## TECHNICAL ASSISTANCE COMPLETION REPORT

**Division**: PARD/PLCO

<table>
<thead>
<tr>
<th>TA No., Country and Name</th>
<th>Amount Approved: $1,600,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA 7178-SOL: Establishment of the Solomon Islands Maritime Safety Administration</td>
<td>Revised Amount: $1,600,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executing Agency</th>
<th>Source of Funding</th>
<th>Amount Undisbursed</th>
<th>Amount Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Infrastructure Development</td>
<td>Technical Assistance Special Fund and European Community TA Grant (Solomon Islands Maritime Authority)</td>
<td>$158,678.29</td>
<td>$1,441,321.71</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
</table>
| In the Solomon Islands, marine transport is a vital transportation mode to connect the six main islands and smaller island groups and remote communities where there is no road alternative. However, lack of government capacity in maritime administration and safety is recognized. The lack of institutional capacity causes deficiencies in maritime infrastructure maintenance, safety, and administration. To comply with international standards and protocols, it is necessary to improve the government's capacity by improving the strategic direction and updating the regulatory environment of the marine sector. In response, the Asian Development Bank (ADB) approved the technical assistance (TA) on 25 November 2008 to assist the government in establishing the Solomon Islands Maritime Safety Administration (SIMSA). The TA was approved simultaneously with the Domestic Maritime Support Project (DMSP).  

### Expected Impact, Outcome and Outputs

The expected outcome is improved administration of vessel registry, inspection, survey, and licensing/certification of seafarers, and improved regulation and oversight of marine safety such as search and rescue, navigation aids, and environmental protection. The planned TA outputs included enhanced capacity of SIMSA to implement the Shipping Act 1998, the proposed Maritime Reform Act 2008, and other maritime laws and international convention obligations. It was to do so by reforming the Marine Division of the Ministry of Infrastructure Development (MID) into the SIMSA.

### Delivery of Inputs and Conduct of Activities

The TA was formulated to provide consultant services totaling 60 person-months (pm). International consultants comprised a team leader/institutional specialist (22 pm) and a legal specialist (3 pm). National consultants comprised of an advisor (20 pm), legal specialist (6 pm), and financial management specialist (9 pm). Minor changes in scope were approved in May 2010, June, 2011 and December 2011 to provide additional consulting inputs for (i) the team leader/institutional specialist (2 pm) to continue support to the administration; (ii) the international and national legal specialists (3.5 pm and 2 pm respectively) to provide a wider review of legislative framework in order to address inconsistency and ambiguity in existing acts as new regulations were drafted and enacted; and (iii) the national advisor (12.33 pm) for his secondment to MID as director of marine division to implement the reform process within the administration and allow a transitional handover period with the permanent director of marine division. Given that the SIMSA was structured as an administration rather than a state-owned enterprise, major changes to financial processes were not required. As a result, 2.33 pm were omitted from the national financial management specialist’s required inputs. A minor change in scope was approved in May 2010 to transfer the procurement of safety equipment to be loaned to ship operators from the TA to DMSP. The change was required to ensure the safety equipment and its associated liabilities were owned by MID. The budget initially earmarked for safety equipment was redirected to provide computers, peripherals, a global maritime distress signal system-compliant shore radio station and training to SIMSA staff and industry. The consultants performed satisfactorily and fulfilled their terms of reference. MID as the executing agency provided adequate counterpart staff, office space and administrative support as required. ADB provided timely and appropriate support to the TA and conducted regular reviews semi-annually jointly with DMSP review missions. The performance of MID and ADB is assessed to be satisfactory.

---

Evaluation of Outputs and Achievement of Outcome

Following the enactment of the Maritime Safety Administration Act on 2 April 2009 and subsequent supporting regulation in May 2010, SIMSA was successfully established on 1 July 2010. Reform of MID’s Marine Division and establishment of SIMSA was carried out in accordance with the TA design. A revised organization structure was implemented to focus on compliance with Solomon Islands maritime laws and discharging obligations under international maritime conventions. Lines of responsibility were redefined, and new positions created to reshape the organization to meet its primary purpose in becoming the nation’s maritime sector regulatory body. The Solomon Islands Hydrographic Unit was established within SIMSA as part of the reform, allowing it to assume from the Ministry of Lands, Housing and Survey the responsibilities for survey, management and dissemination of hydrographic data to international charting agencies. A policy and procedure manual was developed and released in June 2011 to SIMSA staff. In addition, a series of 20 information notes developed by the TA was disseminated within the industry to raise awareness of the implementation of new regulations, and ensuring consistent regulatory approach in the maritime sector. A training plan was developed and implemented, to improve and broaden SIMSA’s in-house skills base in information technology (IT), office and management skills, as well as sector-specific workshops related to insurance, surveying, laws and regulations, and enforcement of compliance. A total of 84 nominal staff attended the various workshops. In addition, training was provided to 420 seafarers to upgrade their qualifications and skills recognized by international best practice through the Seafarer Training and Certification of Watchkeepers course. Equipment needs were reviewed, and IT and office equipment were installed to meet SIMSA’s required IT resources. A global maritime distress and safety system-compliant shore radio station was procured and installed to enhance SIMSA’s search and rescue capabilities.

The TA reviewed existing maritime legislation, and recognized and updated ineffective legislation. Over the period of TA implementation, the following regulations were drafted and passed by Cabinet: (i) Shipping (Pilotage Certification) Regulations 2010; (ii) Shipping (Registration) Regulations 2010; (iii) Marine Safety Administration (Research Vessels) Regulations 2010; (iv) Shipping (Marine Navigation Aids) Regulations 2010; (v) Shipping (Seafarers Training and Certification of Watchkeepers) Regulations 2010; (vi) Marine Pollution Regulations 2011; (vii) Shipping (Dangerous Goods and International Maritime Dangerous Goods Code) Regulations 2011; (viii) Shipping (Marine Inquiries and Investigations) Regulations 2011; (ix) Marine Safety Administration (Ship and Port Security) Regulations 2011; (x) Shipping (Small Craft Safety) Regulations 2011; and (xi) Shipping (Safety Requirements for Registration) Regulations 2011. The new regulations remove barriers to the effectiveness of SIMSA’s regulatory role, and meet the standards required by the International Maritime Organization, of which Solomon Islands is a member. Solomon Islands now has the most updated and comprehensive maritime legislative framework in the Pacific.

The accounts function of SIMSA was reviewed and roles were redefined, so that it was more commercially oriented and increased revenue. A new schedule of levies and charges was implemented and developed to reflect SIMSA’s regulatory role and management of functions such as navigation aids and vessel registry. The new charging structure was brought into effect in Q3 2010, and total revenue of S12 million was achieved in 2011.

Overall Assessment and Rating

The TA is rated successful in achieving its outcome and outputs. SIMSA has been successfully established with suitable legislative, institutional and financial frameworks so that it is in a position to meet improved industry compliance with safety regulations, and effectively discharge Solomon Islands’ obligations as a maritime nation under the international maritime conventions.

Major Lessons

As a result of the global financial crisis in 2009, a government hiring freeze caused delays in recruiting staff to new positions defined in the revised organization structure, and approved by the Public Service Commission. These delays threatened the reform process. The TA was required to be flexible in seconding the national adviser to the director of marine role, and two extensions were required to ensure effective handover to the permanent incumbent. Where possible, the design of future projects should allow more time to complete the government recruitment processes. The rationale for structuring SIMSA as an administration was due to concerns as to the financial sustainability of the entity. However, its success in achieving adequate revenue through the effective charging structure suggest that the reformed entity could immediately have transitioned to a state owned enterprise, thereby eliminating the need for the Public Service Commission’s involvement in the recruitment process.

Recommendations and Follow-Up Actions

The government will sustain reform beyond the end of TA completion to restructure the organization as an authority in line with other reformed maritime regulators in the region. It will do so by funding a support package through its National Transport Fund.

Prepared by: David Ling Designation: Project Officer (Infrastructure)

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.