



PACIFIC CHOICE

Reconstructing a Fragile State

Institutional Strengthening of the Ministry
of Infrastructure Development in Solomon Islands

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of Infrastructure Development in Solomon Islands

by Samson Maeniuta Rihuoha

Asian Development Bank

Capacity Development Series

This subseries is published by the Asian Development Bank to provide the governments of its Pacific developing member countries (PDMCs) with analyses and insights on key issues and lessons learned with respect to capacity development. Cases studied highlight a range of experiences throughout the region by sector, theme, and source of external support, revealing approaches to capacity development that work best and the conditions that have been conducive to their success. They also explore the unique challenges faced by PDMCs in addressing capacity constraints as well as some opportunities facing governments and the people in the Pacific islands. Among other things, the case studies underline the importance of PDMC leadership, engagement of local partners, strategic attention to long-term capacity issues, and effective use of external resources. We hope that the findings in these reports will help guide future capacity building efforts in the Pacific.

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6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444
www.adb.org



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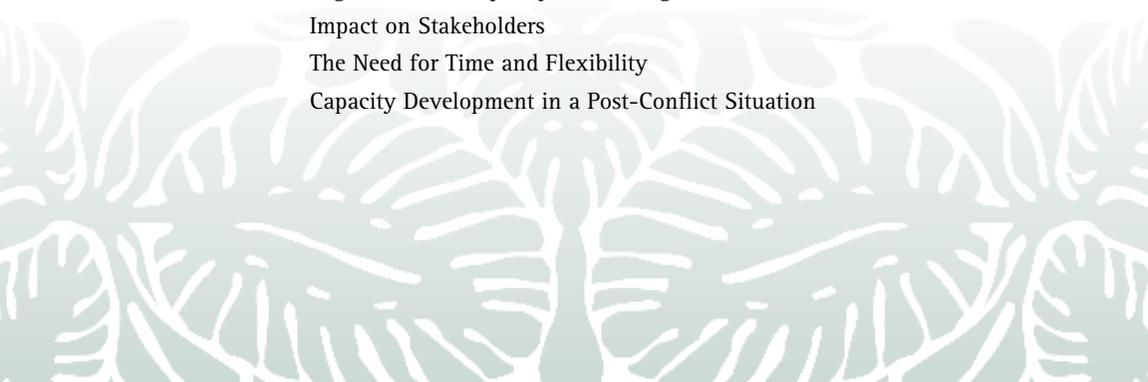
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ACRONYMS

ADB	- Asian Development Bank
ISMID	- Institutional Strengthening of the Ministry of Infrastructure Development
MID	- Ministry of Infrastructure Development
MOFT	- Ministry of Finance and Treasury
NTF	- national transport fund
NTP	- national transport plan
TPPU	- transport policy and planning unit

FOREWORD

Despite 50 years of aid in the Pacific region, including some S\$17 billion invested over the past 25 years, overall results in terms of sustainable improvements in capacity have been mixed, at best. This raises questions, not only in the Pacific but also throughout the developing world, about approaches to capacity development—what works, what doesn't, and why? The Asian Development Bank (ADB) recognizes the importance of capacity development, having officially embraced it as a thematic priority in 2004. ADB's commitment is consistent with the Paris Declaration on Aid Effectiveness and the Pacific Principles on Aid Effectiveness. The programs of a number of other funding agencies, including the Australian Agency for International Development (AusAID), New Zealand's International Aid & Development Agency (NZAID), United Nations Development Programme (UNDP), and the World Bank also embrace the importance of more effective capacity development.

Increased interest in capacity development in recent years reflects an acknowledgment of the shortcomings in development assistance over the past 50 years. This has led to calls for approaches that are more systematic and integrated, and which focus more on developing country ownership and achievement of sustainable results. Capacity amounts to the policy, procedures, personnel, organizations, institutions, and supporting environment required to effectively deliver development outcomes. In particular, ADB has focused on the ability of public sector capacity to deliver essential services, thereby strengthening the compact between government, civil society, and the private sector. Capacity development is much more than just training or skills transfer. It is really about effective organizations and institutions, a sound unpoliticized policy environment, accountability systems, effective relationships, and appropriate incentives. And as noted in this study, capacity development should be firmly rooted in a country's political economy.

To gain a better understanding of what works in terms of approaches to capacity development, ADB's Pacific Department (PARD) commissioned a regional study in 2007. The study was rooted in 20 case studies from 11 countries across the region, prepared mainly by Pacific islands consultants. The case studies covered a range of programming experiences—from economic planning, to infrastructure development, health and legal sector reform, and civil society enhancement, as well as different modalities for supporting capacity development. ADB's intent in commissioning the overall study was to draw upon the individual findings and recommendations to help guide future capacity building efforts in the Pacific, including institutionalizing a more focused and effective approach to capacity development in ADB's country programs and operations.

The case studies in this subseries and the overall study report are the result of collaboration among a number of consultants working with ADB under the direction of Steve Pollard, principal economist, PARD. The team leader for the overall study was Joe Bolger, and the authors of the studies were Helio Augusto, Kevin Balm, Brian Bell, Ron Duncan, Ben Graham, Ueantabo Mackenzie, James McMaster, Samson Rihuoha, Cedric Saldanha, Tom Seta, Paulina Siop, Esekia Solofa, Kaveinga Tu'itahi, Henry Vira, and Vaine Wichman. The study also benefited from the input of a number of resource persons, including Tony Hughes (Solomon Islands), Lynn Pieper (Timor-Leste), Tim O'Meara (Samoa), and Patricia Lyon, senior capacity development specialist, AusAID. The case studies represent the situation at the time of writing in 2007.

In conclusion, this report seeks to enhance understanding and dialogue on capacity development and its potential for contributing to poverty reduction and improvements in the quality of life of all Pacific islanders. I trust that you will find it both thought-provoking and practically helpful in advancing our collective commitment to development in the Pacific.



Sultan Hafeez Rahman
Director General
Pacific Department

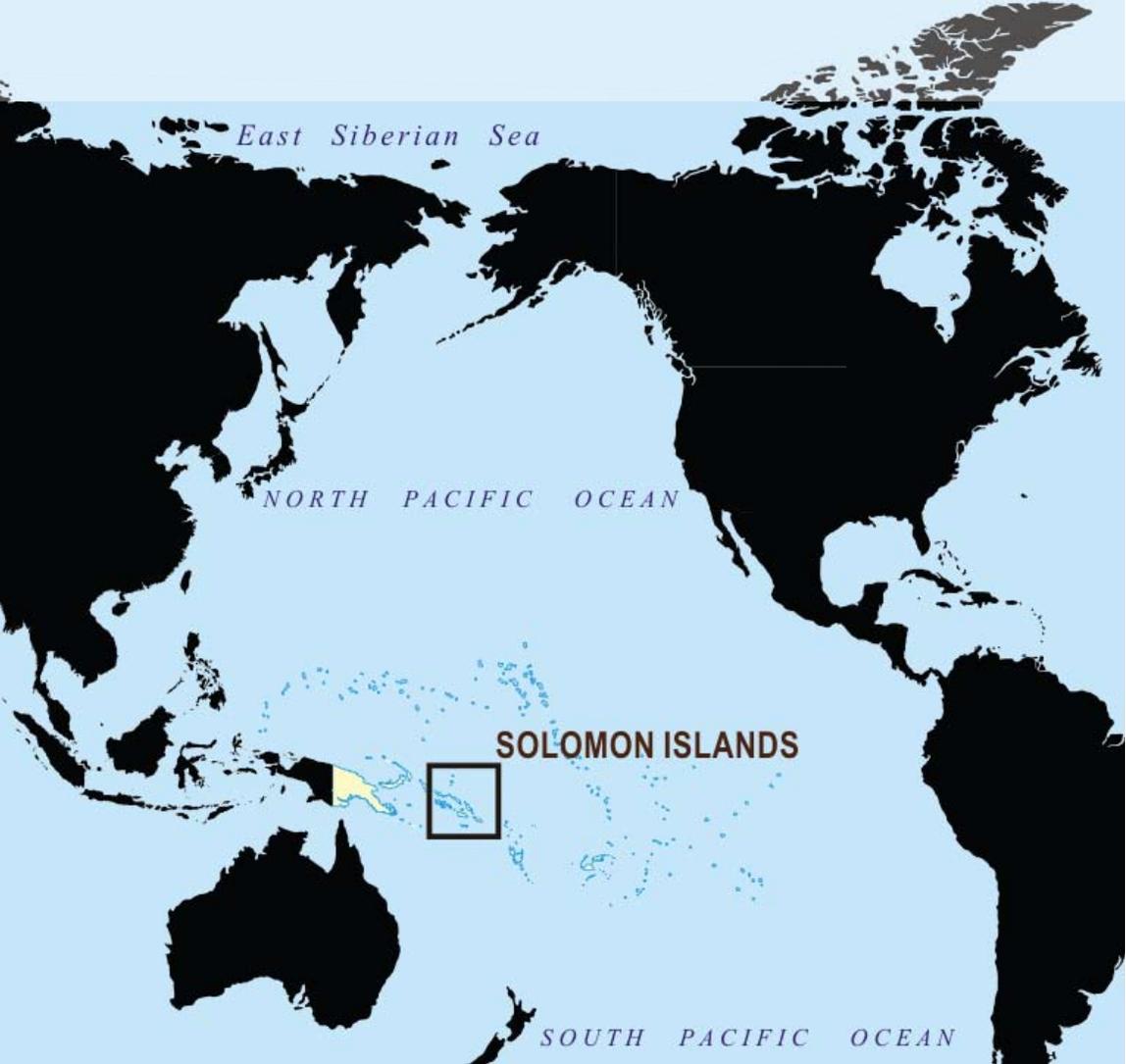


The Pacific Choice

Solomon Islands Facts

Government: Constitutional monarchy
Queen: Elizabeth II
Governor general: Nathaniel Waena
Prime minister: Manasseh Sogavare
Independence from the United Kingdom: 7 July 1978
Population (2006): 552,438
Capital and largest city: Honiara
Honiara population (2006): 70,000
Growth rate: 2.6%
Density: 17/square kilometer
Birth rate: 30.0/1,000
Infant mortality rate: 55/1,000
Life expectancy: 63
Gross domestic product at purchasing power parity (2005 estimate): S\$911million

Gross national income per capita 2006: US\$680
Human development index 2004: 0.592 (medium)
Ethnicity: Melanesians – 94.5%
Polynesians – 3%
Micronesians – 1.2%
Others – 1.3%
Currency: Solomon Islands dollar (SIS) 1 = 0.14 US dollars



INTRODUCTION

How would you reconstruct an infrastructure ministry whose main workshop had been ransacked, its equipment and machinery destroyed or stolen, its land title transferred, and its staff demoralized having been ruled by militants by the barrel of a gun and with their salaries months in arrears?

This was the challenge facing the Solomon Islands Ministry of Infrastructure Development as it emerged from the ethnic tensions that tore the country apart from 1998 to 2003.





DECLINING CAPACITY (FROM BAD TO WORSE)

As Moses Virivolomo, who has spent most of his working life in the ministry recalls, “during Solomon Island’s short history since independence in 1978, Ministry of Infrastructure Development (MID) has been severely influenced by three events that have eroded its capacity to carry out its functions effectively.”

Localization Policy (mid-1980s)

This was seen as a politically motivated policy introduced by a government that wanted its own people to take over line positions in all of the ministries and departments. “I was a junior officer then, a secondary school graduate,” Moses recalls, “but I think the policy was implemented without the realization that most of the government departments, such as education, health, police and justice, the statutory organizations, the lending institutions and even the private sector, lacked the necessary capacity to carry out their responsibilities.” Thus the policy, while understandable in the post-independence context, was, according to Moses, “premature and counterproductive”. MID was particularly hard hit as technically qualified and experienced expatriate personnel had left the country after independence, leaving a few inexperienced Solomon Islanders to shoulder the ministry’s considerable responsibilities.

As Moses noted, “We had no one to mentor us, instead we had to work by trial and error and make our own way through.”

Rightsizing Policy (late 1980s to late 1990s)

Just a decade after independence, Solomon Islands’ economic problems started to show. At the same time, there were demands for the government to prepare realistic and affordable budgets.

With pressure from funding agencies and advisers, a plan was designed to revamp the economy. One of the basic assumptions was that the public service would have to be “rightsized” so that it could be sustained by the Solomon Islands’ economy. As Moses watched, his ministry experienced a further decline. “The meager labor force of MID, which was barely surviving, was further axed in the name of rightsizing. This eroded MID’s capacity further. The prevailing economic view focused on cutting costs without sufficient attention to the need to build the productive sector. It also failed to calculate the social costs or implications.” Not long after this exercise, in the late 1990s, the ethnic tensions erupted.

Ethnic Tensions (late 1998 to mid-2003)

After decades of frustration linked to the migration of people from the outer islands, particularly Malaita, the Guadalcanal provincial government, on behalf of its people, presented a set of demands to the Government of Solomon Islands.¹¹ However, given the lack of response from the Government, and a perception that their concerns were being neglected, in particular the occupation of customary land and lack of respect for their culture, the Guadalcanal Revolutionary Army (GRA) was formed. The GRA originally focused on the removal of Malaitans from Guadalcanal. Eventually, people from other provinces were forced to leave as well when the Government got involved militarily, and the overall situation worsened. The infrastructure outside of the capital Honiara, such as the bridges, deteriorated or were destroyed and airfields were closed. Major national companies like Solomon Islands Plantation Limited (SIPL), Gold Ridge, private companies, as well as government and regional institutions outside Honiara were closed.

The Malaita Eagle Force (MEF) was formed in response to the GRA. It subsequently joined the Malaitans who dominated the Police Field Force (PFF),¹² calling themselves the Joint PFF-MEF when they staged a coup in 2000 overthrowing the elected government. Ordinary Solomon Islanders could not tell the difference between PFF, MEF militants, and criminal elements.

1 Demands presented to the Government of Solomon Islands by the Guadalcanal provincial government on behalf of the people of Guadalcanal.

2 PFF was a paramilitary unit established in the 1990s to keep order and maintain government decrees in Honiara and around Guadalcanal.

MEF supported the newly elected government in the post-coup period and effectively infiltrated the government machinery. They ruled by terror.

As one of the permanent secretaries remarked, “The militants controlled the Treasury Division. They monitored the financial decision-making processes and the flow of cash from the customs office to the Central Bank and to the commercial banks. One night they came and surrounded my house with guns so I had to sign a check for them. Honiara is a small place, if an officer refuses a payment in the office during official hours, militants follow you to your home because they know where you live.” Public officers responsible for making decisions on finances were constantly under threat.

Individuals, companies, and government departments that owned vehicles lost them to the militants and criminals. As Moses stated, “The impact of this situation on the ministry was disastrous. The state of MID’s physical, human, and financial resources was at its lowest, and budgetary support was not forthcoming. All government telephones were disconnected. MID was now truly disabled. No new development occurred or maintenance carried out.” Yet this was the ministry that would be called upon to play an instrumental role in the post-conflict reconstruction of Solomon Islands.



RESTORING CONFIDENCE

Given the prevailing circumstances, funding agencies interested in infrastructure development in the post-conflict period were not inclined to engage the Ministry of Infrastructure Development (MID) in a significant way because of the following factors:

- (i) lack of a sector plan by MID,
- (ii) lack of capacity in MID, and
- (iii) lack of trust in the government.

Funding agencies also had their own preferences and priorities based on their assessments of the provinces' or communities' needs. Their approach could be described as immediate, but ad hoc.

Nevertheless, there was hope in the air and great expectations as Solomon Islanders felt the weight of the conflict slowly beginning to lift. What the ordinary people wanted, as a matter of priority, was a neutral security force that was stronger than the militants. With the arrival in July 2003 of the Regional Assistance Mission to Solomon Islands, made up of representatives from Australia, New Zealand, and Pacific Island countries, confidence started to gradually return to the country. The streets were full again, as people defied the militants and saluted the rule of law.

With security generally in place, a medium-term development strategy—the National Economic Recovery, Reform and Development Plan 2003–2006—was drawn up by the Kemakeza government³ as part of the stabilization and restoration of the economy. The plan's fifth key strategic area for development was the revitalization of the productive sector and rebuilding of supporting infrastructure.

3 The Kemakeza government came to power in December 2000 when the People's Alliance Party gained 20 seats in parliamentary elections against three for the party of incumbent Prime Minister Manasseh Sogavare.

A decorative vertical band on the left side of the page, featuring a complex, repeating geometric pattern in shades of green and white. The pattern consists of interlocking lines and shapes, creating a textured, woven appearance.

However, MID officials believed that before Solomon Islands' medium- and long-term reconstruction issues could be solved, the ministry's internal capacity would have to be strengthened. Thus, the Government of Solomon Islands requested the Asian Development Bank (ADB) to provide technical assistance to help strengthen the capacity of MID. ADB responded positively and the Institutional Strengthening of the Ministry of Infrastructure Development (ISMID) Project was approved.

ENHANCING SECTOR CAPACITY IN THE POST-CONFLICT PERIOD

The Ministry of Infrastructure Development's (MID) lack of capacity coming out of the ethnic tensions, and the sense of crisis that prevailed in the country provided opportunities to explore new organizational paradigms and to think differently about developing institutional and individual capacities. Solomon Islands as a nation, and for that matter, the ministry had clearly never been through such an experience. With the positive response from ADB, a technical assistance team was sent to help draw up the project.

The Project Design: Enhancing Capacity to Plan, Manage, and Finance

During the project formulation and design, the Government of Solomon Islands and ADB agreed that the TA would strengthen MID's institutional capacity to plan, manage, and finance infrastructure development in Solomon Islands in a sustainable manner. It would also focus on developing the capacity of individual officers through training and assistance to counterparts. Expected results were

- (i) professional staff trained in transport planning and economics, procurement, and contract administration;
- (ii) a national transport plan (NTP) prepared;
- (iii) a transport policy and planning unit (TPPU) established;
- (iv) a national transport fund (NTF) established;
- (v) manuals in contracts, procedures, and specifications prepared; and
- (vi) MID staff and the private sector trained in tendering procedures.

The project was to start in June 2005 and end in June 2007. The Brisbane City Enterprise, a subsidiary of the Brisbane City Council, won the contract and was tasked to produce manuals of procedures and provide local and overseas training in transport and financial planning, contracts, and project management.

Implementation: An Integrated Approach

To achieve the goals outlined in the design, project stakeholders agreed that the changes would have to be addressed in an integrated manner. Accordingly, MID's systems and human resources would have to be strengthened and the areas identified below would have to be pursued in a coherent manner.

Institutional Reform—Changing the Rules of the Game

Over the years, MID has used the traditional “force account system,”⁴ meaning that it planned, implemented, and regulated all infrastructure activities under its purview. However, this system was found to be ineffective and costly to MID, especially as equipment and machines were very expensive to run, maintain, and replace. Staff was also often idle and morale was very low because of lack of financial and human capacity. This trend worsened during the tensions and so under the project, the technical assistance, in collaboration with MID, made a decision to change the approach.

Through these changes, with the support of the project team, MID turned itself into a regulator and asset manager, contracting the private sector to deliver most of its services. This change in orientation meant that MID had to be restructured and strengthen its own regulatory capacity to make the transition and to sustain it over the long haul.

4 According to the force account system, a public agency carries out all aspects of construction in-house, directly supervising, managing, and controlling its machines and labor. (Source: Expanding Labor-based Methods for Road Works in Africa. 1996. World Bank Technical Paper 347. Washington, DC: World Bank [pp. 30–32]).

Establishment of the Transport Policy and Planning Unit

With the support of the ADB technical assistance team, TPPU was established with responsibilities for centralized strategic planning, as well as managing and financing all transport infrastructure, including land, sea, and air transportation.

A national director was immediately appointed to work with the technical assistance, although recruitment of three other staff was delayed until late 2005 because of the government's drawn out procedures and recruitment freeze. The unit is now fully staffed with seven engineers. This has improved the capacity of MID to develop appropriate policies and plans.

TPPU's first responsibility was preparing a national transport plan in collaboration with all stakeholders. The unit's other responsibilities included coordinating aid projects within MID, liaising with the Department of National Planning and Aid Coordination, preparing and producing an annual work program for maintenance and construction, developing and updating a transport database, and producing manuals.

Preparation of a National Transport Plan

Preparing the NTP was a major job for the technical assistance, and in particular TPPU. Through TPPU, a team made up of technical assistance and MID staff gathered information from the MID departments, national and provincial governments and agencies, industry representatives, relevant community groups, the private sector, service users, and stakeholders to prepare the NTP.

The project team conducted field surveys to collect data on transport service operations, road and bridge conditions, road traffic, and local community surveys.

Realizing that marine transport is the backbone of the nation, NTP called for more support in this area, including tailored training to private shipping operators. Under NTP, MID is expected to provide more shipping services to "uneconomical" areas of the country through a chartering system. The Ministry of Finance had already lowered duties related to safety equipment

and products used in marine transportation, to make it more affordable to transport users and more economical for transport providers.

Responsibility for air transport comes under the Department of Communication, Meteorology and Aviation which developed a medium- and long-term plan, which is embedded in MID's NTP.

NTP was the first ever sector transport plan prepared for Solomon Islands. It set the strategies, policies, and priorities for developing the country's transport system. Its implementation is intended to have a significant positive impact on the development of rural areas, one of the Government's key objectives. Specifically, it has set out to

- (i) develop transport sector services,
- (ii) develop and maintain transport sector physical infrastructure,
- (iii) improve the competency and capacity of government agencies, and
- (iv) develop the transport private sector.

Of all the government ministries and departments, MID is one of only three with a completed sectoral strategic plan. The other two are the Ministry of Education and Human Resources Development and the Ministry of Health.

NTP was approved by the government and has received support and financial assistance from funding agencies. This document provides the basis for the reconstruction of Solomon Islands' infrastructure.

The National Transport Fund

In the past, MID submitted its proposed budget to the government. Upon approval from parliament, MID was then faced with the difficulty of financing all national infrastructure development throughout the country. In reality, this was impossible.

With the establishment of NTF, MID is now in a position to benefit from all transport services-related dues, such as licenses, fees, or fuel levies. The Ministry of Finance and Treasury (MOFT) will do the collection and then transfer the funds to NTF. This

is important to MID as it will give the ministry a secure source of funds to finance NTP's strategies and priorities, including transport maintenance. Funding agencies currently support Solomon Islands' infrastructure development financially, but the government can't count on this indefinitely.

As outlined in the policy, NTF is seen as

- (i) A long-term sustainable mechanism for funding the maintenance of Solomon Islands' transport infrastructure (sea, land, and air). Because of the Solomon Islands' geographical nature, routes that are not commercially viable have to be subsidized by the government.
- (ii) NTF has its own management board (represented by the government, private sector, and nongovernment organizations) with statutory responsibility. It is responsible to the Parliament.
- (iii) A secretariat will run its day-to-day activities and is required to maintain full transparency and accountability.

A major turning point was convincing the MOFT and the cabinet to adopt these initiatives, particularly NTF since this means diverting funds from MOFT to MID. The relationships among government, the private sector, nongovernment organizations, funding agencies and other stakeholders were crucial to convincing the government. The resistance by MOFT, provinces, and cabinet were finally overcome through awareness campaigns, consultations, and explanations of the rationale behind these initiatives.

While NTF was accepted by cabinet, work is now ongoing to have it enacted by the parliament in the near future. As proof of its commitment to the fund, the government has already allocated a total of SI\$3 million.¹⁵¹

5 SI\$1 (Solomon Islands dollar) = approximately US\$0.14.

Manuals and Procedures

In line with the institutional changes described above, the ADB technical assistance helped to prepare various manuals. The manuals explain the procedures for MID officers, the private sector, and other stakeholders to use in relation to infrastructure initiatives. Documents produced include a procurement manual, which covers types of tender procedures, evaluations, and selection criteria. The contract administration manual provides directions on contract administration, claims, dispute settlements, and financial control. Other major manuals prepared are the quality control manual and the roads and bridges specification.

With the manuals completed, staff, local civil works contractors, other relevant ministries, and members of the private sector involved in services supported by MID have been provided training on their content.

Training

Two professional staff members from MID were earmarked for training in transport planning and economics, and procurement and contract administration. Four staff members from TPPU were trained in transport planning and economics. All MID staff underwent training in procurement and contract administration. Other training was conducted on topics such as strategic planning, financial planning and budgeting, asset management training, and economic and financial management. While some on-the-job training was conducted, the Brisbane City Enterprise, with tailored topics relevant for MID staff, also delivered a 5-week overseas training program.

REFLECTIONS AND ANALYSIS

As noted, the Ministry of Infrastructure Development's (MID) capacity declined significantly after independence, because of localization, rightsizing of the public service, and the impact of the ethnic tensions. However, the range of capacity development interventions under the Institutional Strengthening of Ministry of Infrastructure Development (ISMID) has provided the ministry the opportunity to restructure, take on new resources and encourage the private sector to grow and take on an enhanced role in infrastructure service delivery. The national transport plan (NTP) and the national transport fund (NTF) have put MID in a better financial position by providing a framework that has given funding agencies confidence to invest in the sector over the short to medium term. NTF also gives the government a new mechanism that should provide secure funding for required services over the longer term.

Through these and other changes, MID's institutional capacity has been enhanced and roles have been clarified. To support these new roles and activities, the capacities of relevant officers have been strengthened through workshops and training in Australia and Solomon Islands. However, ongoing professional development of MID officers and reinforcing of new systems and policies will be necessary.

Based on MID's experience with ISMID, a number of lessons can be drawn, which can help understand how capacity can be developed, or used more effectively, particularly in a post-conflict situation, such as Solomon Islands in the late 1990s and early 2000s. These lessons are discussed below.

Supporting Change in Institutional Rules and Culture

The institutional changes in MID, from a regulatory agency and service provider, to a regulatory agency and asset manager,

represented a big turnaround for a country like Solomon Islands. It changed the culture of doing things and came with its own challenges. To support the various institutional changes, a number of training programs were initiated. However, some MID officers and stakeholders, such as the builders, are still not well acquainted with the newly established procedures or are unable to benefit fully from the new systems. For example, many Solomon Island contractors who are experienced in their respective fields are still not familiar with contracting procedures. And while the changes introduced were expected to clearly benefit the private sector, some private sector actors do not have the financial backing to bid for bigger contracts so are likely to miss out on some of the major jobs. Nevertheless, the changes have generally been seen in a positive light given the hardships faced through years of scaling back infrastructure services and the experience of the conflict, which prompted a desire to look for new ways of doing business.

Creating an Enabling Environment for Sector Reforms

Political will was crucial to the sector reforms as it provided an environment conducive to change and capacity building in the sector. The reforms also opened up space for interorganizational cooperation and agreements that may not have been possible otherwise, including having the Ministry of Finance and Treasury (MOFT) and the provincial governments accept pooling of monies under NTF. Recruitment and upgrading of staff levels were also part of a broader shift that was made possible through the Ministry of Public Service's support after MID had justified the changes as necessary to meet existing needs and to respond to the new policy priorities.

ISMID has also contributed to a more enabling environment for prospective funding agencies as the transport sector has attracted considerably more bilateral and multilateral assistance. For example, ADB, the Australian Aid for International Development, New Zealand's International Aid & Development Agency, and the national government are now cofinancing the Solomon Islands road and improvement (sector) project. The reforms supported under ISMID have thus provided a platform for other projects in the transport sector. The Solomon Islands road improvement

project, for example, uses the database, information, manuals, inventories, strategies, and priorities prepared by ISMID and MID. It also allows funding agencies to easily identify projects to fund. Furthermore, it provides a mechanism for funding agency coordination and harmonization in the sector, with attendant capacity benefits for the Government.

The establishment of NTP and NTF, and the impetus it provided funding agencies to increase their assistance, also convinced the national government to increase its own maintenance budget for MID fourfold. The combined efforts of funding agencies and the national government, along with NTF's own ability to collect funds from all transport-related dues contributed to a virtuous cycle of change that should provide a stronger basis for building and maintaining transport infrastructure over the longer-term—a significant achievement for a ministry emerging from a conflict.

Organizational Capacity: Sustaining the Gains

MID is hopeful that staff upgrades, capacity building under the ISMID project, and on-the-job training provided under the Solomon Islands road improvement project will motivate engineers in MID to stay with the ministry, at least over the medium term, given the opportunities for further learning and development compared to the private sector in the Solomon Islands which rarely provides training opportunities. At present, only MID can offer young engineering recruits the training and exposure to multi-civil works activities, including roads, bridges, wharves, air fields, navigational aids design, and construction. MID hopes that this will contribute to staff retention and sustainability of capacity initiatives. The young engineers know that MID has a plan for them and incentives like short- and long-term training is guaranteed under MID's human resource development plan.

The other side of the coin for MID although is that with the overall reduction of their workforce to focus on their core business of regulating and managing assets and contracting, there will be fewer opportunities for young graduates to be recruited and advance their careers in government. This is likely to have an influence on MID's attractiveness as an employer,

and could have implications over the longer term for the overall capacity of the ministry.

MID's new contracting role has clearly reduced the ministry's direct role in infrastructure works. However, it also means the ministry has to strengthen its supervisory capacity, particularly as private contractors build up their own competencies and knowledge of contracting procedures. MID staff are also awaiting parliament's enactment of NTF's legislation. Until it is passed, MID will rely on funds from MOFT. MID will thus be challenged in the transition period if contracts are completed by companies, payment vouchers are raised by MID, but MOFT does not pay on time.

Impact on Stakeholders

The private sector has responded positively to the privatization of services as it has given them confidence to expand their activities and build their own capacity. However, contractors need more training and workshops to ensure that they are aware of the new contracting rules and fully understand their implications.

Within the ministry itself, there are not enough technical staff at present to provide the required services to stakeholders given the reduction in MID's workforce. As a result, former clients such as the provinces, or other ministries, may not have ready access to qualified services. Small jobs like repairing a leaking tap, an electrical fault or a broken ladder, which cannot be contracted because of their small size, risk being left unattended with consequences for the government in terms of efficiency and quality of their own services. Given the limited funds available, many jobs may not be attended to if MID cannot raise the funds in a timely manner.

The Need for Time and Flexibility

The experience with ISMID underlines the need for time and flexibility in projects. Consultant inputs for ISMID, which were originally intermittent, were changed to nearly full time at the request of the government, which believed that this would be more effective and offer greater flexibility. More intensive engagement of the technical assistance was also seen as necessary because of the major shifts in MID staff responsibilities and the time needed for a new culture to become ingrained.

The additional time for the technical assistance to supervise and support the MID officers in the implementation of the changes was thus welcomed. Nevertheless, the following challenges were experienced:

- (i) Government's delay in recruiting new officers because of its policy of freezing recruitment. The first technical assistance was also delayed to allow time for MID to recruit.
- (ii) Because of the recruitment delays, MID staff could not be engaged in longer training as originally planned. As a result, the Brisbane City Council training was reduced from 9 to 5 weeks. This limited the transfer of knowledge and skills to local counterparts.
- (iii) One of the major components of NTP, NTF legislation was still not enacted at the time of writing. Since legislation often takes a long time in post-conflict environments because of political instability, other financing mechanisms could have been considered, such as trust funds jointly managed by the national government and funding agencies.

Capacity Development in a Post-Conflict Situation

As suggested by Brinkerhoff,⁶ addressing capacity issues in fragile or post-conflicts states has some similarities, but also a number of key differences compared to non-fragile states. The differences, he suggests, include

- (i) pressure to restore services and security quickly;
- (ii) shorter time frames;
- (iii) limited capacity to build on;
- (iv) the need to often build new capacity, rather than simply rebuilding;
- (v) little "margin for error" (e.g., because of lack of trust, institutional resistance); and
- (vi) a hyper-politicized environment

6 Brinkerhoff, D.W. 2007. *Capacity Development in Fragile States. Discussion Paper 58D*. Maastricht: European Centre for Development Policy Management.

In Solomon Islands, the above “differences” were evident in varying degrees. For example, while the Regional Assistance Mission to Solomon Islands focused on restoring security as a first priority, funding agencies helped restore basic services and supported infrastructure development for schools, clinics, roads, wharves, and bridges, on ad hoc basis. Projects supported by funding agencies were usually relatively short term and partly intended to achieve demonstrable results to create confidence among the people. However, given the lack of capacity to build on in the government machinery and in particular MID, the technical assistance faced real challenges in trying to develop capacity within the project’s time frame, while at the same time aiding the government to get back on its feet and demonstrate some kind of “peace dividend.” The latter sometimes entailed advisors assuming more of a gap-filling or supervisory role that had to be carried out in parallel to their responsibilities for capacity development.

The advisors also provided extensive training for private sector contractors, as this was seen as fundamentally important to the sector reforms. However, as noted, because of the limited time, some of the contractors were still not well-versed in the new contracting system. This suggests a need for ongoing training by MID of contractors, new and old, who are still not familiar with the new system.

In the final analysis, this case study shows how, despite many challenges, effective use of technical assistance, at the right time, can help develop local capacities and support government efforts to “build back better.” This was clearly important to MID, a ministry that was called upon to play an instrumental role in the rebuilding of the fragile post-conflict state in Solomon Islands. The ultimate challenge will be to leverage those capacity changes into sustainable performance improvements in MID over the longer term.

Reconstructing a Fragile State

Emerging from the ethnic tensions that tore the Solomon Islands apart from 1998 to 2003, the country's Ministry of Infrastructure Development (MID) faced a number of serious challenges. Given the vast needs in the country it was also called upon to take a leading role in post-conflict reconstruction and providing some of the foundations for economic renewal. This case study examines how capacity issues were addressed within MID in the post-conflict period and how the sense of crisis which prevailed in the country opened up opportunities to explore new institutional arrangements and ways of addressing infrastructure issues.

This subseries is published by the Asian Development Bank (ADB) to provide the governments of its Pacific developing member countries (PDMCs) with analyses and insights on key issues and lessons learned with respect to capacity development. Cases studied highlight a range of experiences throughout the region by sector, theme, and source of external support, revealing approaches to capacity development that work best and the conditions that have been conducive to their success. They also explore the unique challenges faced by PDMCs in addressing capacity constraints as well as some opportunities facing governments and the people in the Pacific islands. Among other things, the case studies underline the importance of PDMC leadership, engagement of local partners, strategic attention to long-term capacity issues, and effective use of external resources. We hope that the findings in these reports will help guide future capacity building efforts in the Pacific.

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