ADB ASIAN DEVELOPMENT BANK

Solomon Islands: Transport Sector Development Project

Project Name	Transport Sector Development Project
Project Number	41171-022
Country	Solomon Islands
Project Status	Approved
Project Type / Modality of Assistance	Grant Technical Assistance
Source of Funding / Amount	**Grant 0243-SOL: Transport Sector Development Project** Asian Development Fund — US$ 12.00 million **Grant: Transport Sector Development Project** Australian Grant — US$ 30.00 million New Zealand Grant — US$ 30.00 million **TA 7715-SOL: Supporting Transport Sector Development** Japan Fund for Poverty Reduction — US$ 800,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Partnerships
Sector / Subsector	**Transport** - Transport policies and institutional development
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The project will improve access to socioeconomic opportunities by rehabilitating and maintaining land, sea, and air transport infrastructure. Solomon Islands has been offered significant parallel grant cofinancing from the governments of Australia and New Zealand but has insufficient capacity to plan and implement the necessary civil works. The project will therefore strengthen transport sector institutions by establishing a central project implementation unit (CPIU) to reform the government's institutional structure, implement civil works, and conduct technical and managerial capacity development. In doing so, the project will prepare an environment for a comprehensive transport sector-based approach based on long-term partnerships, sector coordination, and reliance on government systems. Through close cooperation with other development partners, the project will support the government in efficiently implementing all externally funded assistance to the transport sector.
Project Rationale and Linkage to Country/Regional Strategy	The economy is at a disadvantage given the dispersed population, limited resources, and relatively high cost of providing remote communities with the infrastructure and basic services to stimulate productivity gains. The urban rural divide is increasing between the population living in and around the capital city of Honiara and the majority of the population living in rural communities on outer islands. The weak and poorly maintained transport infrastructure constrains economic growth and limits its inclusiveness. Improved transport infrastructure is expected to strengthen growth, improve access to basic social services in rural areas, build rural economies, and increase geographic equity.
Impact	The people of Solomon Islands have improved access to socioeconomic opportunities.

Project Outcome	
Description of Outcome	MID provides sustainable transport infrastructure.
Progress Toward Outcome	The implementation progress of the project at 84% complete as of the first review mission held in Feb 2015.
Implementation Progress	

Description of Project Outputs	The central project implementation unit (CPIU) provides efficient and effective project implementation and management. Transport infrastructure prioritized in the National Transport Plan (NTP) is rehabilitated and maintained. MID's technical and managerial capacity is sufficient.
Status of Implementation Progress (Outputs, Activities, and Issues)	MID established the central project implementation unit (CPIU) to implement and manage all transport sector activities. The CPIU is staffed with MID personnel who are supported by consultants providing expertise to implement the annual work plan. Infrastructure investments are planned and delivered as per the NTP priorities determined by a multi-criteria analysis, including economic and social aspects, safeguards and engineering standards. Designs incorporate measures for climate change adaptation, supporting the socially vulnerable, and ensuring sustainable maintenance. The annual work plan largely focuses on maintenance of transport infrastructure for the road network and wharves while continuing with capacity development in core areas of project planning, programming, management, budgeting, contract management and supervision. Infrastructure maintenance has been the key focus since the midterm review in JNovember 2014. As a result, routine maintenance under machine based contracts and labor-based equipment-supported contracts became central to CPIU's work plan. Out of the total 1,508km road network, 691km are being maintained under existing contracts, 250km are under procurement stage, and 244km are under scoping stage. The remaining 323km are to be planned for 2015/2016. Focus has also shifted to maintenance of wharves. Contracts are ongoing for six wharves, contracts awarded for 10 wharves, bids evaluated for three wharves, and at the scoping stage for 25 wharves.
Geographical Location	Solomon Islands

Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects	
Environmental Aspects	Given the subprojects prioritized in the NTP, civil works are not likely to result in any significant adverse environmental impact, and potential environmental impacts can be adequately mitigated and monitored. An environmental assessment and review framework presents the general anticipated environmental impacts of the sector project, selection criteria, and environmental procedures for future subprojects. An initial environmental examination incorporating an environmental management and monitoring plan was prepared for each of the two sample subprojects for road and airstrip rehabilitation. The project is classified as environment category B.
Involuntary Resettlement	The project is not expected to entail significant resettlement impacts, as anticipated subprojects will involve existing infrastructure and rehabilitation works can be undertaken within the existing right-of-way or on land owned by the government. While the sample subprojects studied do not require land acquisition, some subsequent subprojects or activities may involve minor land acquisition and resettlement impacts, which can be identified only during implementation. If such impacts are identified, the government will prepare resettlement plans for such subprojects according to the resettlement framework for the project. The project's involuntary resettlement classification is category B.
Indigenous Peoples	Melanesians are the native people of Solomon Islands and comprise the vast majority of the population. The project is not expected to have any negative impact on indigenous peoples. While a separate indigenous peoples plan is not needed, all project components or subprojects will be implemented in a culturally appropriate and participatory manner to meet the needs of the population. The project's indigenous peoples classification is category C.
Stakeholder Communication, Participation, and Consultation	
During Project Design	ADB consulted with the Solomon Islands Government and development partners, including Australian Department of Foreign Affairs and Trade, European Commission, JICA, New Zealand Ministry of Foreign Affairs and Trade, and World Bank, to develop project design during the implementation of a project preparatory technical assistance and a fact-finding mission. PPTA team visited two sample subproject areas (i.e., St. Martin Road in Honiara and Gizo airstrip) and consulted with peoplesin the areas to analyze environment, and poverty and social issues.
During Project Implementation	

Business Opportunities

Consulting Services	The CPIU will be responsible for design and day-to-day implementation, financial management, monitoring and evaluation, and development and implementation of training. The CPIU will be established by mobilizing international and national consultants to support MID's existing technical and managerial capacity. Consulting firms will be retained for these services, in accordance with ADB's Guidelines on the Use of Consultants (2010, as amended from time to time). Throughout project implementation, international consultants will be tasked to strengthen the capacity of the CPIU through coaching and on-the-job training of government professional and technical staff and national consultants. Outline terms of reference are in the PAM. Procurement and disbursement for the services will follow ADB's policy and guidelines.
Procurement	Procurement and disbursement for civil works and formal training programs to be financed by other development partners will follow government systems. MID will procure a number of packages for civil works and formal training programs through the government's procurement procedure, including central tender board, ministerial tender board, and accountable officer procedures. CPIU will assist MID in procuring and administering contracts. ADB's Safeguard Policy Statement (2009) will apply to all civil works. The implementation arrangements are summarized in the Project Administration Manual.

Responsible ADB Officer	Rishi Ram Adhar
Responsible ADB Department	Pacific Department
Responsible ADB Division	Pacific Liaison and Coordination Office in Sydney, Australia
Executing Agencies	*Ministry of Infrastructure DevelopmentPO Box 1213* *Honiara, Solomon Islands*

Timetable	
Concept Clearance	11 Aug 2010
Fact Finding	12 Aug 2010 to 27 Aug 2010
MRM	21 Sep 2010
Approval	15 Dec 2010
Last Review Mission	-
PDS Creation Date	07 May 2010
Last PDS Update	17 Mar 2015

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2010	06 Apr 2011	05 Jul 2011	31 Jul 2016	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	24.50	Cumulative Contract Awards			
ADB	12.00	15 Dec 2010	11.96	0.00	100%
Counterpart	12.50	Cumulative Disbursements			
Cofinancing	0.00	15 Dec 2010	11.16	0.00	93%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2010	01 Feb 2011	01 Feb 2011	28 Feb 2014	31 Dec 2015	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	800,000.00	0.00	0.00	0.00	0.00	800,000.00	15 Dec 2010	593,116.23

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

Project Page	http://www.adb.org/projects/41171-022/main
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