

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Many development partners have been supporting the government strategy to develop a sound transport sector and provide better access to health care, education, and socioeconomic opportunities to Solomon Islanders, 85% of whom live on far-apart islands. Most development partners are mindful of the need to develop all transport modes in a multimodal framework to increase the mobility of people, goods, and services across and within the country's islands. In so doing, they have supported in a variety of ways the sector-based approach and the National Transport Plan adopted by the government, and the priority given to the maintenance and rehabilitation of existing transport infrastructure assets over the construction of new ones. Funding has been allocated to maintaining and upgrading transport infrastructure, and to capacity building in the Ministry of Infrastructure Development (MID) and the construction industry.

2. The Government of Australia's Department of Foreign Affairs and Trade (DFAT) and the Asian Development Bank (ADB) have been jointly funding a Transport Sector Development Project, the objective of which is to strengthen MID's capacity to implement the National Transport Plan and fund the maintenance and rehabilitation of road and maritime infrastructure through the National Transport Fund (NTF). ADB recently followed the European Community and supported the marine sector and the shipping industry through technical assistance (TA)¹ and an investment project cofinanced with DFAT, New Zealand's Ministry of Foreign Affairs and Trade (NZMFAT), and the European Community.² The focus of the project is on rebuilding berthing facilities and financially assisting interisland shipping services on uneconomic routes to service isolated communities. More recently, the NZMFAT engaged in the air transport sector by funding major upgrading works on the Nusatupe and Munda airport runways and the road connecting the latter to the port of Noro. Additional funds were committed to support the ongoing second phase of the Munda airport. As requested by the Government of Solomon Islands, the World Bank has been exploring ways to support the development of the air transport sector through its regional Pacific Aviation Investment Program, with a view to improving safety, security, overall management, and cost recovery of operation and maintenance, and promoting private sector participation in operations and capital expenditures. The Japan International Cooperation Agency (JICA) has been concentrating on the funding of localized projects in the road (essentially bridges) and maritime subsectors. JICA is currently funding the construction of a new international wharf in the port of Honiara and the upgrade of part of the Kukum highway crossing Honiara city.

3. Recognizing the maturing of the sector-based approach, and after assessing the soundness of the country systems, ADB is now considering the funding of a programmatic approach through its Sustainable Transport Infrastructure Improvement Program to support the transport sector. This programmatic approach is proposed as results-based lending and proceeds would be transferred directly to the NTF, comingled with the government contribution and a new contribution from DFAT. Selected implementation support will be provided to MID to increase its capacity to implement the NTP and to strengthen the country systems. The following table lists past and ongoing development partner activities in the transport sector since 2007.

¹ ADB. 2007. *Technical Assistance to Solomon Islands for Preparing the Domestic Maritime Support Project and Technical Support Program*. Manila.

² ADB. 2008. *Report and Recommendation of the President to the Board of Directors, Proposed Asian Development Fund Grant and Administration of Grant. Solomon Islands: Domestic Maritime Support (Sector) Project*. Manila.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Investment and Technical Assistance			
ADB	Solomon Islands Road Improvement (Sector) Project	2007–2011	0.4
	Solomon Islands Emergency Assistance Project	2007–2010	5.0
	Second Road Improvement Project	2009–2012	15.0
	Domestic Maritime Support Project	2009–2018	14.0
	Transport Sector Development Project	2011–2015	12.0
	Flood Recovery Project (proposed)	2014–2015	12.3
	Sustainable Transport Infrastructure Improvement (project)	2015–2020	14.0
Australia	Cofinancing of PCERP	2001–2008	2.0
	Cofinancing of SIRIP	2007–2011	8.7
	Cofinancing of SIRIP II	2009–2012	4.8
	Community Sector Program – Expansion	2010–2012	6.8
	Parallel financing of TSDP	2010–2015	30.0
EC	Parallel financing of STIIP (project)	2015–2020	36.0
	Marine Infrastructure Project I	2003–2008	6.5
	Marine Infrastructure Project II	2005–2009	8.6
	Cofinancing of SIEAP	2007–2010	8.0
	Cofinancing of SIRIP II	2009–2012	3.3
JICA	Cofinancing of DMSP	2009–2010	5.3
	Bridge Program	1998–2008	20.0
	Auki Wharf and Market	2010–2011	11.3
	Kukum Highway Upgrading (Honiara)	2014–2016	
New Zealand	Port of Honiara new international wharf	2014–2016	
	Cofinancing of PCERP	2001–2008	6.5
MFAT	Cofinancing of SIRIP	2007–2011	9.8
	Cofinancing of SIRIP II	2009–2012	0.4
	Parallel financing of TSDP	2010–2015	30.0
	Support to Air Transport (project)	2015–2020	30.0
World Bank	Support to Air Transport (project)	2015–2020	
Capacity Development			
ADB	Institutional Strengthening of the Ministry of Infrastructure and Development	2005–2008	0.6
	ESIMSA	2009–2011	1.0
	Technical Support Program	2009–2010	2.0
	Strengthening of Country Safeguards System (JFPR)	2012–2014	
EC	Cofinancing of ESIMSA	2009–2010	0.6
JICA	Honiara City Transport Sector Master Plan	2014–2016	

ADB = Asian Development Bank, DMSP = Domestic Maritime Safety Project, EC = European Commission, ESIMSA = Establishment of the Solomon Islands Maritime Safety Administration, JFPR = Japan Fund for Poverty Reduction, JICA = Japan International Cooperation Agency, MFAT = Ministry of Foreign Affairs and Trade, PCERP = Post-Conflict Emergency Rehabilitation Project, SIRIP = Solomon Islands Road Improvement Project, STIIP = Sustainable Transport Infrastructure Improvement Program, TSDP = Transport Sector Development Project.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

4. The proposed Sustainable Transport Infrastructure Improvement Program was coordinated with other development partners. ADB, DFAT, JICA, NZMFAT, and the World Bank are all participating members of the program steering committee for the Transport Sector Development Project and the NTF, which will convene periodically. Analyses conducted during program preparation specifically took account of previous experiences, lessons, and ongoing efforts by development partners. Program information and recommendations were communicated to other development partners through official presentations and the final report.

5. The strategic directions of the program and its outputs were mutually agreed between the government, ADB, and DFAT, which all contribute to the NTF. In particular, DFAT indicated

that it will top up its baseline contribution to the program with a results-based allocation to bring more incentive for MID to increase its funding for the NTF.

C. Achievements and Issues

6. Under the support of the Transport Sector Development Project and other supplementary support funded by DFAT in MID and the Ministry of Finance and Treasury, the performance of the NTF has increased substantially despite a slow start.³ The supplementary support will continue to be required for some time, as will embedded consulting services, in key positions of the Central Project Implementation Unit (CPIU). DFAT will continue funding the supplementary support and a key position to support the NTF Board's secretariat.

7. Some development partners like JICA and NZMFAT support MID's sector-based approach through operations funded outside the NTF investment program and executed by the CPIU, and assisted as self-contained projects. Some of these operations may involve significant safeguards aspects, so the CPIU will need additional support to handle these, especially for potential category A environment projects. In this respect, during program preparation, it was highlighted that development partners concerned should include the necessary additional safeguards support during project planning, design, and implementation.

8. The upgrade, rehabilitation, repair, and maintenance of public transport infrastructure can be fraught with protracted land disputes because the infrastructure is built on customary land belonging to a community. Recent ADB-administered TA, funded by the Japan Fund for Poverty Reduction, examined these aspects and laid the foundation for the preparation of a safeguards procedure manual detailing the steps and procedures to be followed to use customary land and compensate the community, and to mitigate any negative impact on the environment.⁴ Under the program, the safeguards procedure manual will be completed, gender-responsive facilities will be built along roads and wharves, and a safety audit will be conducted to identify black spots, and recommend and implement measures to improve road safety. This is expected to assist other development-partner-funded projects with significant environmental and social impacts.

D. Summary and Recommendations

9. Coordination between development partners will continue through the program steering committee and other project steering committees attached to operations funded by development partners. All development partners mentioned are supporting the transport sector. However, so far only DFAT and ADB are transferring their funds directly to the NTF, a pillar of the sector-based approach adopted by the government. The NTF does not fund air transport infrastructure; these are managed and funded by the Ministry of Civil Aviation and the Aviation Special Fund.

10. The World Bank may extend its financial support to the air transport subsector through the NTF, if requested by the Ministry of Civil Aviation, after common agreement on a reform package and a partial transfer of proceeds of the Aviation Special Fund to the NTF.

11. The implementation support provided to MID's CPIU was dimensioned in relation to the NTF's work program requirements. Development partners that rely on CPIU to implement the operations they fund outside the NTF were advised to provide additional TA to the CPIU, in particular for safeguard matters.

³ Supplementary support includes individual experts located in the MID to monitor fiduciary compliance, and in MOFT to monitor procurement compliance.

⁴ ADB. 2012. *Technical Assistance for Strengthening Country Safeguard Systems in the Transport Sector* (\$600,000 through Japan Fund for Poverty Reduction).