Staff Performance Reviews: The HCC and MID will put in place and maintain a staff performance review system for all project staff that will include: a) an annual (June/July each year) agreement with each MT member of tasks and performance targets for the following 12 months; and b) a 6 monthly review by the staff members supervisor (before 31December) of performance over the previous 12 months. An example of a performance review form is provided in Annex 9. Responsibility for setting tasks/targets and review are as follows:

TIMS Manager ⇒ MID REP Project Manager.

Director of Works ⇒ HCC REP Project Manager.

Project Manager ⇒ Finance Officer, Procurement Officer, Works Coordinators and Community Liaison Officers.

Works Supervisor ⇒ Trainee Supervisors

6 Monthly World Bank Supervision missions: The World Bank will carry out a Supervision Mission at least 3 times annually during the first two years to assess progress and performance of the REP and ensure that the REP complies with the Bank's policies and operational procedures. Supervision Missions will be undertaken in close consultation with MID, HCC and SIG partners. The Supervision Missions will provide Appraisal Reports on their completion.

Fraud and Corruption: It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as bidders, suppliers, contractors, consultants and their subcontractors/consultants under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such projects In pursuance of this policy, the Bank:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:

- (i) “corrupt practice”²⁰ is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- (ii) “fraudulent practice”²¹ is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) “collusive practice”²² is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
- (iv) “coercive practice”²³ is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
 - deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under sub-clause (e) below.
- (b) will reject a proposal for award of a contract if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
- (c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur;
- (d) will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a Bank-financed contract; and

²⁰ “another party” refers to a public official acting in relation to the procurement process or contract execution]. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

²¹ a “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

²² “parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

²³ a “party” refers to a participant in the procurement process or contract execution.

- (e) will have the right to require that a provision be included in bidding documents and in contracts financed by a Bank loan, requiring bidders, suppliers, contractors, consultants and their sub-contractors/consultants to permit the Bank to inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by the Bank.

PROCUREMENT PROCEDURES

RESPONSIBLE UNITS AND STAFF (HCC & MID)

Procurement Officers: The HCC and MID Management Teams will each hire and retain a Procurement Officer with responsibility for procurement for HCC and MID under the direction of the HCC and MID MT Project Managers. The Procurement Advisor working in the SIRIP Consultant's team will support REP activities for a time commensurate with the SIRIP project procurement load. The REP Procurement Plan for the first calendar year of the REP activities (2010) is contained in Annex 19. One of the first tasks of the Procurement Officers will be to purchase the goods (vehicles, furniture, equipment, etc) required to set up the MT offices at HCC and MID.

Long term TA: HCC and MID are procuring the long-term MT staff²⁴ for each of their own components. HCC and MID management team staff will be selected and hired in according to the World Bank's Consultants Guidelines, which under para. 5.2 determine that individual consultants are selected on the basis of their qualifications for the assignment. Advertisement is not required¹ and consultants do not need to submit proposals. Annex 3 provides Terms of Reference for all posts; Annex 4 provides an example of a MID/SIG Letter of Appointment (form of contract) and Annex 5 provides an example of the HCC Contract Agreement of Service.

Pre-Employment Training Consultant: This contract will be procured by HCC with support from IDA to ensure the procurement process is applied correctly and efficiently. HCC is the Client and will fulfil that responsibility: a) securing IDA prior approval to the TOR, the technical evaluation report and the award of contract; b) submission to and approval of the HCC Tender Board as required under HCC's enabling legislation and regulations, and as is deemed advisable guidance from and/or consultations with key SIG bodies such as MoFT.

IDA Procurement of short term TA: IDA has undertaken procurement of the short-term project preparation and project start-up consultants in accordance with its own administrative procedures (*Administrative Manual 15.00*) governing the recruitment of consultants.

Ministry of Infrastructure Development is responsible for procurement of the annual labour intensive road maintenance contracts.

Honiara City Council will provide grants to community groups who will undertake small community projects under the direct supervision of HCC – through the REP MT. HCC is not, therefore, involved in procurement of these works but in sub-grants that enable the works to be undertaken by community groups.

SYSTEMS CURRENTLY IN PLACE TO MANAGE PROCUREMENT

World Bank Guidelines: Procurement for the REP will be carried out in accordance with the World Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits dated May 2004, revised October 2006*; and *Guidelines: Selection and Employment of Consultants by World Bank Borrowers dated May 2004, revised 2006* and the provisions stipulated in the IDA Financing Agreement, as well as the SPF and PRIF agreements with SIG. The various items under different expenditure categories are described in the Procurement Plan in Annex 19. For each contract to be financed by the IDA, SPF and PRIF grants, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior

²⁴ Advertisements for the Procurement Officer position were re-published in local newspapers on 12 March.

review requirements, and time frame are agreed between the Borrower and the Bank in the Procurement Plan. The Procurement Plan will be updated at least annually by the REP PM supported by the REP PO, or as required to reflect the actual REP implementation needs and improvements in institutional capacity. The procurement procedures and standard bidding documents to be used for each procurement method, as well as model contracts for works and goods procured, are described below.

Procurement of Works (estimated at US\$ 2.0 million) will include road rehabilitation, repair and maintenance work and other small urban works. Procurement of works will be done applying Shopping and National Competitive Bidding (NCB) procedures. Shopping would substantially follow the “Guidance Procurement Note on Handling Procurement under Shopping Method” dated June 8, 2000 (See Annex 20). Solomon Islands NCB procedures would be amended with the provisions shown in Annex 14 to bring national NCB procedures in line with World Bank requirements.

- a. Shopping would be applied for simple works contracts estimated to cost less than US\$50,000. This method would primarily be used for urban works activities that would be overseen by HCC. The estimated aggregate amount under this method is US\$400,000.
- b. NCB would be applied to contracts estimated to cost less than US\$500,000, but more than US\$50,000. This method would primarily be used for the road repair and maintenance works to be managed by the Ministry of Infrastructure Development (MID). The estimated aggregate amount under this method is US\$1.6 million.

Procurement of Goods (estimated at US\$370,000) would include office equipment and furniture, vehicles, tools (such as shovels and cutlasses), safety equipment, and materials for small works activities (such as cement, culverts, etc.) and would apply both Shopping and NCB procedures.

- c. Shopping would be applied for simple contracts estimated to cost less than US\$50,000. This method would be used for all other goods noted above and to be purchased by both HCC and MID. The estimated aggregate amount under this method is US\$250,000
- d. NCB would be applied to contracts estimated to cost less than US\$200,000, but more than US\$50,000. This method would primarily be used for the purchase of vehicles required for the project for both HCC and MID. The estimated aggregate amount under this method is US\$120,000.

Consultant Services (estimated at US\$3.4 million) Consulting services will include recruitment of a consultant firm for training services under component 2 (pre-employment training) of the project, and individual consultants to manage and oversee the project for HCC and MID. Short-term consultant services would also be required for urban works engineering, regular independent monitoring surveys, management information systems, financial management and procurement advisory services and community organization and mobilization.

- e. Fixed-Budget Selection (FBS): would be applied for training consultant services estimated to cost US\$800,000, to be selected for the execution of component 2 of the project (pre-employment training). FBS would be adopted due to budget limitations and because the shortlist for this assignment will include consultants whose core business is to provide consulting services and other organizations (NGOs) that have a different mission and cost structure.

- f. Selection Based on Consultants' Qualifications CQS procedures may be applied for small assignments (i.e. below US\$200,000) of a routine nature such as project evaluation, data collection or financial audit of the project. The estimated aggregate amount under this method is US\$200,000
- g. Individual consultants: this method would be used to recruit the HCC project managers, MID senior works supervisor (labour-based works specialist), community liaison officers, and the financial and procurement officers for both HCC and MID; Works Coordinators for HCC and the works supervisor trainees for MID, as well as additional short-term individual consultants for urban works engineering, management information systems, financial management and procurement advisory services and community organization and mobilization. They will be selected through a comparison of qualifications of at least three qualified consultants among those who have expressed interest in the assignments or have been approached directly by the implementing agencies. The estimated aggregate amount under this method is US\$2.4 million

Sub-Grants to Community Groups: These grants will support labour based activities (e.g. basic road maintenance or garbage collection). No procurement will take place under these grants (estimated at approximately US\$860,000) since they will primarily provide for short-term wage-transfer payments. The sub-grants activities will be undertaken by community groups that will be identified and selected as described in Section 8, using the Agreement Form for Community Works contained in Annex 15.

Incremental Operating Costs: Provision has been made for incremental operating costs (US\$120,000). This item would include travel costs, allowances, costs of vehicle rental, fuel and maintenance, communication costs, office rental fees, utilities, and consumables. The procurement of such items would follow implementing agencies' administrative procedures, which have been found to be acceptable.

Procurement Plan: The HCC and MID developed a Simplified Procurement Plan (SPP) for project implementation covering the initial six months (see Annex 19). The Procurement Plan has been agreed with the World Bank. The Procurement Plan will be updated in agreement with the Project Team after six months of project implementation and then on annual basis, or as required, to reflect the actual project implementation needs and improvements in institutional capacity.

SIG Financial Instructions: The REP will comply with the SIG Financial Instructions 2004 in respect of the procedures to be applied for procurement depending on the value thresholds applicable – these are indicated in 0 below. These thresholds are in all cases lower than the applicable thresholds applied by the World Bank and, therefore, fulfil IDA requirements. In the case of the SIG purchasing threshold for goods of up to SBD 20,000 where the new (1 July 2010) Financial Instructions indicate that verbal quotes – not written - are required, World Bank procurement procedures that require all purchases of less than US\$ 50,000 follow World Bank procedures for Shopping, which require written quotations, will be followed.

Extract from SIG Financial Instructions, Purchase of Goods and Services²⁵

CATEGORIES OF PURCHASE

510. Purchase of Goods and Services are divided into four areas:

- (a) Purchase by Local Purchase Order;
- (b) Purchase by Ministerial Tender Board;
- (c) Purchase by Central Tender Board;
- (d) Rechargeable Works and Services.

QUOTATIONS AND TENDERS

519. (with certain specified exemptions not applicable to REP – fresh food & vegetables)

- (1) Procurement up to SB\$ 20,000 (US\$ 2,662) requires verbal quotes using Verbal Quotation Form and attached Purchase Requisition Note: As described above, the REP procure will follow World Bank requirements that all purchases involving amounts of US\$ 50,000 or less require a minimum of three written quotations will be followed. The selected supplier must be approved by the Accounting Officer or an officer authorised to incur expenditure.
- (2) Procurement between SB\$ 20,000 and SB\$ 100,000 (US\$ 13,308). A minimum of three written quotes are to be obtained and evaluated. The selected supplier must be approved by the Accounting Officer or an officer authorised to incur expenditure.
- (3) Procurement between SB\$ 100,000 and SB\$ 500,000 (US\$ 66,541). A tender must be called and a Ministerial Tender Board must evaluate the tender.
- (4) Procurement over SB\$ 500,000. A tender must be called and evaluated by the Central Tender Board.

A comparison of SIG and World Bank procurement (see Annex 19) thresholds is provided in Table 12 below. Note: where there is any conflict, the World Bank guidelines take precedence.

COMPARISON OF SIG AND WORLD BANK PROCUREMENT THRESHOLDS

World Bank		Solomon Islands Government	
Procurement Methods	Thresholds (contract value)	Applicability	Thresholds (contract value)
GOODS		GOODS, WORKS & SERVICES	
Shopping (minimum 3 quotes)	<US\$50,000	Purchase by LPO 3 quotes	> 0 – < US\$ 13,308
National Competitive Bidding	>50,000 - <US\$250,000		
International Competitive Bidding	>US\$250,000		
WORKS			
Shopping	<US\$50,000		
Force Account	<US\$50,000	Tender – Ministerial Tender Board	> 13,308 - < US\$ 66,541
National Competitive Bidding	>50,000 - <US\$500,000		
International Competitive Bidding	>US\$500,000		
CONSULTANTS			
Fixed Budget Selection	In accordance with	Tender – Central or HCC Tender Board	> US\$ 66,541

²⁵

As per the SIG new Financial Instructions for Government that came into effect from 1 July 2010.

Individuals – Competitive	Consultant's Guidelines
Individuals – Sole Source	

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PROCUREMENT PROCEDURES - SPECIFIC

Goods

Formats for standard HCC /MID Local Purchase Order, Payment Voucher and Requisition forms to be used for shopping are provided in Annex 17. These are supplied within MID and HCC Accounts Departments in pre-printed multi-colour (for different recipients/uses) booklets.

Goods included in the REP Procurement Plan are vehicles, office equipment, furniture and supplies, safety equipment, tools, small construction works materials, soil testing equipment, etc. All have a single item value of less than SB\$ 50,000 and will, therefore be purchase in compliance with SIG Financial instructions and IDA procurement guidelines for “shopping”: Items with a value less than SB\$ 50,000 will be purchased using World Bank procedures for Shopping. Standard forms are provided in Annex 12 for: Specification of Goods; Request for Quotations; Supply of Quotations; Evaluation of Quotations, Approval of Quotations, Example of HCC Request for Quotation and HCC Agreement for Works or Goods.

Deciding What?: All goods to be purchased with REP funds will be described and identified in the REP Annual Budget (See Annex 28) and Procurement Plan (See Annex 22) that is updated in August/September each year (See Annexe 19). No item may be paid for using REP funds unless it appears on the approved Annual Budget and Procurement Plan, unless the HCC or MID MT has received specific approval from the REP Steering Committee and IDA to purchase an item that does not appear on the Annual Budget and Procurement Plan.

Deciding How? Once an item or service appears on the Annual Budget and Procurement Plan the procurement process may begin. In ALL cases, the responsible (HCC or MID) Project Manager²⁶ (the REP Requisitioning Officer) must prepare a **written description of what is required** together with any estimates, scoping reports, or community works applications as needed (in the case of works items) and shall, where goods or services with a value of less than US\$ 50,000 are involved, request written quotations from as many suppliers as possible and **no less than 3 quotations** shall be compared. The Evaluation Panel appointed by the HCC City Clerk/ MID Under Secretary will prepare an evaluation report for the Project Manager (See Annex 12). The Procurement Officers and Finance Officers will be responsible for **keeping all records of the procurement and approval process and of payments made** (See Annex 13) so that required Financial Reporting, progress reporting, budgets and procurement plans can be updated.

Any purchase of goods involving SB\$ 50,000 or more will require, as per SIG Financial Instructions, to be tendered and, if under SB\$ 500,000 in value, evaluated and awarded by the MID Ministry Tender Board or the HCC Tender Board. It is not anticipated that any goods will involve tender amounts of greater than US\$ 50,000 or SB\$ 500,000.

Procedures for purchase of goods are described in 0 below.

²⁶ In undertaking this task the Project Manager will take lead responsibility but may delegate responsibility, to any team member except for the Procurement Officer, for preparing a draft to technical specialists as appropriate – for instance for specifications for computer purchase, small works, individual consultant contracts for specialist skills, etc.

PROCEDURES FOR PURCHASE OF GOODS

No.	Procedure	Responsible
Purchase:		
1	Ensure goods to be purchased are in approved budget & procurement plan & check cost estimate	Procurement Officer
2	Complete detailed description (specification) of goods to be purchased (see above)	Requisitioning Officers
3	Prior to invitation to submit quotations IDA approval required in the case of (MID) Field equipment, vehicles, office equipment and (HCC) Safety equipment, vehicles office equipment and office supplies <i>IDA Prior review & "no objection" received to first three contracts,</i>	Procurement Officer / IDA <i>IDA</i>
4	Submit written requests in the case of goods valued at over SB\$ 5,000 but less than SB\$ 50,000 to at least three suppliers	Procurement Officer
5	Consult with HCC City Clerk and MID Under Secretary as to persons to carry out evaluation of quotations – over SB\$ 5,000	Project Manager
6	Evaluate quotations received	Evaluation Panel
7	Submit recommendation to Project Manager – Project Manager will seek advice of City Clerk HCC and Under Secretary MID where goods have a value over SB\$ 50,000	Evaluation Panel
8	Evaluation recommendation approved -	Project Manager
9	Prior to award IDA approval required in the case of (MID) Field equipment, vehicles, office equipment and (HCC) Safety equipment, vehicles office equipment and office supplies <i>IDA Prior review & "no objection" received to first three contracts, if under US\$50,000</i>	Procurement Officer / IDA <i>IDA</i>
10	If approvals received from PM/IDA – Advise selected supplier to deliver goods	Procurement Officer
Payments and Acquittals:		
11	The Procurement Officer will inspect all equipment, works or services and be satisfied that they meet with the specifications requested before approving for 14.payment.	Requisitioning Officers
12	If the Requisitioning Officer is not satisfied with the quality or other aspect of the equipment, works or services s/he shall, within one week of the equipment, works or services being delivered, prepare a letter to the supplier to be signed by the Project Manager. The letter will state why the equipment, works or services are deficient and what the supplier is expected to do and by when in order to finalize the order.	Requisitioning Officers
13	If the Requisitioning Officer is satisfied with the quality and other aspects of the equipment, works or services s/he shall, within one week of the equipment, works or services being delivered, prepare a Requisition for submission to the Finance Officer who will raise a Payment Voucher to the supplier to be signed by authorized signatories.	Requisitioning Officers

Works – MID Road Maintenance Works

Specific Procedures for contracting Component 1A Road Maintenance Works are described in 0 below. Note: the procedures assume the first award of contracts, i.e., in the 1st year - they may be simplified for 2nd, 3rd, 4th and 5th years/rounds of contract awards.

The procurement by MID of 1-Year road maintenance contracts will be by National Competitive Bidding. Mandatory Provisions for NCB, for Bank/IDA financed contracts, are

provided in Annex 14. The procedure to be followed for National Competitive Bidding shall be those set forth in the provisions on competitive bidding in *Chapter 22 (Purchase of Goods and Services, Sale of Government Property, Shares and Assets) of the Financial Instructions (January 2004)* with modifications described in Annex 14 in order to ensure economy, efficiency and transparency and broad consistency with the provisions of Section I of the “*Guidelines for Procurement under IBRD Loans and IDA Credits*” published by the IDA in May 2004 and revised in October 2006 (the Guidelines), as required by paragraph 3.3 and 3.4 of the Guidelines.

For delivery of the **Component 1a Rapid Employment Scheme Road Maintenance Works: Ministry of Infrastructure Development** will procure two (or more) 1-Year labour intensive road maintenance contracts with local contractors invited to submit tenders in compliance with World Bank guidelines for National Competitive Bidding. The Ministry of Infrastructure will use the existing Procurement Manual and Contract Administration Manual (which have been approved for use under SIG Financial Instructions) and the Tender Documents developed with SIRIP support for Routine and Specific Road Maintenance (including modifications/amendments identified and agreed to with the World Bank). These Tender Documents include the internationally recognized FIDIC Short Form of contract.

PROCEDURES FOR CONTRACTING COMPONENT 1A, ROAD MAINTENANCE WORKS

No.	Activity	Responsibility
Pre Tender Preparation		
1.	Review REP POM and other relevant documents – identify principles & procedures. Check approved REP budget and Procurement Plan for 1 st Year – identify budget & procurement plan procedures (See Section 7)	MT team
2	Secure HCC/MID Honiara road inventory & output of labour based road maintenance TA (March/April 2010) where road maintenance works packages, rates and cost estimates are prepared as an input to the 1 st year tender documents Bills of Quantity, specifications, labour rates and Engineers Estimates.	PM
3	Consult with Under Secretary (overall coordination), Director MID Policy & Planning	PM, SWOs, CLO
4	Consult with the SIRIP project management consultants re. the SIRIP road maintenance programme in Honiara	PM, PO, CLO, SWOs
5	Attend weekly REP Technical Coordination Committee meetings to ensure good integration of activities with the HCC REP works programme	PM, SWOs, PO, CLO,
6	Prepare 1 st draft of 12 month works programme & submit for REP PSC endorsement	PM
7	Discuss with MID to ensure REP works programme is integrated well/fully with MID programme & consistent with National Transport Plan	PM, PO, SWOs, CLO
8	Identify appropriate tender documentation required for each procurements	PO, PM, SWO
9	Obtain approval of Attorney General & provide copy to Accountant General (as per SIG Financial Instructions 2004) to REP form of contract	PO
10	Divide 1 st 1 year work programme into 3 month parts with quarterly targets and 2 contract packages.	PM, PO, SWOs, CLO
11	Agree responsibilities – Works Supervisors, involvement of MID engineers.	PM
12	Appointed Community Liaison Officer(s) and Works Supervisor(s) go to areas where works are proposed to do “scoping” for development of Engineer’s Estimates and Bills of Quantity (BOQ)	CLO, SWO, PM

No.	Activity	Responsibility
13	Prepare Bills of Quantity – Use MID approved labour rates	PM + SWOs
14	Prepare Invitation to Tender (less than SB\$ 500,000 – MTB, More than SB\$500,000 – CTB)	PO
15	Submit Invitation to Tender to IDA for Prior Approval <i>IDA Prior review & “no objection” in writing received</i>	PO IDA
16	Hold Community consultations and media campaign in communities to explain programme	CLO, PET consultant
17	Recruit and identify community labour participants	CLO, PET consultant
18	Prepare advertisement of tender	PO
19	MT requests & MID/CTB agree appointment of tender evaluation committee	PO – MTB/ CTB
Tender		
20	Publish advertisement on 1 st day of tender + 2 further days	REP/MID
21	Tender preparation	Contractors
22	Pre-bid meeting	PM, PO, CLO, SWOs
23	Tender opening	MTB/CTB
24	Tender documents forwarded by MTB / CTB to Tender Evaluation Committee	
25	Tender Evaluation	TEC
26	Submit tender evaluation and recommendation of award to IDA for prior approval <i>IDA Prior review & “no objection” in writing received</i>	PO IDA
27	Tender recommendation submitted to MTB / CTB for endorsement of recommendation of award	TEC
28	MTB / CTB raise and TEC respond to any queries	MTB / CTB & TEC
29	MTB / CTB award contract and Secretary to MTB / CTB inform contractor of award	MTB /CTB
Contract commencement		
30	Contractor / MID (REP MT) sign contract	Contractor / MID
31	Contractor mobilisation	Contractor
32	Community labour participants – pre-employment training	Community + contractor
33	Contracted works programme commences	
34	Site meetings, evaluation of performance, recommendation for payment	MT team + contractor
35	Works programme is reviewed before end of each quarter and integrated with HCC works programme	PM + MT team
36	CLOs hold regular meetings with community & community labour participants and M&E evaluation surveys (PET Consultant) are conducted	CLOs & PET Consultant
37	Technical Coordination Committee meetings continue throughout on a weekly basis, moving to fortnightly or monthly as is felt necessary after 1 st year.	MID/HCC MTs
38	Within 1 month of conclusion of the contractual activities, an evaluation is prepared and submitted to MID Under Secretary identifying strengths, weaknesses, lessons	PM (+PO, CLOs, SWOs & FO)

No.	Activity	Responsibility
	learned and recommendations for improvement	

The procurement procedures are to be carried out by the REP Procurement Officer under the supervision of the REP MID Project Manager, in close consultation with: the Under Secretary MID in respect of overall coordination and direction; on a day to day basis reporting to and with supervision from the Director, MID Transport Infrastructure Management Services; and, to ensure good coordination and integration, with other MID roads programmes, including the SIRIP and with HCC REP MT and Director Works.

Individual Consultants

Individual Consultants: Services of individual consultants for tasks that meet the requirements set forth in paragraph 5.1 of the World Bank's *Guidelines: Selection and Employment of Consultants by World Bank Borrowers, May 2004, revised October 1, 2006* shall be procured under contracts awarded in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines. Contracts for Individual Consultants will be evaluated by comparing the qualifications of at least three candidates, in accordance with Section V of the Consultant Guidelines See Box below.

World Bank, Consultants Guidelines May 2004 Section V

SELECTION OF INDIVIDUAL CONSULTANTS

5.1 Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm.

5.2 Individual consultants are selected on the basis of their qualifications for the assignment. Advertisement is not required²⁷ and consultants do not need to submit proposals. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the Borrower. Individuals considered for comparison of qualifications shall meet the minimum relevant qualifications and those selected to be employed by the Borrower shall be the best qualified and shall be fully capable of carrying out the assignment. Capability is judged on the basis of academic background, experience, and, as appropriate, knowledge of the local conditions, such as local language, culture, administrative system, and government organization.

5.3 From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in these Guidelines shall apply to the parent firm.

5.4 Individual consultants may be selected on a sole-source basis with due justification in exceptional cases such as: (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; (b) assignments with total expected duration of less than six months; (c) emergency situations resulting from natural disasters; and (d) when the individual is the only consultant qualified for the assignment.

Individual Consultant Contracts will be procured by public advertisement, evaluation of a minimum of three CVS by a single evaluation panel appointed by the Permanent Secretary

²⁷ However, in some cases Borrowers may consider the advantage of advertising at their option.

MID and the City Clerk HCC respectively. Short listed applicants will be interviewed. The evaluation panel will submit their recommendations to the Permanent Secretary MID and City Clerk HCC for approval. IDA prior approval to all individual TORs is required before the publication of a public notice to submit bids and to award of contract. Terms of Reference for MT staff are presented in Annex 3. Annex 4 contains an example of a MID/SIG Letter of Acceptance and Annex 5 contains an HCC Contract Agreement of Service. The procedures for procurement of individual consultants (HCC and MID MT staff) are:

PROCEDURES FOR PROCUREMENT OF INDIVIDUAL CONSULTANTS

No.	Procedure	Responsible
1.	Draft Terms of Reference	See Annex 3
2.	Submit TORs to IDA for Prior Approval - International Project Managers (2), Local Procurement Officers(2) and Local Finance Officers (2) only <i>IDA prior review & “no objection” of all individual consultant TORs</i>	PO IDA
3	Draft Advertisement inviting applications and CVs	PO
4	Publish advertisement (for international recruitment publish in <i>UNDB online</i> and in <i>dgMarket</i>)	HCC/MID
5	Receipt of applications & CVs	PO
6	Under Secretary (MID) or City Clerk (HCC) nominates evaluation panel	MID/HCC
7	Evaluation panel meets	EP
8	Short list qualified applicants from those that respond	EP
9	Invite for interview short listed applicants	EP +
10	Interviews held	EP
11	Evaluate applications, CVs and interviews – draft evaluation report	EP
12	Submit evaluation report and recommendation to IDA and draft contract for prior approval	EP
13	Negotiations	HCC/MID
14	<i>IDA Prior review & “no objection” to award of contract</i>	IDA
15	Award of contract	HCC/MID
16	Publication of award of contract in <i>UNDB online</i> and in <i>dgMarket</i>	HCC/MID
17.	Individual mobilizes and commences delivery of services	Consultant

Pre-Employment Training Consultant

Pre-Employment Training Consultant: HCC will take the lead in recruiting the consultant firm for the PET in accordance with World Bank and SIG requirements. The HCC Tender Board would recommend award of contract²⁸. Should HCC feel that it is appropriate and necessary it will involve other SIG agencies, for instance MoFT, in the final award processes for this tender.

The PET training contract procurement will comply with World Bank *Guidelines: Selection and Employment of Consultants by World Bank Borrowers dated May 2004, revised 2006*. The IDA procedures that have been agreed will be applied are an open and competitive

²⁸ HCC has its own Tender Board and is not subject to SIF Financial Instructions which require SIG agencies to submit tenders involving amounts of SB\$ 500,000 or more to the Central Tender Board and amounts of less than SB\$ 500,000 but more than SB\$ 50,000 to the Ministry Tender Board. The HCC has a Tender Board comprising: City Clerk, 2 Councillors, Chair of Finance Committee and 2 outside members

process, using the EOI and Standard Request for Proposals for Selection of Consultants, evaluated on the basis of the Fixed Budget Selection method – as described in the World Bank Guidelines. The procedures for procurement under the World Bank’s Fixed Budget Selection procedures are as follows:

PROCEDURES FOR PROCUREMENT OF PET CONSULTANT

No.	Procedure	Responsible
1	Draft Terms of Reference	TA
	<i>IDA prior review & “no objection” of TOR</i>	<i>IDA</i>
2	Calculate cost estimates	TA
3	Draft Advertisement inviting Expressions of Interest	HCC & TA
4	Publish advertisement (<i>UNDB online</i> and in <i>dgMarket</i>)	HCC with IDA assistance
5	Short list qualified training services suppliers from those that respond	HCC with TA
6	Prepare Request for Proposals to shortlisted suppliers (including Letter of Invitation, Instructions to Consultants and Form of Contract)	HCC with TA
	<i>IDA prior review & “no objection” of Request for Proposals</i>	<i>IDA</i>
7	Issue Request for Proposals to shortlisted suppliers (including Letter of Invitation, Instructions to Consultants and Form of Contract)	HCC
8	Receipt of proposals	HCC
9	Evaluation of proposal – using Fixed Budget Selection approach	HCC with TA
a.	Evaluate Technical proposals as for Fixed Budget Selection	
b.	The Consultant who has submitted the highest ranked technical proposal among the rest shall be selected	
	<i>IDA prior review & “no objection” of Tender Evaluation Committee report & recommendation</i>	<i>IDA</i>
10	Negotiations	HCC
	<i>IDA prior review & “no objection” to award of contract</i>	<i>IDA</i>
11	Award of contract	HCC
12	Publication of award of contract in <i>UNDB online</i> and in <i>dgMarket</i>	IDA/HCC
13	PET Contract mobilizes and commences delivery of services	Consultant

0 below provides and extract from the World Bank *Guidelines: Selection and Employment of Consultants by World Bank Borrowers dated May 2004, revised 2006* that describes in detail the procedures and purposes of the Fixed Budget Selection method.

Extract from IDA Guidelines on Fixed Budget Selection

Fixed Budget Selection: This method is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed. The Request for Proposals shall indicate the available budget and request the consultants to provide their best technical and financial proposals in separate envelopes, within the budget. TOR should be particularly well prepared to make sure that the budget is sufficient for the consultants to perform the expected tasks. Evaluation of all technical proposals shall be carried out first as in the QCBS method. Section II of the World Bank’s Guidelines for the Selection and Employment of Consultants states:

“The selection process shall include the following steps:

- a) preparation of the TOR;
- b) preparation of cost estimate and the budget;
- c) advertising;
- d) preparation of the short list of consultants;
- e) preparation and issuance of the RFP [which should include: the Letter of Invitation (LOI); Instructions to Consultants (ITC); the TOR and the proposed draft contract];
- f) receipt of proposals;
- g) evaluation of technical proposals: consideration of quality.”

Then the price proposals shall be opened in public and prices shall be read out aloud. Proposals that exceed the indicated budget shall be rejected. The Consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract.

The publication of the Award of Contract shall be publish in *UNDB online* and in *dgMarket* the following information: (a) the names of all consultants who submitted proposals; (b) the technical points assigned to each consultant; (c) the evaluated prices of each consultant; (d) the final point ranking of the consultants; (e) the name of the winning consultant and the price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals. The guidelines are described in Section 3.5 of the World Bank’s Guidelines for Consultant

Operating Costs

Operating costs (office consumables, vehicle fuel and maintenance, construction materials (HCC), safety equipment, etc) will be procured using SIG and HCC Financial Instructions for purchase of goods and services with a value of less SB\$ 5,000 or of more than SB\$ 5,000 but less than SB\$ 50,000. These are described in 0 Procedures for Purchase of Goods above and use the forms for Request, Supply, Evaluation and Award of quotations provided in Annex 12 and the SIG Requisition, Local Purchase Order and Payment Voucher system for which formats are provided in Annex 17. These procedures follow the IDA guidelines for Shopping and the SIG/HCC Financial Instructions.

World Bank Post Review of Procurement

The HCC and MID REP management teams will retain all documentation with respect to each tender or request for quotations during implementation and for a period of two years after the closing date of the Financing Agreement. This documentation will include, but not be limited to, the signed original of the contract, the analysis of the respective proposals, and recommendations for award, for examination by the Bank or by its consultants. The REP shall also furnish such documentation to the Bank upon request for the purpose of post-reviews. The REP is expected to adopt and maintain the filing system for procurement described in Annex 13.

If the Bank determines that the goods, works or services were not procured in accordance with the agreed procedures, as reflected in the Financing Agreement and further detailed in the REP Procurement Plan approved by the Bank or that the contract itself is not consistent with such procedures, it may declare misprocurement as established in paragraph 1.12 of the Guidelines. The Bank shall promptly inform the REP of the reasons for such determination.

Misprocurement

Section 1.17 of the World Bank's Guidelines for the Selection and Employment of Consultants states that "The Bank does not finance expenditures for consulting services if the consultants have not been selected or the services have not been contracted in accordance with the agreed provisions of the Loan Agreement and the Procurement Plan¹² approved by the Bank. In such cases, the Bank will declare misprocurement, and it is the Bank's policy to cancel that portion of the loan allocated to the services that have been misprocured. The Bank may, in addition, exercise other remedies provided for under the Loan Agreement. Even once the contract is awarded after obtaining a "no objection" from the Bank, the Bank may still declare misprocurement if it concludes that the "no objection" was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower or that the terms and conditions of the contract had been modified without Bank's approval."

HONIARA CITY COUNCIL – URBAN WORKS

Honiara City Council will undertake a variety of labour intensive urban works and services using **community work groups** to undertake activities that are identified as priority labour intensive works by either communities or by HCC.

PROCEDURES FOR CONTRACTING COMPONENT 1B, URBAN WORKS & SERVICES

No.	Activity	Responsibility
Preparation of Community Sub-grant Works “Packages”		
1	Review REP POM and other relevant documents – identify principles & procedures.	MT team
2	Consult with Director Works, MID REP MT and SIRIP project management consultants re. the road maintenance priorities & programme in Honiara. Identify projects to be done: a) as HCC LABOUR-BASED priority project or b) based on community demand	PM, SWOs, CLO
3	Attend weekly REP Technical Coordination Committee meetings to ensure good integration of activities with the MID REP works programme	PM, SWOs, PO, CLO,
4	HCC Director Works identifies HCC labour intensive works to be included in REP – 12 month programme, with 1 st 3 month priorities.	
5	On direction of HCC Works Director visit work programme areas to identify communities and key community contacts	CLO, PM, SWOs
6	Prepare 1 st draft of 12 month works programme, with priorities for 1 st 3 months. Agree 3 month Work programme & submit for REP PSC endorsement	PM
7	Discuss with HCC Works Director to ensure REP works programme is integrated well/fully with HCC programme	PM, PO, SWOs, CLO
8	Agree responsibilities – Works Coordinators, Community Liaison Officers and interface with HCC.	PM
9	Ensure close coordination with PET Consultant Communication Plan to sensitize communities as to REP objectives, application criteria, procedures and processes	SWOs, CLO
HCC Community Grants – starting from 6 above and running concurrently with activities following thereafter		
10	General expressions of interest are requested by community groups to carry out the works in the budget	PM (HCC)
11	Community groups identify projects and contact the Counsellor in their Ward to endorse the project.	CLO support
12	Appointed Community Liaison Officer(s) and Works Coordinator(s) go to areas where works are proposed to secure Agreement Form for Community Works	CLO, SWO, PM
13	Councillor for Ward signs Agreement Form for Community Works	CLO
14	Agreement Form for Community Works, Works Assessment completed	PM, SWOs
15	Community Agreement Form (includes application) will be evaluated as using the criteria described in section 4.4 (Table 4). Where criteria not met, the Project Manager returns the Community Agreement Form to the CLO who, with support of the SWO will seek to meet the criteria through consultation with the Community Group involved.	PM, CLO, SWO
16	PM submits Community Agreement Forms that meet the entry criteria to the HCC committee referred to below, with the signed & completed criteria evaluation form.	PM
17	Community Works applications will be approved by an HCC committee including Director Works, City Clerk and Director Youth Sports and Women’s Affairs before	HCC Committee

No.	Activity	Responsibility
	submission for approval	
18	Identify 1 st 3 month “package” of community works “contracts” – it is assumed that these will all be of less than SB\$ 50,000 per community project.	PM, PO, SWOs, CLO
19	Submit first three form of sub-agreements to IDA for prior approval	PO
20	Once approved the form is returned to Administration to place a copy on file and to distribute to Works Dept.	Administration
21	Works Dept arranges to meet the group representative on site to confirm the work to be carried out and the amount of payment.	Works
22	Identify community members to attend PET training and training timings	CLOs
23	Liaise through TTC to ensure PET consultant has details of community trainees	PM
24	PET training provided and baseline survey questionnaire completed	PET consultant
25	Supervision/ monitoring of community works	CLOs, SWOs
26	On completion of the works the group notifies Works Dept to inspect and approve payment.	Community Group/ SWOs
27	MT (through Works Dept) dept make request for payment to the group and file Agreement.	Works/Finance
28	Check /Follow-up to ensure community members paid	CLO
HCC Community Work Groups – Parallel with Community Grants		
10	Criteria for community work groups established (rates for labour/work specifications, form of agreement, payment, etc)	Dir Works with PM, CLO and REP MT support
11	Media campaign developed & launched	
12	HCC identifies labour intensive works projects for community work groups: 20-30 persons for 20 to 50 days.	
13	Community groups (between 20 and 30 individuals) are invited to submit applications to carry out HCC labour intensive works	
14	Communities submit applications – facilitated by CLOs & SWOs	Communities
15	Community Work Group applications matched to HCC labour intensive works projects	Dir Works with PM, CLO and REP MT support
16	HCC Community Work Group projects negotiated and agreed with community representatives – in community meetings with all group participants present	
17	Councillor for Ward signs Agreement Form for Community Works	CLO
18	Agreement Form for Community Works, Works Assessment completed	PM, SWOs
19	Community Agreement Form (includes application) will be evaluated as using the criteria described in section 4.4 (Table 4). Where criteria not met, the Project Manager returns the Community Agreement Form to the CLO who, with support of the SWO will seek to meet the criteria through consultation with the Community Group involved.	PM, CLO, SWO
20	PM submits Community Agreement Forms that meet the entry criteria to the HCC committee referred to below, with the signed & completed criteria evaluation form.	PM
21	Community Works applications will be approved by an HCC committee including Director Works, City Clerk and Director Youth Sports and Women’s Affairs	HCC Committee
22	Identify 1 st 3 month “package” of community works “contracts” – it is assumed that these will all be of less than SB\$ 50,000 per community project.	PM, PO, SWOs, CLO
23	Goods (tools, construction materials etc.) identified and shopping/request for	PO

No.	Activity	Responsibility
	quotations put in place	
24	Submit first three form of contracts to IDA for prior approval	PO
25	<i>IDA Prior review & “no objection” to 1st three contracts received</i>	<i>IDA</i>
26	Once approved the form is returned to Administration to place a copy on file and to distribute to Works Dept.	Administration
27	Works Dept arranges to meet the group representative on site to confirm the work to be carried out and the amount of payment.	Works
28	Identify community members to attend PET training and training timings	CLOs
29	Liaise through TTC to ensure PET consultant has details of community trainees	PM
30	PET training provided and baseline survey questionnaire completed	PET consultant
31	Supervision/ monitoring of Community Work Groups	CLOs, SWOs
32	On completion of the works the group notifies Works Dept to inspect and approve payment.	Community Group/ SWOs
33	MT (through Works Dept) dept make request for payment to the group and file Agreement.	Works/Finance
34	Check /Follow-up to ensure community members paid	CLO

FINANCIAL MANAGEMENT PROCEDURES

RESPONSIBLE UNITS AND STAFF (HCC AND MID)

Accounting Officers: The MID and HCC REP Finance Officers are the accounting officers in terms of the SIG and HCC Financial Instructions: They are accountable to the MID Chief Accountant and the HCC City Treasurer respectively and to their REP Project Manager for:

- a. The regular and prompt maintenance of such books of account and other records as are prescribed in the SIG/HCC Financial Instructions, in this Project Operations Manual and in other written instructions issued by the Permanent Secretary or HCC Treasurer/City Clerk;
- b. The prompt application for withdrawal, recording, banking and bringing to account of all project funds;
- c. Monthly submission to the respective MID/HCC Project Manager, MID Chief Accountant and HCC City Treasurer of income and expenditure budgeted v actual, bank reconciliation and assets and liabilities statements;
- d. Un-audited interim financial reports (IFRs) will be prepared quarterly and submitted within 45 days of the end of each reporting period. A consolidation of the quarterly reports at the end of the fiscal year will form the basis of annual programme financial statements which will be subject to audit.
- e. The safe custody of moneys and any financial documents under his/her control; taking care that no payment is made without proper authority, that payment vouchers are arithmetically correct and are entered in the REP project Vote Book (ledger) before payment.

FINANCIAL MANAGEMENT SYSTEMS CURRENTLY IN PLACE

The Ministry of Infrastructure Development complies with Solomon Islands Government's Financial Instructions 2004. The SIG Financial Instructions are updated from time to time by amendments issued by the SIG Department of Finance and Treasury²⁹. The Financial Instructions include instructions covering areas of financial management including: general principles, duties of appointed public officers, safe custody of financial documents and monies, procedures for preparation of budgets, authorities to incur expenditure, imprests, banking facilities, salaries and wages, monthly accounts, development funds, Boards of Survey and internal audit, purchase of goods and services, inventories and accounting and audit standards.

HCC is at an advanced stage of setting up a MYOB based accounting system³⁰ with TA support³¹. The REP will use the MYOB system; i.e., the same software and accounts set up as for HCC but a separate stand alone system with possible data transfer by CD or flash disk. Commonwealth Local Government Forum (New Zealand government funded) Financial Management (FM) TA³² will help set up the REP FM system. The HCC/MID PO and FO will

²⁹ An update has long been due for release, in 2008 and 2009, and is now expected to be released in mid 2010.

³⁰ HCC are currently setting up an asset register. Accounts were not done for a long time. They are introducing accrual accounts (profit and loss, balance sheet, etc) 2008 is just complete. They expect to have 2009 complete by 31 March

³¹ Funded by NZAID through the Commonwealth Local Government Forum

³² Available in Honiara until end 2010.

work with this TA. The REP financial system will only be consolidated for audit purposes in HCC's approved annual budget but not in HCC's annual budget or day to day accounting system. HCC currently provides monthly financial reporting and it is proposed that REP accounts be reported on a monthly basis showing actual against budget expenditure, assets and liabilities and bank reconciliation³³.

ADDITIONAL SYSTEMS REQUIRED BY THE REP

Rapid Financial Management Assessments of the implementing agencies (Honiara City Council and Ministry of Infrastructure Development) were undertaken in September 2009 and during Appraisal in March 2010 respectively. The Project's financial management arrangements have been designed to meet IDA's minimum requirements. An action plan has been adopted to mitigate the risks identified, including:

- a. The recruitment of Finance Officers for each of the HCC and MID Management Teams;
- b. The contracting of short-term financial advisory services to support the establishment of financial management systems;
- c. The preparation of a Project Financial Management and Accounting Manual in the POM (See Guidelines in Annex 11);
- d. The implementation of a separate MYOB accounting and financial reporting package; and

Regular supervision and training support will be provided by a World Bank's Financial Management Specialist.

SPECIFIC WORLD BANK ARRANGEMENTS

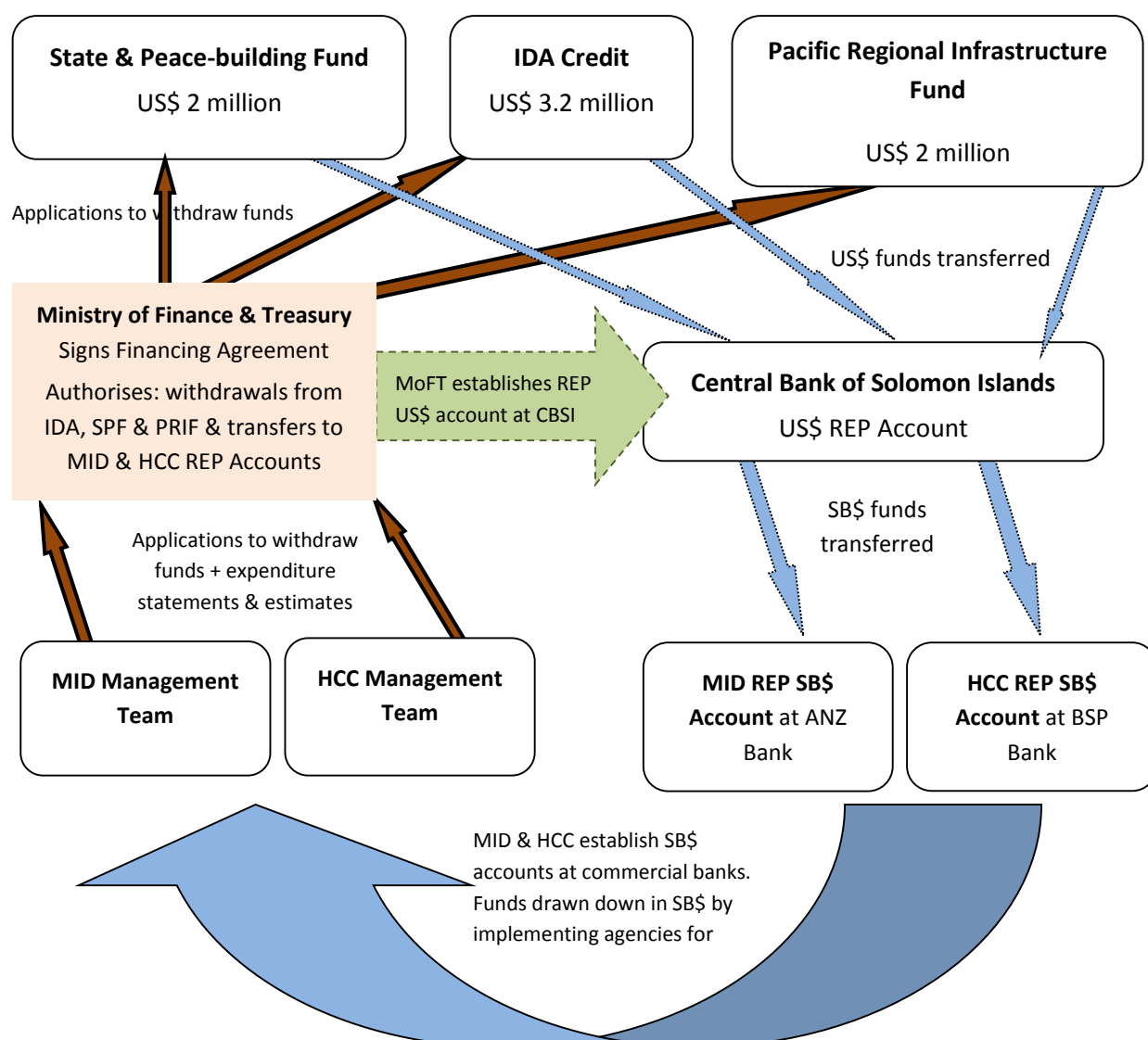
The REP will be financed with an IDA Credit in the equivalent amount of US\$ 3.2 million. Co-financing for the Project will be provided by the World Bank's State and Peace-building Fund (SPF US\$2.0 million) and the Bank-administered Pacific Region Infrastructure Facility (PRIF US\$ 2.0 million).³⁴ PRIF funding will be used exclusively by MID.

The SPF Grant would be used to assist Solomon Islands Government (SIG) to undertake early implementation activities and to co-finance with IDA and other sources the main project activities: short-term employment generation through public works and services, and short-term pre-employment training of participants. Specifically, the grant would finance goods, technical assistance and incremental operating and management costs to strengthen the institutional capacity of the implementing agencies, and sub-project costs associated with public works and urban services. The Bank will execute a small portion of the SPF grant to assist with rapid implementation start-up through the hiring of key short-term technical assistance. The SPF support is sought only for the first 2.5 years of the project.

³³ Bank reconciliation will shortly be introduced on a weekly basis by HCC.

³⁴ Financing has been confirmed from the Pacific Regional Infrastructure Facility (PRIF) and is, as of October 2009, is pending from the State and Peace-building Fund.

SOURCE & DISBURSEMENT OF FUNDS



Disbursement and Fund Flow Arrangements

The disbursement arrangements will allow the REP to use the following methods:

- Advances into and replenishment of Designated Accounts;
- Direct payment from the grant/TF account; and
- Reimbursement.

It is expected that direct payments will only be used for payment on large contracts requiring payment in foreign currency, i.e. international technical advisors.

Project funds for both MID and HCC will be disbursed into the Central Bank of Solomon Islands and then transferred into two commercial operating accounts – one in the name of MID REP and one in the name of HCC REP - in Solomon Island dollars (the MID REP and HCC REP accounts). On establishment of the designated accounts, the MOTF will write to the Accountant General requesting a Standard Instruction to enable funds to be transferred automatically from the Central Bank to the MID and HCC REP operational accounts. The two REP accounts will be operated on an advance basis and the initial advance will be made

through the completion of a Withdrawal Application. Subsequent replenishments will be made through submission of withdrawal applications providing details on the use of funds previously advanced, based on Statements of Expenditures.

In total, the initial authorized allocation (ceiling amount) for the DAs will be US\$ 200,000 for all three pooled sources of funding. Specific authorized allocations to each implementing agency (MID and HCC) from each source of funds (IDA, PRIF and SPF) will be determined under each grant agreement. While MID and HCC may pool the three different sources of project funding, separate “fund accounting” will have to be maintained and separate Withdrawal Applications will be required for each source of funds.

AUTHORIZED ALLOCATIONS FOR THE OVERALL AND INDIVIDUAL AGREEMENTS

Implementing Agency	IDA	SPF	PRIF	Total
Honiara City Council	SB\$778,210	SB\$778,210	SB\$0	SB\$1,556,420
Ministry of Infrastructure Development	SB\$778,210	SB\$233,463	SB\$544,747	SB\$1,556,420

Where payments are larger than US\$50,000, direct payment method may be used to facilitate the payment of these amounts. All direct payment applications will be paid based on documentation provided which would include: evidence that the good or service had been satisfactorily completed, and a copy of the invoice provided by the supplier.

REP Financing Agreements: The Financing Agreement between Solomon Islands (the “Recipient”) and the International Development Association describes the terms and conditions attached to the funding arrangements for the Rapid Employment Project. The Disbursement Letter contains additional instructions describes the disbursement, withdrawal and reporting arrangements:

DISBURSEMENT, WITHDRAWAL AND REPORTING ARRANGEMENTS

DISBURSEMENT ARRANGEMENTS	
1	The disbursement methods that may be used are: Reimbursement, Advance and Direct Payment.
2	Conditions of disbursement are contained in the Financing Agreement.
WITHDRAWAL ARRANGEMENTS	
1	The SIG will submit a letter to the World Bank that provides details of the authorised signatures for withdrawal of IDA, SPF and PRIF funds from the World Bank for deposit in the CBSI REP US\$ Designated Account (a pooled account of IDA, SPF and PRIF funds).
2	Applications for withdrawal of funds will use Form 2380 and can be submitted electronically using the Association’s Client Connection web-based portal.
3	The minimum value of applications for Direct Payment and Reimbursement is 20% of the balances of Designated Accounts.
4	MID and HCC will establish, at financial institutions acceptable to the IDA, REP bank accounts for receipt of IDA, SPF and PRIF funds and for expenditure on REP activities described in the Procurement Plan.
5	The ceilings for the combined DA for all three sources of financing are US\$ 200,000 for MID and US\$ 200,000 for HCC
REPORTING ARRANGEMENTS	
Supporting documentation to be provided with each application for withdrawal are:	
1	For requests for Reimbursement:

- Statements of Expenditure (See Annex 26) for payments against contracts that are not subject to IDA Prior Review; and
 - A list of payments in the form specified (See Annex 26) together with records of evidencing eligible expenditures (e.g. copies of receipts, suppliers invoices) against contracts that are subject to the IDA's prior review.
- 2 For reporting eligible expenditures paid from the Designated Accounts:**
- Statements of Expenditure (See Annex 26) for payments against contracts that are not subject to IDA Prior Review;
 - A list of payments in the form specified (See Annex6) together with records of evidencing eligible expenditures (e.g. copies of receipts, suppliers invoices) against contracts that are subject to the IDA's prior review; and
 - A designated account reconciliation (See Annex6) and related bank statement.
- 3 For requests for Direct Payment:**
- Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.
- 4** The frequency of reporting eligible expenditure paid from designated accounts is – monthly.

Eligible Expenditures

The following table presents the eligible expenditure categories for the REP and the estimated US dollar amount under the IDA grant that will be made available for the REP. IDA will finance 100 percent of these eligible expenditures, inclusive of taxes.

PROPOSED DISBURSEMENT CATEGORIES (FOR IDA GRANT)

No.	Category	Proposed Amount (US\$)	Financing percentage (inclusive of taxes)
1	Goods, Training, Consultants' Services and Incremental Operating Costs	1,965,000	100%
2	Sub-grants	635,000	100%
3	Works	500,000	100%
4	Unallocated	100,000	
	Total	3,200,000	

Budgeting

Each implementing agency will be required to prepare a budget enabling budget identification at a component and account level. See Annex 28 for the format of the current budget and Annex 25 for the timing of annual budget preparation. The REP MID and HCC Project Managers, supported by the Finance and Procurement Officers are responsible for the preparation their components of the Annual Budget.

Accounting Systems

MYOB accounting software package is standard in many projects and government offices in Solomon Islands and its application is recommended under REP. Both HCC and the SIRIP project of MID currently use MYOB. The package has the capacity to operate more than one bank account, report separately on programme funds and to prepare customized reports. The Finance Department of HCC and TA Financial Management currently in place will ensure

that the accounting package is applied to the project, and SIRIP has agreed to provide advice to set up and manage the project accounts with MYOB. The reports generated from the accounting system would include the quarterly unaudited interim financial reports and the annual financial statements for audit. The accounting system will also be used to capture direct payments which are processed through individual Withdrawal Applications.

All documentation relating to payments will be prepared and collated by the FOs, and authorized by the designated authorities before payment is made by the project. MID and HCC will each establish and maintain separate bank accounts for all IDA/REP funds (see Annex 16 for standard form to open SIG bank account). Monthly bank reconciliation statements will be prepared.

HCC and MID Designated Accounts signatories: Signatories are required on all cheques and transfers from the HCC and MID designated accounts to the project operational accounts; these signatories are:

- a) In respect of the HCC REP Account, as per the letter from the Minister of Finance and Treasury dated 27 April 2010, any two signatures of the following 4 individuals:
 - Wayne Hart, City Clerk,
 - Moses Kaukui, Treasurer,
 - Charles Kelly, Director Corporate Service, and
 - Les Hewer, Director Works.
- b) In respect of the MID REP Account, as per the letter from the Minister of Finance and Treasury dated 26 April 2010, any two signatures, one from category A and one from category B:

Category A

- John Ta'aru, Permanent Secretary,
- Moses Virivolomo, Under Secretary – Technical, and
- Ambrose Kirei, Director TIMS.

Category B

- Ben Manau, Chief Accountant,
- Gabriel Fo'oa, Principal Accountant, and
- Harry Rini, Director TPPD.

REP MID and HCC commercial bank accounts will be replenished from the Designated Accounts for day to day local payments. At least two signatories will be nominated by the Permanent Secretary MID and City Clerk HCC and will, in each case, include, but not be restricted to the respective MID AND HCC REP Project Managers.

Reporting and Monitoring

Both implementing agencies are required to provide un-audited quarterly interim financial reports (IFRs) within 45 days of the end of each reporting period (quarterly). As these reports are to be used as a measuring tool it should report programme progress on a component basis with adequate description, explanation and analysis of variances. A consolidation of such reports at the end of the fiscal year may form the basis of annual programme financial statements which will be subject to audit. The form of IFRs is provided in Annex 26.

External Audit

Both implementing agencies will be required to provide annual audited financial statements for each fiscal year of the project. In both cases the project funds will be audited separately from the implementing agencies' other funds and a separate audit opinion would be required. These reports must be received by the World Bank within 6 months of the end of the fiscal year for which the reports have been audited. The Project Steering Committee will be ultimately responsible for ensuring programme funds are audited.

The project financial statements will be audited under the supervision of the Office of the Auditor General, which is an independent auditor acceptable to the Bank. The Auditor General's Office has indicated it would most likely conduct the audit itself rather than subcontract the audit to an audit firm³⁵. The programme would finance any incremental costs (other than staff time) incurred by the Office of the Auditor General. In the event that the audit is subcontracted, the selected firm would need to be acceptable to the World Bank. A TOR for External Audit of the REP is contained in Annex 10.

Financial Management Action Plan

The plan below indicates the agreed actions to be taken for the REP to strengthen its financial management system and the stage at which they must be completed.

ACTION PLAN TO STRENGTHEN FINANCIAL MANAGEMENT

	Action	Date due by	Responsible
1	Agree on the formats of unaudited IFRs that will be used for the project.	By Negotiations	MID, HCC & Bank FM specialist
2	Agree to the scope of the audit for both MID and HCC with the Auditor General.	Within 6 months of effectiveness	HCC and MID
3	Determine the internal FM guidelines to be used within the MID component of the project	Condition of disbursement	MID
4	Appointment of dedicated Finance Officers (FOs) under MID and HCC for the purpose of the project.	By effectiveness	HCC and MID
5	Recruit FM technical advisor to review project FM requirements and to train FOs.	By disbursement	WB
6	Produce a brief manual, acceptable to the World Bank, outlining HCC processes for payment of accounts, financial delegations with the HCC, payroll procedures and controls on the banking of money.	Condition of disbursement	HCC
7	Completion of the HCC 2008 audit, and HCC management response outlining actions to be taken from any matters arising from the audit, satisfactory to IDA.	Condition of disbursement	HCC

³⁵ If external audit is contracted out, a TOR for this purpose is provided in Annex 11.

ENVIRONMENTAL & SOCIAL MANAGEMENT GUIDELINES

Overall, the REP is expected to have positive social and environmental impacts. Component 1 will help to improve drainage, erosion control and urban sanitation (among other beneficial outcomes), while Component 2 focuses on training would therefore have neutral impacts. As such, the REP is classified³⁶ as a category B, with minimal or marginal negative environmental or social impacts anticipated. Nonetheless, given the works activities contemplated under the REP, and issues of land title and possible compensation requirements for assets encountered, the Project triggers safeguard policies OP/BP 4.01 on Environmental Assessment, and OP/BP 4.12 on Involuntary Resettlement. As such, an Environmental and Social Management Guideline (ESMG) has been developed that sets out the procedures for screening potential sub-projects and provides technical guidance on mitigating impacts for eligible activities. These Guidelines are presented in a separate document, which has been prepared and disclosed in Solomon Islands and through the World Bank's "InfoShop".

The ESGM would provide guidance to the HCC and MID on how to avoid or otherwise mitigate and manage the potential negative impacts of various sub-projects. These guidelines sets out the procedures for screening potential sub-projects and provides technical guidance on mitigating impacts for eligible activities (as summarized in Table 1 below). Table 1 below summarizes some of these potential impacts and mitigation measures.

IDENTIFIED POTENTIAL IMPACTS OF REP ACTIVITIES AND MITIGATION MEASURES

Works/Activities	Anticipated impacts	Mitigation measures
Clearance of ROW, installation of drains and culverts, minor road widening	Loss of land or use of land; acquisition or removal of legal assets (structures, crops, trees) from ROW	Consult with lease-holders and other stakeholders; Consult with COL and request resumption of land (as per RPF); Prepare and implement RP as per the RPF
Site preparation – approaches, and embankments	Damage to waterway, river bed and banks; Downstream siltation; Change in downstream flows (increased velocity)	Design works to minimise impact on waterway; Do not dispose of solid waste on river bank or in downstream waterway; Minimise disturbance to river banks to avoid destabilisation; Consider present flow rates and assess new flow rate after culvert; Check for downstream vulnerabilities to higher flows
Aggregate/gravel extraction	Impacts of sourcing materials from inappropriate locations	Use already identified/approved quarries or aggregate/gravel sources; Follow MID's Aggregate Extraction Guidelines; Sign MOU (covering royalties/compensation) with resource owners if new source identified
Filling of potholes and ruts on the	Impacts to nearby land surfaces from extracting local fill material;	Select extraction site with care (see materials extraction);

³⁶ By the World Bank under Operational Policies/Bank Procedure 4.01.

Works/Activities	Anticipated impacts	Mitigation measures
carriageway	Water quality and land contamination impacts from accidental fuel/oil spills or leaks from machinery or stores	Avoid destruction of crops and natural vegetation; Avoid sites within 100m of waterway; Protect site from runoff; Store extracted or stockpiled gravel in selected place; Protect from erosion by covering and providing interception drains; If machinery is used: (i) vehicle, machinery, maintenance and re-fuelling will be carried out so that spilled materials do not seep into the soil; (ii) fuel storage and refilling areas will be located at least 50 m from drainage structures and 100 m from important water bodies; (iii) oil trays will be used under vehicles in on-site parking areas
Grading and camber shaping	Damage to adjacent lands through careless machine use; Water quality impacts from runoff from unconsolidated surfaces and stockpiles. Water quality and land contamination impacts from accidental fuel/oil spills or leaks from machinery or stores.	Protect any stockpiles from erosion by covering and providing interception drains if left overnight. Minimise area of disturbance. Machinery fuel/oil spill safeguards (see above)
De-silting culverts and clearing inlet and outlet structures	Damage to vegetation and crops, and siltation of waterways from unplanned spoil disposal	Store spoil in selected place; Protect from erosion by covering and providing interception drains
Clearing side, catch-water and mitre drains	Damage to vegetation and crops, and siltation of waterways from unplanned spoil disposal; Impact on waterways from drainage water	Store spoil in selected place; Protect from erosion by covering and providing interception drains; Locate mitre drains to direct water to vegetated areas before reaching water bodies
Clear structures and waterways	Temporary impact on water quality from damage to banks or disposal of solid waste	Design works to minimise impact on waterway; Do not dispose of solid waste on river bank or in downstream waterway
Vegetation clearance and cutting of grass and bush	Loss of valuable vegetation and shade trees; De-stabilisation of slopes and riverbanks	Keep within a specified clearing distance from the road; Avoid accidental damage to trees; Maintain stabilising vegetation cover on roadside slopes and river banks
Excavation of drains and trenches etc	Erosion of excavated material and stockpiles leading to siltation of waterways. Damage to adjoining crops or natural vegetation due to side road. Water quality and land contamination impacts from accidental fuel/oil spills or leaks from machinery or stores.	Protect excavated spoil from erosion by covering and providing interception drains if left overnight. Minimise area of disturbance; If machinery is used: (i) vehicle, machinery, and equipment maintenance and re-fuelling will be carried out so that spilled materials do not seep into the soil; (ii) fuel storage and refilling areas will be located at least 50 m from drainage

Works/Activities	Anticipated impacts	Mitigation measures
		structures and 100 m from important water bodies; and (iii) oil trays will be used under vehicles in on-site parking areas.
Spoil and waste handling and disposal	Damage to vegetation and crops, and siltation of waterways from unplanned spoil disposal	Store spoil in selected place; Protect from erosion by covering and providing interception drains; Dispose of waste at only HCC designated dumps and sites
Placement of pipes; backfilling and compacting	Water quality and land contamination impacts from accidental fuel/oil spills or leaks from machinery or stores.	Machinery fuel/oil spill safeguards (see above)
Construction of headwalls	Accidental spillages of wet cement, or cement washings into the river. Cement is highly toxic to fish and other aquatic animals	Establish clear separation of concrete batching works from any drainage to the waterway; Avoid spills of cement or disposal of excess mixed cement into waterway; Protect dry cement stocks from wind

The ESMG also contains a Resettlement Policy Framework (RPF), and indicates activities that would be ineligible for investment under the REP. The Guidelines also include a consultation and participation plan that is being followed in the design of the REP and will be applied during implementation to ensure the effective inclusion of communities and particular target groups (i.e., youth and women).

The Resettlement Policy Framework (an annex to the ESMG) reviews Government law and policy on resumption of leases in the greater Honiara city, where the land is wholly owned by Government. The RPF reflects the SIG's land acquisition laws/regulations and WB's policy on involuntary resettlement and best practice notes and guidelines. It stipulates eligibility and provisions for compensating all types of losses (land, crops/trees, structures, business etc). Refer to Appendix 3 of the ESMG for the RPF.

Within MID the Director of Transport Infrastructure Management Services (TIMS) will assume overall responsibility for the management of Subcomponent 1.A - Road Rehabilitation and Maintenance. Under TIMS the Transport Policy and Planning Division (TPPD) will take lead responsibility for technical preparation, procurement, supervision and financial management of these activities. HCC's Works Division would take the lead on identifying and organizing Sub-component 1.B - Public Works and Services, this would most likely be along the lines of the ongoing community works program already being implemented by HCC.

The framework documents identify who within the two implementing agencies would have responsibility for undertaking the required safeguard reviews and who would monitor that this is happening according to agreed-upon procedures (see Table 2 below). MID HCC staff (permanent and project-specific) will ensure that the EMSG procedures are strictly adhered to and that preparation of the EMPs will be carried out in a timely and adequate manner, environmental monitoring and institutional responsibilities are fully met, and that meaningful public consultations are carried out satisfactorily. The field supervisors of each organization will be the front line staff responsible for screening sub-projects and identifying instances where mitigation measures are required. These same staff will ensure that contractors (principally in the case of MID) are abiding by the indicated measures. Community Liaison Officers in both institutions would focus on social issues to ensure that the requirements under

the RPF are applied. Project managers in both MID and HCC would have responsibility to assess application of agreed safeguard measures on a regular basis. On-going capacity building of MID staff in safeguards (under ADB-funded support projects) would be extended to the key project staff of REP. Similar training would also be made available for HCC staff under the project.

INSTITUTIONAL RESPONSIBILITIES IN IMPLEMENTATION OF THE ESMG

Responsibility	Tasks and Functions
MID/HCC	<p>Disclose approved/endorsed ESMG, RPF and Consultation Plan at the MID and HCC Offices;</p> <p>Monitor and supervise implementation of the ESMG, including activities of the CLOs/CDO and Works Coordinator/Coordinators;</p> <p>Preparation of budgets required for the implementation of the ESMG;</p> <p>Before implementation of any activities, ensure that training to the CLOs and Works Coordinator/Coordinators, and contractors if required, is provided. During implementation, assess needs for training and provide mechanisms for ensuring such training;</p> <p>Consult with CDO/CLOs on complaints and grievances and process implemented to resolve such complaints;</p> <p>Based on the reports from the Project Managers, prepare and submit safeguards status reports as part of quarterly reports to the WB;</p> <p>Provide support, as required, to Project Managers, CLOs and Works Coordinator/Coordinators in the implementation of the ESMG</p>
Project Managers	<p>Review a sample of ESM Screening Checklists;</p> <p>Review and approve EMPs;</p> <p>Advise Works Coordinator and Coordinators of EMP requirements and how to comply;</p> <p>During construction and operation of subprojects, check performance of contractors on implementation of the EMPs periodically, and visit each contractor/community group at least once every three months</p>
Coordinators (HCC) & Works Coordinator (MID)	<p>Work with CLOs/Social Safeguards Officers to consult community groups and community leaders/representatives;</p> <p>Undertake screening of ESMG issues for each subproject, complete, in coordination with CLOs, the ESM Screening Checklist;</p> <p>Prepare EMPs for each subproject and submit to Project manager for approval;</p> <p>Advise Field Supervisors and Leading Hands of EMP requirements;</p> <p>Supervise and check implementation of EMPs during works/activities</p>
Community Liaison/Social Safeguards Officers and MID's CDO	<p>Facilitate community consultations (jointly between HCC and MID) and community "agreements" and/or MOUs for subprojects as per the Project's Consultation Plan;</p> <p>Document, with requisite signatures from Councillors or WAC members, agreements or MOUs;</p> <p>Work with Works Coordinator/Coordinators to complete the ESM Screening Checklist for each subproject;</p> <p>Following identification of land required for subprojects (through coordination with COL), undertake consultations with lease-holders, complete IOL, and prepare RPs (as required by subprojects) and assist in implementation of approved RPs (endorsed by SIG and no-objection from WB);</p> <p>Prepare RPs, as required, for subprojects;</p> <p>Disclose RPs and information on grievance redress mechanism at EA offices and to affected villages;</p> <p>Receive, record and monitor complaints from affected households, communities or villages, individuals, and respond with solution, in consultation with REP Project</p>

Responsibility	Tasks and Functions
	<p>Managers, and MID/HCC where required; Monitor implementation of RPs; During works and activities, assist Project Managers to check on performance of contractors/community groups on implementation of EMPs periodically, and accompany Project Managers in visiting each contractor at least once every three months</p>
Contractors	<p>Implement EMPs and comply with any additional requirements advised by, or on behalf of, Project Managers ; Prepare monthly status reports and submit to Field Supervisors/Works Coordinators and Coordinators</p>
CLO	<p>Work with MID/HCC to identify affected parcels of land, lease arrangements, and lease-holders; Consult (with assistance from CLOs) and negotiate with lease-holders; Sign compensation contracts, after these have been prepared; Advise MID/HCC to pay compensation or deliver in-kind compensation</p>
PMCBU	<p>Provide advice and assistance to CLOs/Social Safeguards Officers in conducting social and land acquisition screening, as well as in preparing RPs (if required); Provide advice and assistance to Coordinators (HCC) and Works Coordinator (MID) in compiling the EMPs based on the ESMGs; and CDO to assist with organising MOUs as required and in responding to complaints (first instance) from affected households or villages; and Provision of capacity building or training on safeguards as required.</p>
World Bank	<p>Review ESMG (incl. RPF and Consultation Plan) and provide non-objection; Provide review and comment on any RPs required for subprojects and prepared during the project</p>

MONITORING AND EVALUATION

RESULTS FRAMEWORK AND AGREED PERFORMANCE INDICATORS FOR THE REP

The REP Results Framework is provided in 0 at the end of this Section. The Results Framework identifies three Key Performance Indicators (KPI) which will indicate that the Project Development Objective - Increase incomes of the poorest households and among youths and women in and around Honiara – is achieved. Two of these will require a socio-economic survey:

- a. KPI 1: Average increase in participant household income related to the Project.
- b. KPI 2: Percent of participants at or below the poverty line

Socio-economic Survey: The two KPIs referred to above will be identified by means of socio-economic data designed to ascertain baseline measures of beneficiaries' socioeconomic status, household members' primary activity, and demographic characteristics. The socio-economic baseline data will be obtained by the PET consultant firm at the commencement of the Project. The Project's impacts will be monitored primarily through two surveys.

- a. **Socio economic data survey:** The first survey will monitor the Project's related impacts on participants' socio-economic status. The baseline data will be captured by the PET Consultant at the point beneficiaries enter the pre-employment training programme (See TOR in Annex 6). Consultant(s) will be separately contracted to conduct follow up annual surveys on a sample set of beneficiaries six months after their exit from the Project (See TOR in Annex 7). The data collected will include:

Profile of Baseline & Semi-annual Survey Data

Average increase in participant household income related to the Project.	
Percent of participants at or below the poverty line	
<i>Disaggregated by: Female/Male, Age 29 & less/Age 30 and more, by Honiara City Council Ward</i>	
1.	Household size
2.	
3.	
4.	
5.	Source of Household income (Pre PET, during and post participation in PET
6.	Any other sources of income during participation
7.	Participant weekly wage pre-PET
8.	Participant weekly wage at Semi Annual Surveys (1 st , 2 nd , 3 rd , 4 th , etc)
9.	Employment status pre-PET
10.	Employment status at Semi Annual Surveys (1 st , 2 nd , 3 rd , 4 th , etc)

Evaluating the relevance of the training and communications: The monitoring function achieved by the PET administered Trainee Satisfaction survey, will be supplemented by a survey which will secure feedback from the works contractors and community groups on the relevance of the training and communications. This survey will be conducted by the HCC's Community Liaison Officers on a biannual basis. See Annex 8.

The third Project Development Objective KPI can be identified by the regular project MIS – the percentage of youth and women participating in the project.

Intermediate Outcomes are described in the Results Framework and the means of obtaining the data described below and briefly and more fully in Annex 24.

STANDARD REPORTING FORMS

An annual financial planning and reporting calendar is contained in Annex 25. Standard reporting formats to be used for:

- 1 Procurement Plans (simplified) are contained in Annex 19;
- 2 Quarterly Progress Reports are contained in Annex 22;
- 3 Quarterly Interim Financial Reports and Statements of Expenditure are contained in Annex 26
- 4 Annual Work Plans are contained in Annex 27; and
- 5 Annual / Five-Year Budgets are contained in Annex 28.

REP M&E/MIS DATA COLLECTION MATRIX

Annex 24 contains a REP M&E Data Collection Matrix that identifies the data collection requirements for those indicators that do not require separate data collection (through, for instance, socio economic surveys) but can be obtained through the REP management information system (MIS). The Data Collection Matrix identifies: definition and the indicator, methodology to identify, data source(s), baseline, frequency of collection, and responsibility for collection. The Data Collection Matrix is directly linked to the REP Quarterly Reporting Report Format. All the REP Results Framework, KPI will be identified through the Data Collection Matrix and Quarterly Progress Reports, except for KPI 1 and 2.

The monitoring information will be regularly collected by the MID and HCC Works Managers, works contractors, community groups and Finance Officers and Procurement Officers, and entered into a simple Monitoring and Information System (MIS). The analysis required to produce the quarterly reports will be conducted by the MID's PM and HCC's PM.

The actions required to ensure that data is collected by the parties identified are as described in below.

ACTIONS FOR COLLECTION OF M&E DATA

No.	M&E data requirement	Action	Responsible
1.	Percentage of youth and women participating in the Project. Numbers of trainees successfully completing training	Include requirement for PET and MID RM contractors to report monthly on participant nos. disaggregated male/female and under 29/Over 29	MID & HCC Procurement Officers (and Project Managers)
2.	Average number of labour days worked per person per year. Kilometres of roads rehabilitated or maintained	Include requirement for MID RM contractors to report monthly on nos. disaggregated male/female and under 29/Over 29	
3.	Average labour input (as a percentage) of sub-projects. Number of sub-projects certified as completed	Identify indicator data in Community Works Applications & HCC Works Records – ensure identification	
4.	No. and value of works contracts tendered and	Establish MID MT REP Contracts	MID Procurement

	awarded. No. of works completed on schedule and certified	Ledger – identify data requirements	Officer & PM
5.	No. and value of community grants awarded. No. sub-projects completed on schedule and certified	Establish HCC MT REP Sub-Project Ledger – identify data requirements	HCC Procurement Officer & PM
6.	Timely preparation of procurement and Financial Management documentation.	As for 4 and 5 above – identify data requirements in REP MID Contract Ledger and HCC Projects Ledger	MID & HCC Procurement Officers (and Project Managers)
7.	Level of satisfaction of Works Contractors with PET trainee performance/behaviour	Draft simple questionnaire to administer at monthly site meetings with MID REP Works Contractors	MID Project Manager
8.	Level of satisfaction of trainees with training	Include requirement to evaluate trainee satisfaction through interviews (random sample 20%) in PET Contract	HCC Procurement Officer

FORMAT FOR COLLECTION OF DATA AT MONTHLY SITE MEETINGS

1. Number of work participants employed during month			
1.1		Total nos.	
1.2		Female age 16-29	
1.3		Female 30+	
1.4		Male 16-29	
1.5		Male 30+	
2. No. of labour days worked by participants during month			
2.1		Total days	
2.2		Female age 16-29	
2.3		Female 30+	
2.4		Male 16-29	
2.5		Male 30+	
3. Satisfaction of Works Contractor with participants (1 Very low, 2 Low, 3 Adequate, 4 High, 5 Very High)			
3.1		Overall	
3.2		Female age 16-29	
3.3		Female 30+	
3.4		Male 16-29	
3.5		Male 30+	
4. Satisfaction of Works Contract with training provided (1 Very low, 2 Low, 3 Adequate, 4 High, 5 Very High)			
4.1		Overall	
4.2		Knowledge	
4.3		Skills	

4.4		Attitudes	
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MID-TERM REVIEW, FINAL EVALUATION AND IMPLEMENTATION COMPLETION REPORT

A Mid Term Review. A Mid-Term Review (MTR) of the REP will be scheduled before June 2013. The REP's short term impact studies will be used to inform the MTR. Quarterly progress reports will be prepared for IDA review and comment following an agreed upon format that describes the REP's progress to date. The project teams will collect data necessary to support this review (See Annex 24). The MTR will be conducted to enable the PSC to examine progress being made to date; identify priorities for future action; and facilitate critical decisions up until the end of the REP period.

Final Evaluation: Solomon Islands Government, with inputs from Department of Treasury, HCC and MID will prepare its own evaluation report on the REP execution and initial operation, its costs and benefits, the World Bank's and Solomon Islands Government's performance of their obligations under the Financing Agreement and the extent to which the purposes of the loan were achieved. Solomon Islands Government's summary of this report (or the full report, if it is 10 pages or less) is attached unedited to the Implementation Completion Report. Solomon Islands Government will also assist IDA in the preparation of the Implementation Completion Report.

Implementation Completion Report: The World Bank is required to complete an Implementation Completion Report (ICR) at REP closing. The ICR will be prepared at the time of REP completion in 2015. It will assess (a) the degree to which the REP achieved its development objective and outputs as set out in the REP documents; (b) other significant outcomes and impacts; (c) prospects for the REP's sustainability; and (d) Bank and borrower performance, including compliance with relevant Bank safeguard and business policies. The ICR also provides the data and analysis to substantiate these assessments, and it identifies the lessons learned from implementation.

RAPID EMPLOYMENT PROJECT RESULTS MATRIX

Activity Description	Expected Results	Key Performance Indicators	Means of Verification/Data Collection Instrument; Responsibility for Data Collection; and Frequency of Reports.
Project Development Objective	Increase incomes of the poorest households and among youths and women in and around Honiara.	Average increase in participant household income related to the Project.	Socio-economic profile established at commencement; and Semi-Annual Impact Survey implemented by PET consultant.
		Percent of participants at or below the poverty line	Socio-economic profile established at commencement; and Semi-Annual Impact Survey implemented by PET consultant.
		Percentage of youth and women participating in the Project	MIS compiled from Monthly data from contractor
Intermediate Outcomes for Component 1:			
Rapid Employment Scheme	To provide approximately 60,000 labour days of employment per year to the poorest areas of Honiara.	Average number of labour days worked per person per year	MIS compiled from contractor payment requests. Semi-Annual Reports.
		Average labour input (as a percentage) of sub-projects	MIS compiled from contract data. Semi-Annual Reports.
		Kilometres of roads rehabilitated or maintained	MIS compiled from sub-project completion reports. Semi-Annual Reports.
		Number of sub-projects certified as completed	
Roads Rehabilitated and Maintained		No. and value of works contracts tendered and awarded	MIS compiled from contract agreements. Semi-Annual Reports.
		No. of works completed on schedule and certified	MIS compiled from sub-project completion reports. Semi-Annual Reports.
Urban Works and Services delivered		No. and value of works contracts tendered and awarded	MIS compiled from sub-project completion reports. Semi-Annual Reports.
		No. and value of community grants provided	
		No. sub-projects completed on schedule and certified	
Improved management capacity		Timely preparation of procurement and Financial Management documentation	Financial Management and Procurement Reports and IDA Supervision reports. Quarterly Reports.
		Satisfactory implementation performance -as per Site Reports	
Intermediate Outcomes for Component 2:			
Pre-Employment Training	To improve the knowledge and basic pre-employment of programme beneficiaries that are valued in the work place and society	Level of satisfaction of Works Contractors with PET trainee performance/behaviour	Perceptions survey implemented by HCC’s Community Liaison Officers. Semi-Annual Reports.
		Level of satisfaction of trainees with training	Exit interviews by the PET consultant. Semi-Annual Reports.
		Numbers of trainees successfully completing training	Exit interviews by the PET consultant. Semi-Annual Reports.