PROJECT PERFORMANCE UNDER PAST ASSISTANCE

1. The Asian Development Bank (ADB) has provided extensive support to Solomon Islands’ transport sector since the 1970s. In 1977, ADB approved $2.03 million loan to extend the wharf in the capital, Honiara. Physical works were completed in 1982. The second phase funded by ADB to rehabilitate the original section of the wharf was completed in 1990. Solomon Islands Ports Authority (SIPA), the state-owned owner and operator of the ports of Honiara and the Noro, executed both projects. SIPA was incorporated under the Ports Authority Act, 1956 and commenced business on the transfer of the government’s port infrastructure assets under the provisions of the act. SIPA falls within the purview of the Ministry of Infrastructure Development (MID) with oversight from the Ministry of Finance and Treasury under the State-Owned Enterprises Act, 2007.

2. The MID is responsible for planning, developing, and managing transport infrastructure including roads, bridges, and wharves, and has extensive experience in implementing ADB-funded projects. ADB provided its first assistance in the road subsector in 1984, through a $1.81 million loan to improve and upgrade the road network in Guadalcanal. Following the civil tensions, ADB resumed support to the transport sector in 2006.

3. The Road Improvement (Sector) Project, rated successful, was approved in August 2006 and completed on 18 October 2013.\(^1\) It continued the recovery of neglected transport assets started in 2000 under the Post-Conflict Emergency Rehabilitation Project, completing major rehabilitation work in Makira Province and rehabilitating about 57 kilometers (km) of gravel roads and 63 wet crossings.\(^2\) The project implemented a program of labor-based, equipment-supported maintenance works that helped develop the capacity of national contractors. This program restored about 86 km of rural unsealed roads in Makira, Temotu, Malaita, and Guadalcanal provinces and maintained about 90 km of sealed roads in Guadalcanal and Malaita provinces. The project improved the MID’s organization to enable it to implement these national contracts, as well as its capacity to implement ADB-financed projects through the MID’s Project Management and Capacity-Building Unit.

4. The Emergency Assistance Project was approved in June 2007 and completed on 13 October 2011.\(^3\) This project was ADB’s emergency response to a tsunami that killed 52 people, affected 20,000 of 90,000 residents, and caused widespread damage in Western and Choiseul provinces. Rated successful, the project complemented the Road Improvement Project by continuing road rehabilitation work and implementing labor-based, equipment-supported road maintenance in the affected provinces. The project (i) improved and maintained 51 km of roads, including 1.2 km of sealed roads; (ii) rehabilitated four bridges, one jetty, and two footbridges damaged by the tsunami; and (iii) improved the water supply and sanitation system in the town of Gizo. With the support of the Project Management and Capacity-Building Unit, the project also helped develop MID capacity in Western Province.

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\(^1\) ADB. 2006. *Report and Recommendation of the President to the Board of Directors: Proposed Asian Development Fund Grant to Solomon Island for the Road Improvement (Sector) Project*. Manila.


5. The Domestic Maritime Support Project was approved in November 2008.\(^4\) Recognizing the key role maritime transport plays in providing access to economic opportunities and essential social services in the archipelagic nation, the project was designed to make domestic shipping services more efficient, reliable, and safe by providing better rural maritime infrastructure and establishing a franchise shipping scheme. The project has successfully rehabilitated 13 rural wharves and 3 landing ramps; and established 8 franchise shipping routes that provide regular, reliable shipping services to rural provinces. It has also supported the transition of the Solomon Islands Maritime Safety Administration into the self-financing and autonomous Solomon Islands Maritime Authority. The project is on track and rated successful. The Second Road Improvement Project was approved in November 2009 completed on 31 December 2013, and rated successful.\(^5\) It built on the objectives of the Road Improvement Project, supported the government's National Transport Plan, and rehabilitated 30 km of unsealed roads in Makira and Malaita provinces, 30 km of sealed roads in Guadalcanal Province, and 34 major wet crossings in the 3 provinces. The project continued the implementation begun under two previous projects of contracts that employ a labor-based, equipment-supported approach to road maintenance, adding about 45 km of prioritized sections of road.

6. The Transport Sector Development Project was approved in December 2010 and completed on 19 July 2017.\(^6\) It followed institutional reforms in the transport sector and was formulated to implement a sector-based approach that would align all the stakeholders with the National Transport Plan and harmonize development partner efforts in the sector in the use of country systems. This was done by the establishment of an MID central project implementation unit (financed by an ADB grant) and the creation of a national transport fund through which two other major partners, the governments of Australia and New Zealand, were to channel their financing for infrastructure improvements. The project was rated successful.

7. The Transport Sector Flood Recovery Project was approved in August 2014 and completed on 30 September 2018 and rated successful.\(^7\) The project reconnected the main east–west road on Guadalcanal after severe flooding following Cyclone Ita. The infrastructure targeted by the project was critical for restoring connectivity to essential services and minimizing secondary social and economic impacts. Through this project, three high-level bridges in Mbalasuna, Mberande, and Selwyn villages were completed, along with other land transport infrastructure including the reconstruction of 5 small stream crossings, 1.4 km of bridge approach road, 71 meters of cross culverts; and the completion of 860 meters of bridge and approach road protection work, and 303 meters of bridge approach roads.

8. ADB approved the Sustainable Transport Improvement Investment Program in April 2016.\(^8\) This ongoing project was designed to continue the use of country systems and enable ADB to make direct contributions to the National Transport Fund using its innovative results-based

\(^6\) ADB. 2010. Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Technical Assistance to Solomon Islands for the Transport Sector Development Project. Manila.
\(^7\) ADB. 2014. Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grant to Solomon Islands for the Transport Sector Flood Recovery Project. Manila.
\(^8\) ADB. 2016. Report and Recommendation of the President to the Board of Directors: Proposed Results-Based Loan and Administration of Technical Assistance Grant to Solomon Islands for the Sustainable Transport Improvement Investment Program. Manila.
lending modality. The modality requires the government to meet certain agreed indicators before a disbursement is made. Most of these disbursement-linked indicators have been achieved, thereby triggering the disbursement of 78% of the loan as of February 2020.

9. Key lessons from completed and ongoing ADB-funded projects are that significant project start-up delays occur pertaining to the preparation of detailed designs, updating and implementing social and environmental safeguards assessments prepared at feasibility stage, and procurement activities. Project start-up delay and slow disbursements were mainly attributed to weak technical capacity to comply with ADB’s safeguards and procurement requirements; and insufficient funding within the transport agencies, including the MID and SIPA, to finance detailed designs and undertake these activities before loan or grant effectiveness.

10. Based on these lessons, ADB approved the $6.0 million Transport Sector Project Development Facility in 2018 to ensure design readiness by supporting the government in preparing feasibility studies and detailed designs, and assisting social and environmental safeguards activities including the activities to be carried out under the proposed project.9

11. The MID has prior and ongoing ADB-funded project experience. However, SIPA has had no ADB-funded projects since the 1980s. It is recommended that the project team supports the MID and SIPA from the initial stage by utilizing the project preparatory consulting firm mobilized under Transport Sector Project Development Facility as well as other consultants funded under the project.

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