



Technical Assistance Consultant's Report

Project Number: 38062
April 2007

Solomon Islands: Institutional Strengthening of the Ministry of Infrastructure and Development

Prepared by Brisbane City Enterprises Pty Ltd
Australia
For Ministry of Infrastructure Development

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Asian Development Bank

Technical Assistance to the
Solomon Islands for

**Institutional Strengthening of the
Ministry of Infrastructure and
Development**

(Project TA No. 4494-SOL)

**FINAL REPORT
December 2006**



Submitted by: Brisbane City Enterprises Pty Ltd.

**TECHNICAL ASSISTANCE TO SOLOMON ISLANDS FOR
INSTITUTIONAL STRENGTHENING OF MINISTRY OF
INFRASTRUCTURE AND DEVELOPMENT
(TA 4494-SOL)**

FINAL REPORT

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ACRONYMS

ADB	Asian Development Bank
AusAID	Australian Agency for International Development
AYAD	Australian Youth Ambassadors for Development
BCC	Brisbane City Council
BCE	Brisbane City Enterprises Pty Ltd
CAD	Civil Aviation Division
CSP	Community Sector Program
DCAM	Department of Communications, Aviation and Meteorology
DNPAC	Department of National Planning and Aid Coordination
DID	Department of Infrastructure Development
EU	European Union
GDP	Gross Domestic Product
ISMID	Institutional Strengthening of the Ministry of Infrastructure and Development
MID	Ministry of Infrastructure and Development
MTB	Ministerial Tender Board
NERRDP	National Economic Recovery, Reform and Development Plan 2003 – 2006
NTF	National Transport Fund
NTFB	National Transport Fund Board
NTP	National Transport Plan 2007 – 2026
NZAID	New Zealand's International Aid and Development Agency
PCERP	Post-Conflict Emergency Rehabilitation Project
PMCBU	Project Management and Capacity Building Unit (of SIRIP)
PMS	Program Management Specialist
RAMSI	Regional Assistance Mission to Solomon Islands
SIG	Solomon Islands Government
SIISLAP	Solomon Islands Institutional Strengthening of Land Administration Project
SIRIP	Solomon Islands Road Improvement Project
SITNIS	Solomon Islands Transport Network Information System
TA	Technical Assistance
TOR	Terms of Reference
TPPU	Transport Planning and Policy Unit
TTF	Transport Task Force

EXECUTIVE SUMMARY

The Government of Solomon Islands requested technical assistance from the Asian Development Bank (ADB) to improve the capability of the Ministry of Infrastructure and Development (MID) in planning and managing transport infrastructure activities. Following an ADB fact finding mission, an ADB technical assistance program was developed with the purpose of raising the capability of the MID to plan, manage and finance transport infrastructure development in Solomon Islands in a sustainable manner.

IMPLEMENTATION

The project was initially planned to be undertaken over the period April 2005 to May 2007. The completion date was subsequently brought forward to the end of December 2006. Three expatriate adviser positions were assigned to the project.

Delays by the MID in staffing essential positions delayed commencement until August 2005. Two of the initially appointed advisers, including the team leader, were replaced in this time. Subsequently, the Transport Specialist was replaced in January 2006 and the Project Management Specialist was replaced again in March 2006.

PRINCIPAL ACTIVITIES AND PERFORMANCE AGAINST TARGETS

There were five purpose level targets to be met. These targets were supported by a number of outputs and activities. Overall, the targets were met. Constraints, such as MID recruitment and a reduction in the time span of the Project, prevented some targets from being achieved fully. For some outputs, the achievement was in excess of that which was required.

Some outputs and activities needed to be adjusted because of changing circumstances and in these cases the changes were cleared by MID and, in some cases, the ADB Transport Specialist.

Institutional Reform of MID

The MID is comprised of two departments: the Department of Infrastructure Development (DID); and, the Department of Communications, Aviation and Meteorology (DCAM). Each Department has its own minister, permanent secretary and staff and each has its own budget and prepares its own corporate or strategic plan. The Ministry has no separate minister or permanent secretary or any staff other than an under secretary. Effectively, however, the under secretary works almost exclusively with DID. There is no one individual responsible for the 'Ministry'. Each Department operates independently and each has responsibilities over and above transport responsibilities.

The Consultant prepared a possible ministry organisation reorganising the transport functions of the two departments into, again, two departments one of which was responsible for planning and program delivery and the other for regulatory services. The two Departments considered the proposed organisation and have decided to retain the existing departments. However, both Departments will become stand-alone ministries and will, over time, make further organisational changes to divest themselves of service provision functions.

As the divisions of each Department move into re-organisation, it will be essential that staff be trained to enable them to carry out their tasks. Position profiles will need to be raised or re-written for each position, training needs determined and suitable training identified and undertaken. Training should focus on using on-the-job training to skill staff and full use should be made of opportunities provided by donor programs. Formal training should be structured on conditions and practices suitable for application in Solomon Islands.

Training

A range of formal and on-the-job training was provided for DID staff predominately in conjunction with other activities such as the establishment of the database and the introduction of manuals and procedures. Three staff attended a five-week training program in Brisbane and two were seconded, on a rotational basis, to the Post-Conflict Emergency Rehabilitation Project.

Now that initial training has been carried out under this TA and the duties and capabilities of individual staff members are clearer, further training should be included in the development plans for individual staff members.

Regional Partner Agency

Brisbane City Council was selected as the partner agency in the region with two departments of the Council specifically identified: Brisbane City Works and the Department of Economic Development. The Council assisted in preparing and delivering a large component of the Brisbane based training. Liaison continues between DID and the Council.

Transport Policy and Planning Unit

The Transport Policy and Planning Unit (TPPU) was established but remains under-strength. Delays in establishing the Unit, the significant contraction of the Project timetable and the necessity to produce documentation such as plans and manuals before training and mentoring began had an adverse impact on the time and the opportunities to provide training for TPPU staff. Three TPPU staff undertook secondments and training in Australia and all staff participated in in-country training in MID procurement and contract administration procedures. Although under-strength, the TPPU is an operational, viable and well respected organisation. Further assistance is required for staff mentoring and for the training of staff, including newly recruited staff, to develop the Unit fully as a sustainable organisation.

Review of Existing Documentation and Legislation

The Team reviewed a wide range of legislation, documentation and data in the course of their activities. Most documentation relevant to the team's work was outdated. The available data on transport infrastructure and transportation services was dated and unreliable. The Roads and Traffic Acts are out of date. Amendments to the former had been prepared but have yet to be presented to Parliament. The National Transport Plan provides for the revision of the Traffic Act although external assistance will be necessary to carry out the revision. Financial Instructions are being rewritten under a donor assisted project.

Database Development

A database, named the ‘Solomon Islands Transport Network Information System’ (SITNIS), was developed to provide comprehensive and geographically disaggregated transport information. A user manual was prepared and trialing and testing of the manual was carried by TPPU staff to ensure that it and the database met the needs of the MID.

The database provides an important reference source for government agencies and donors involved in or contemplating transport projects. If the data is allowed to become dated then the relevance of the database, and in turn the TPPU, will be questioned. It may necessary for the donors to provide support to ensure that the database records are current and relevant for transport planning.

Transport Task Force

A Transport Task Force was established to act as the steering committee to the ISMID TA and to review and comment on the development of the National Transport Plan and the establishment of the National Transport Fund. Members are drawn from relevant government ministries and from private sector transport users and operators.

It is recommended that the Transport Task Force remain in existence and act as an oversight agency for monitoring the implementation of the National Transport Plan. It is further recommended that it take on the role of a steering group for all future donor assisted transport related programs.

National Transport Plan

A National Transport Plan was developed in consultation with the Transport Task Force. The Plan was approved by the Cabinet in May 2006.

The Plan is the first ever such transport plan for Solomon Islands. It aims to set the strategies, policies and immediate priorities for development of the Solomon Islands transport system. Its implementation is intended to have a significant positive impact on the Government’s objective of developing rural areas. Specifically it sets out to:

- develop transport sector services,
- develop and maintain transport sector physical infrastructure,
- improve the competency and capacity of Government agencies, and
- develop the transport private sector.

The Plan highlights a number of areas where donor assistance is considered to be important in achieving particular initiatives.

Whilst the Plan contains the direction and rationale for making and sustaining substantial improvements to the transport network and services in the country, it will not realise its aims without continuing Government support (including financial support), implementation by the various agencies, support from donors and protection from untoward political interference.

National Transport Fund

The establishment of a National Transport Fund is a key component of the National Transport Plan. It is also a requirement for the implementation of impending grants and for gaining access to a large tranche of grant funding from the European Union.

Legislation for the establishment of the Fund was prepared and is awaiting Parliamentary approval. Supporting regulations were prepared and are awaiting approval by respective ministers once the Fund receives legislative approval. A National Transport Fund Board has been established and has been meeting regularly on an 'informal' basis until such time the legislation is approved when it will meet formally.

Programming and Budgeting Manual

A Programming and Budgeting Manual was prepared which provides a comprehensive guide for all the phases of planning and programming, beginning with database preparation and updating, field surveys for updating infrastructure condition and traffic and, data analysis including specification and evaluation of sub-project maintenance and development works. The manual also covers works programming and budgeting of works on wharves, airstrips and roads and bridges. Staff were trained in the use of the Manual.

It is recommended that, where appropriate, future transport related donor projects are required to use and update the Manual.

Procurement and Contracting

Procurement and contract management skills were lacking in MID. The existing tendering and contracting documentation was outdated and inadequate. The Team assisted in developing some suitable manuals and documentation and provided training for DID staff and contractors.

Three related manuals dealing with procurement, tendering and contract administration were prepared rather than a single contract procedures manual. This matched better the actual procurement and contract administration process and MID needs. In addition, and although not required under the TOR, two sets of construction and maintenance specifications and four sets of standard bidding documents were produced. Training, based on the manuals, was conducted for both MID staff and contractors. Assistance was also provided in improving the operations of the MID Ministerial Tender Board.

All manuals were implemented but the level of their use varied depending on their immediate applicability. Use of the Procurement Manual began as soon as it was released in draft form and its use is spreading. Some applicable sections of the Contract Administration Manual came into use immediately on its release but it will not come into general use until contracts are begun to be let in 2007. The Quality Control Manual, the specifications and the standard bidding documents will not come into general use until new contracts are tendered and let in 2007.

TECHNICAL ASSISTANCE TO SOLOMON ISLANDS FOR INSTITUTIONAL STRENGTHENING OF MINISTRY OF INFRASTRUCTURE AND DEVELOPMENT

FINAL REPORT

1 INTRODUCTION

1.1 Background

Solomon Islands comprises a large Melanesian archipelago of six main islands together with numerous small islands, islets and atolls with a total land area of about 28,000 square kilometres. Over 80% of the population is rural, living in very dispersed villages, mainly along the coastlines.

The country has had a weakly performing economy and is the second lowest country of the Pacific islands countries in the United Nations Human Development Index. It is unlikely to meet the majority of the Millennium Development Goals by 2015.

Development and maintenance of the transport infrastructure has been poor. Roads, bridges, wharves, airstrips and government infrastructure had deteriorated to the stage where reconstruction or rehabilitation had become the sole options. The resultant poor condition of the network has created a high-cost transport environment leading to higher domestic market prices and costs for exports.

The capacity of the ministry responsible for transport infrastructure, the Ministry of Infrastructure and Development (MID), had declined to levels rendering it incapable of carrying out most of its functions. MID lacked capability to plan and manage its own activities let alone provide the planning framework for the rehabilitation of facilities nationwide. The MID is comprised of two departments: the Department of Infrastructure Development (DID); and, the Department of Communications, Aviation and Meteorology (DCAM). Each Department has its own minister, permanent secretary and staff and each has its own budget and prepares its own corporate or strategic plan. The Ministry has no separate minister, permanent secretary or staff other than an under secretary. There is no one individual responsible for the 'Ministry'. In practice, each Department operates independently and each has responsibilities over and above transport responsibilities. Effective measures to enhance capacity within the MID were considered an essential and urgent requirement.

1.2 Project Formulation

In recognition of the problems and issues facing the MID, the Government of the Solomon Islands (SIG) requested technical assistance from the Asian Development Bank (ADB) to help raise the capability of the MID in planning and managing transport infrastructure activities. A

subsequent ADB fact-finding mission¹ reviewed this request and, following discussions with MID, other ministries and other relevant agencies, prepared the scope and Terms of Reference (TOR) for a technical assistance program.

The Mission determined that the technical assistance program should complement the Solomon Islands Country Strategy and Program Update 2005-2006, which aimed to achieve rapid and private sector led economic growth by providing transport infrastructure and services, and strengthening the enabling environment for the private sector, both with a focus on capacity building and promotion of good governance.

The technical assistance program would also support the Government's policy framework set out in the *National Economic Recovery, Reform and Development Plan 2003-2006* (NERRDP) with particular reference to transport sector aspects within Key Strategic Area 4 on Revitalising the Productive Sector and Rebuilding the Supporting Infrastructure, by building capacity to complete a National Transport Plan, create a policy and planning unit, and establish a national transport fund. This was to be achieved by:

1. adopting and implementing a national transport sector strategy;
2. continuing implementation of an inter-island shipping project including appraising project profiles for the Provincial Shipping Services Assistance Fund;
3. continuing implementation of the marine infrastructure project;
4. finalizing the Shipping Act, Revised Road Act, and National Transport Fund;
5. continuing to implement a national maintenance regime;
6. formulating medium-term infrastructure development programs; and
7. reforming and building MID's capacity.

The Terms of Reference for Institutional Strengthening of the MID were published in December, 2004.

¹ Comprising R. Guild, Transport Specialist/Mission Leader, and R. Adhar Senior Project Implementation Officer.

2 TECHNICAL ASSISTANCE GOAL AND PURPOSE

The Goal of this Technical Assistance (TA) is increased efficiency in the transport sector contributing to economic growth with improved distribution of benefits.

The Purpose is to strengthen the MID's institutional capacity in planning, finance and management of infrastructure development. The Purpose was to be achieved by meeting a number of targets or performance indicators:

- the Transport Policy and Planning Unit established,
- a national transport plan operational and integrated into national development plans,
- a national transport fund operational,
- a contract procedures manual implemented, and
- improved time-budget contract performance.

The TA required outputs in MID capacity building by undertaking a range of activities and achieving specific targets.

A summary of the level of success in achieving the purpose, outputs and activities is contained in Annex B. Detailed discussion is contained in Section 3 which also includes discussion on activities contained in the individual TOR for the specialists but which were not shown in the Technical Assistance Framework.

3 IMPLEMENTATION

3.1 Executing Agency

The executing agency for the TA was the Department of Infrastructure Development, Ministry of Infrastructure and Development.

3.2 Staffing

Three international consultant positions were assigned to the Project. They were a Transport Planner/Economist with a planned input of 12 months, a Transport Specialist with an input of six months and a Project Management Specialist with an input of 12 months.

The original planned and actual staffing of the Project are summarized in Table 3.1. Changes in staffing delayed the effective start of the Project from April to late August, 2005. At the request of the SIG, and with the agreement of the ADB, the termination of the Project was brought forward to the end of 2006 from the end of May, 2007. This meant that there was continuous presence of Project staff on the project except for a short break over the 2005 Christmas and New Year period.

The Team Leader mobilized in April 2005 concurrently with an ADB Mission. However, at that time, there were no staff in the TPPU or Land Transport Division of the DID except the divisional directors. It was therefore decided by the ADB and the Ministry that it would be inappropriate for the project team to continue until the recruitment of additional staff had been completed. Recruitment was almost completed by August 2005 and it was agreed that the project would be remobilised, beginning with the Team Leader deploying concurrently with the next ADB Mission. However, by this time, the original Team Leader and the Project Management PMS had to be replaced.

The project team re-mobilized briefly with a new Team Leader in August 2005 and, after a brief delay while the process of recruitment of staff by DID was completed, continued from October 2005. The original nominee for the position of PMS also had to be replaced early after contract signing. Unfortunately, the replacement, Ms Fiona Collin, could only put in a brief input early in the project and shortly after commencing her second input had to resign because of family illness. Her replacement, Mr Terry Boyce, commenced on the Project in late March 2006 and continued through to the end of the Project in December 2006.

The Transport Specialist became unavailable because of illness shortly prior to his planned mobilization date. He was replaced by Mr James Reeves who mobilized in January 2006 and completed his total of six months input in October 2006.

TABLE 4.1 ORIGINAL, ACTUAL AND PLANNED STAFFING

			REVISED DRAFT FINAL REPORT COMPLETION												ORIGINAL COMPLETION DATE												
			2005								2006												2007				
Position	Person-months		M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M
TEAM LEADER	Original schedule	12.00																									
	Revised schedule	11.50																									
	Actual	J Sargent	0.75																								
	Actual	S P Goodwin	10.75																								
	Actual	Total	11.50																								
TRANSPORT SPECIALIST	Original schedule	6.00																									
	Revised schedule	6.00																									
	Actual	J Reeves	6.00																								
	Actual	Total	6.00																								
PROJECT MANAGEMENT SPECIALIST	Original schedule	12.00																									
	Revised schedule	11.50																									
	Actual	F Collin	1.25																								
	Actual	T Boyce	7.75																								
	Actual	Total	9.00																								
AUSTRALIAN YOUTH AMBASSADOR	Original schedule	12.00																									
	Revised schedule	3.00																									
	Actual	E Keighlev	3.00																								
	Actual	Total	3.00																								
TOTAL (excluding Australian Youth Ambassador)	Original schedule to date		0.50	0.75	0.75	0.75	2.75	5.75	8.75	10.25	11.25	14.25	17.25	20.25	22.75	22.75	22.75	22.75	24.75	26.75	27.50	27.50	27.50	27.50	27.50	29.50	30.00
	Revised schedule		0.50	0.75	0.75	1.25	1.50	3.00	4.00	4.50	6.00	8.50	10.75	13.25	16.00	18.00	20.25	22.25	24.25	26.75	28.00	28.75	29.00				
	Actual	Total	26.50	0.50	0.75	0.75	1.25	1.50	3.00	4.00	4.50	6.00	7.75	9.25	11.75	14.50	16.50	18.50	20.50	21.50	24.00	25.25	26.25	26.50			
	Variation from original schedule		0.00	0.00	0.00	0.50	-1.25	-2.75	-4.75	-5.75	-5.25	-6.50	-8.00	-8.50	-8.25	-6.25	-4.25	-2.25	-3.25	-2.75	-2.25	-1.25	-1.00				
	Variation from revised schedule		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.75	-1.50	-1.50	-1.50	-1.50	-1.75	-1.75	-2.75	-2.75	-2.75	-2.50	-2.50				

3.3 Australian Youth Ambassador

It was originally planned to involve in the TA a volunteer under the Australian Youth Ambassadors for Development Program (AYAD). However, delays in the project start, problems with aligning recruitment with the AYAD intake date and the lack of interest by young qualified professionals in going to Solomon Islands meant that an alternative means had to be used for the secondment of a volunteer to the project. The alternative approach was to engage a volunteer through the Volunteering for International Development from Australia scheme and this was achieved by Brisbane City Council providing one of their staff as the volunteer.

The role of the volunteer was to:

- work together with counterpart local staff,
- transfer skills and knowledge,
- assist in training,
- strengthen a sense of partnership with partner agencies, and
- encourage strategic planning.

Ms Elisha Keighley, a full time staff member of Brisbane City Council, was assigned to the MID from mid-June to mid-September 2006 and brought to the MID relevant work experience in database management and environmental analysis of capital projects.

Ms Keighley assisted TPPU staff:

- prepare the Microsoft Access based Solomon Islands Transport Network Information System (SITNIS);
- collect data from various sources by documentation review and interview methods to compile and enter data into the database;
- establish a good working relationship with other agencies in Solomon Islands, such as the Honiara City Council, in TPPU planning activities;
- prepare procedures and guidelines for environmental screening of proposed capital works projects to develop the transport infrastructure network; and,
- prepare the National Transport Plan (NTP).

Following her activities in Honiara, Ms Keighley provided liaison between Brisbane City Enterprises, Brisbane City Council and the three trainees during their time in Brisbane.

As an individual of professional background and of similar age, Ms Keighley contributed to raising the self-confidence of TPPU staff both to tackle issues independently and to seek advice and assistance from others.

The delays in identifying a recruiting a volunteer and difficulties in identifying suitable volunteers meant that only one volunteer secondment could be undertaken.

3.4 Accommodation and Equipment

After an initial period of working in the main office complex of the DID, accommodation was provided in a four room annex to the DID office. The accommodation was air-conditioned and equipped with telephones and a photocopier. The Project supplied a scanner/fax/photocopier which became the property of MID on completion of the Project.

From September 2006, DID supplied a vehicle for joint use by the team and the TPPU.

From early in 2006, office activities suffered because of power cuts in the main supply. Initially cuts lasted four hours a day but later reduced to around an hour a day. DID did not have a standby generator and work could not continue in the offices during the power cuts because of high temperatures and high humidity.

3.5 Support From Ministry Agencies

Support from DID staff overall was particularly good but did vary by Division. Maritime Division consistently failed to produce data when requested in such areas as shipping data, training plans and business plans. Support and assistance from the Controller of Civil Aviation, DCAM, was very good but the DCAM permanent secretary was ambivalent towards the project.

3.6 Liaison with Development Partners

The TA team worked with and assisted a number of donor agency programs and activities in particular the Post-Conflict Emergency Rehabilitation Project (PCERP) in respect of staff secondments and road data, the European Union (EU) in respect of the establishment of the National Transport Fund and the EU wharf program, and the ADB Inter-Islands Shipping Reforms TA.

Advice and assistance was also provided to:

- the International Monetary Fund team undertaking the AusAID ‘Review of Accounting Procedures and Redraft of Financial Instructions’. The advice centred on deficiencies in and suggested improvements to the SIG Financial Instructions in respect of procurement and especially tendering and contract administration;
- NZAID on road maintenance and community contracting;
- the AusAID Solomon Islands Government Housing Project on procurement and contracting;
- the AusAID Community Sector Program on procurement, contracting and road maintenance;
- the RAMSI Infrastructure and Related Services Program on DID procurement and contract management; and,
- the AusAID Health Sector Program on procurement and contracting.

3.7 Reporting

An Inception Report was submitted to the ADB in September 2005. Subsequent progress reports were submitted to the ADB on a quarterly basis as follows:

- First Progress Report covering the period May–August 2005 submitted in November 2005;
- Second Progress Report covering the period September–November 2006 submitted in December 2005;
- Third Progress Report covering the period December 2005–February 2006 submitted in March 2006;
- Fourth Progress Report covering the period March–May 2006 submitted in June 2006;
- Fifth Progress Report covering the period June–August, 2006 submitted in September 2006; and,
- a draft final report submitted as the Sixth Progress Report in December 2006.

3.8 Evaluation of the TA

A mid-term evaluation had been planned but did not occur. Rather, an evaluation, with a changed focus, was carried out by an ADB appointed specialist in late November and early December 2006 and a report submitted to the ADB.

It is considered that some points raised and some recommendations made in the evaluation report may need to be treated with some caution. The evaluation specialist did not interview any DCAM staff or any staff from the Maritime Division or the Mechanical and Workshop Division of DID. Neither were any representatives interviewed from the EU project or the ADB TA working with Maritime Division. Aviation and shipping are significant components of the NTP and radical changes are proposed for Mechanical and Workshop Division and the management of government vehicles and private vehicle inspections in the country. Other than DID staff, no member of the Transport Task Force (TTF) was interviewed. The TTF, comprised of public service and public sector representatives, is the consultative body which oversaw the preparation of the NTP. Two of the three team members, including the team leader, were not consulted by the evaluation specialist and none of the proposed recommendations were discussed with the team.

A draft copy of the evaluation report was not circulated for comment therefore this report contains, in the relevant sections, some observations on the final evaluation report.

4 PRINCIPAL ACTIVITIES

4.1 Institutional Reform of MID

The MID is comprised of two departments: the Department of Infrastructure Development (DID); and, the Department of Communications, Aviation and Meteorology (DCAM). Each Department has its own minister, permanent secretary and staff and each has its own budget and prepares its own corporate or strategic plan. The Ministry has no separate minister or permanent secretary or any staff other than an under secretary. Effectively, however, the under secretary works almost exclusively with DID. There is no single individual responsible for the ‘Ministry’. Each Department operates independently and each has responsibilities over and above transport responsibilities.

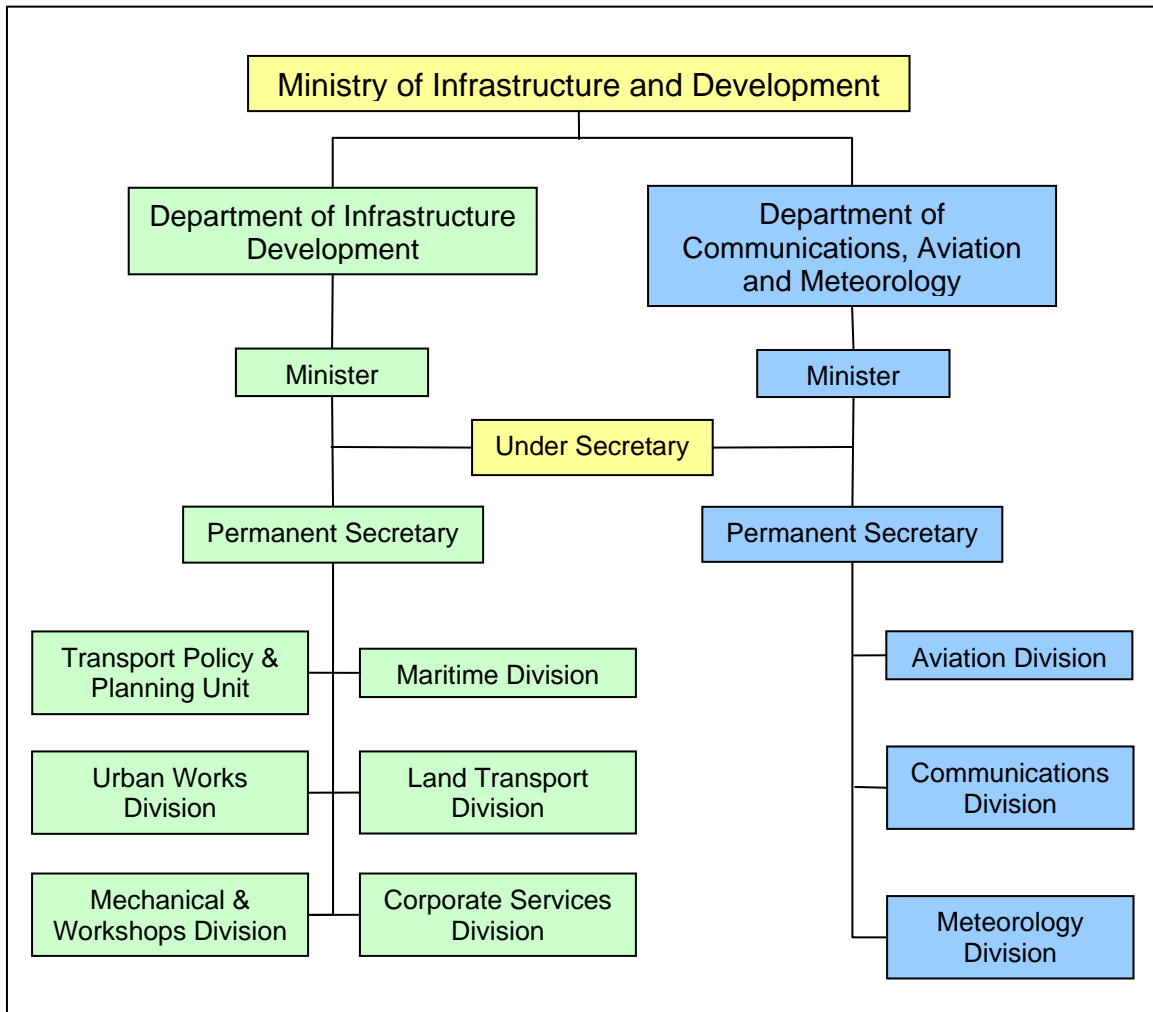


Figure 4.1 Structure of Ministry of Infrastructure and Development

At the commencement of the TA, MID lacked a structured framework for planning and managing Solomon Islands' transport infrastructure. A Transport Policy and Planning Unit (TPPU) had been set up within the DID and a Director appointed but no other staff had been appointed.

Similarly, other divisions in DID were established and Directors appointed but the Divisions were generally staffed below establishment levels and most staff were inadequately qualified and lacked experience. Key guidelines on procedures, such as planning, procurement, contract management and quality control were also non-existent. As set out in the Transport Sector Strategy of 2002, the roles of MID Departments and Divisions were to be re-defined as planning, regulatory and management roles, as appropriate. Service delivery functions were to be outsourced to private sector providers.

A review² of the roles and responsibilities of MID departments found that the distinctions between policy-making and planning; regulation and performance monitoring; and, service provision were obscured. Both the existing Departments are currently responsible for policy making, planning, regulation, asset management and service provision.

It was considered that the MID should be re-structured so that the two roles of asset management and regulation were separated into two departments and that service provision should be out-sourced to the private sector. These proposals were discussed with MID senior staff and were, for the most part, accepted. There was considerable reluctance from within the DCAM to institute any changes. A suggested structure was provided but was not accepted by the Departments.

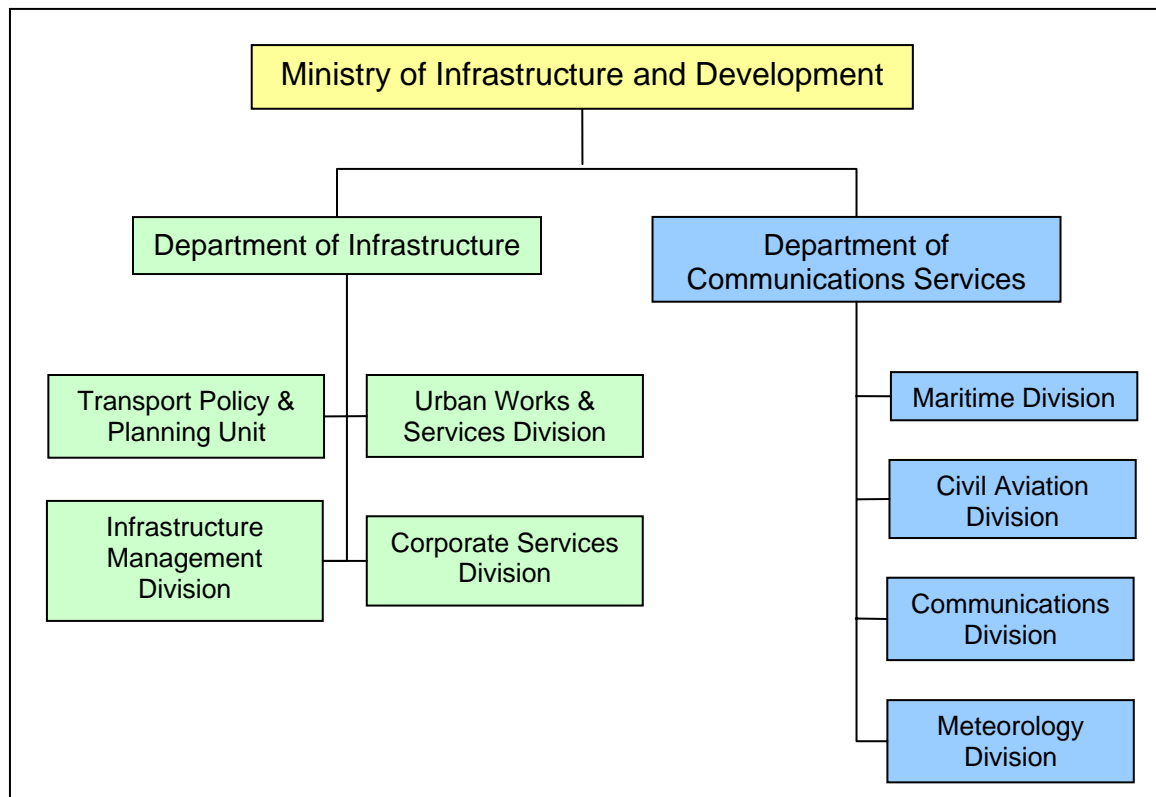


Figure 4.2 Original Consultant Proposed Future Structure of MID

² [Review of Capacity Within MID and Private Sector](#)

Following further discussions, a range of organisational changes and revised roles for various divisions were incorporated into the NTP for implementation over the first five years. The most significant changes are described below.

4.1.1 Land Transport Division

It is proposed that the new role of Land Transport Division of DID will be to manage the construction and maintenance of roads, bridges, wharves and airfields. It will undertake design and documentation and manage construction and maintenance works. External service providers will be engaged to carry out works and maintenance. External service providers will also be engaged to undertake design, documentation and project management beyond the capacity or capability of the Division. Over time, it is suggested that the Division will reform into a program delivery unit and possibly be re-titled as Program Delivery Division to reflect its revised role.

4.1.2 Marine Division

The Marine Division of DID presently has responsibility for: ship survey and licensing; search and rescue; navigational aids; ships registration and operation; and, the operation of the LC Vali. The Division should move to a role of policy and standards development and enforcement.

Functions that were recommended for examination to establish the potential for full or partial outsourcing were: ship survey and certification; the installation and maintenance of navigational aids; and, the operation of the LC Vali. Management of the installation and maintenance of navigational aids should be transferred to the re-tasked Land Transport Division. For each function, detailed studies are required to provide a comparative analysis between full, partial and no outsourcing options. DID intends to seek donor agency assistance to conduct these studies. Considering the comparatively low volume of navigational aids work each year (particularly once all navigational aids are rehabilitated), it will be especially important that the studies provide a detailed, costed, comparative analysis.

Outsourcing and privatisation processes will take time, hence any changes to the Division's organisational structure will need to progress through transitional structures.

4.1.3 Mechanical and Workshops Division

The Mechanical and Workshops Division of DID presently has responsibility for: the procurement and management of plant; maintenance of government vehicles and plant; and, the hire of government vehicles and plant. The Division has the potential to be re-formed as a regulatory agency primarily focussing on setting and enforcing standards for road users. The range of activities should include: setting road and bridge limits; vehicle and traffic regulations; vehicle road-worthiness standards; accreditation and monitoring of vehicle testing stations; vehicle licensing; vehicle registration; driver licence testing and road safety awareness.

DID intends that the Division will divest itself of the vehicle and plant hire function. Each government ministry and department will then become responsible, within their own budget, to manage the purchase and maintenance of their own vehicles through outsourced service providers. To enable ministries and departments the time to incorporate the costs into their budgeting is intended that the transfer of vehicles will not take place until the 2008 financial year.

Private vehicle road-worthiness testing should be out-sourced to accredited service providers (vehicle testing stations). Where there are no suitable service providers, such as in remote locations, MID inspectors should continue to provide a roadworthiness inspection service. MID

staff will inspect the licensed providers on a regular basis. Annual registration papers and stickers should continue to be issued by the MID.

Donor agency support will be needed to assist the Division conduct feasibility studies and plan and implement changes.

4.1.4 Civil Aviation Division

The recent Universal Safety Oversight Audit Program of CAD by the International Civil Aviation Organisation highlighted the inadequacies of the current legislation and regulations that underpin the present CAD structure.

The CAD structure is being re-examined following the enactment of the Civil Aviation (Amendment) Act 2006. This process will see the eventual establishment of a civil aviation authority to oversee the safety and security aspects of civil aviation. Initial discussions are leaning towards the establishment of a small independent civil aviation authority as the safety and security regulatory body with retention of the CAD as a service provider of airfields, air traffic management and aviation security etc.

4.1.5 Progress On Organisational Changes

Both DID and DCAM plan to change to stand-alone ministries with DID becoming the Ministry of Infrastructure Development. DID intends to effect the changes early in 2007. In effect, the renaming of the Departments as ministries formalises the current arrangement of the two departments, each with their own minister, operating independently. DID intends to continue with further organisational changes as proscribed in the NTP.

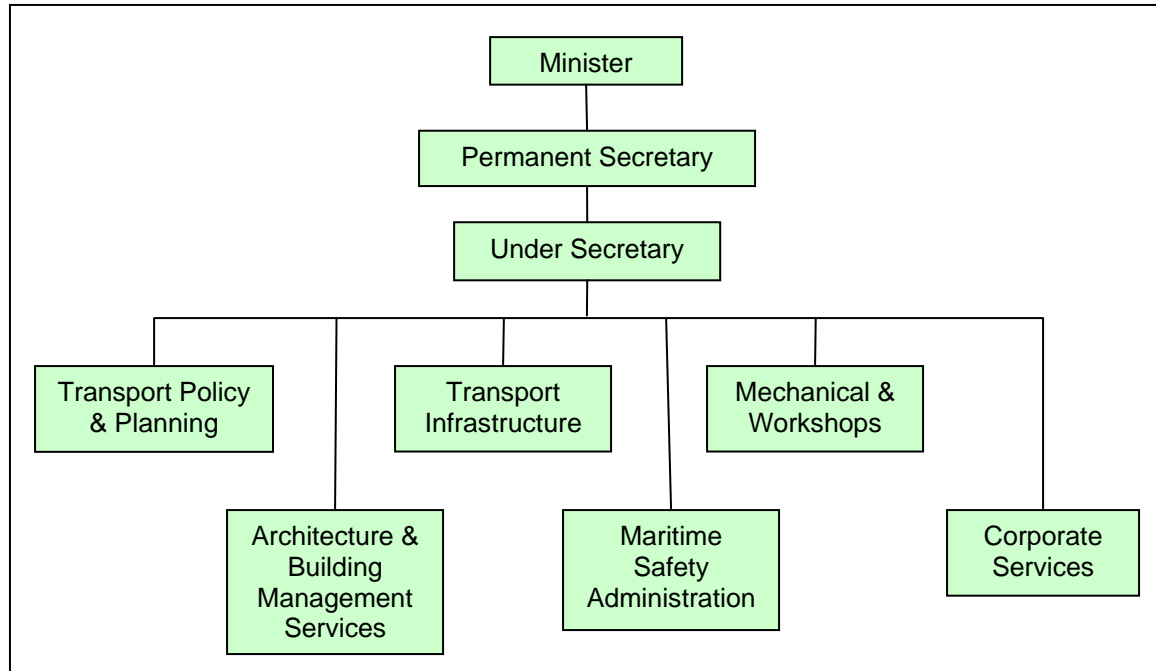


Figure 4.3 Planned New Structure of DID

Following the planned organisational changes, it will mean that transport functions will be split between two ministries. An examination of this arrangement should be undertaken to establish whether this is the most effective option for the strategic management of the transport functions.

4.1.6 Review of Existing and Planned MID Staffing Levels

Early in the project, a review was conducted of existing and planned staffing levels in DID. The DCAM Permanent Secretary considered that departmental reviews underway in that Department would examine their staffing needs.

Staffing in key divisions of DID, particularly TPPU, Land Transport, Mechanical and Workshops, and Marine Divisions was found to be well below establishment levels. Furthermore, the recruitment and promotion processes are cumbersome and cause delays of up to 12 months in effecting the changes in staffing. During the course of the Project, the TPPU recruited three staff and Land Transport Division recruited two staff. Both remain understaffed and are seeking additional staff.

The recruitment of DID staff is continuing with the focus on the TPPU and Land Transport Division. Workshops and Mechanical Division and Maritime Division are likely to undergo significant reorganisation and role re-orientation. It is therefore recommended that the re-training and recruitment of staff for those divisions be undertaken as an element of their reorganisation.

4.1.7 Needs Assessment and Staff Development Plans

Organisational and staff needs assessments were carried out early in the project and re-examined when team members changed. The assessments focussed on transport related elements, in particular the TPPU and Land Transport Division. The DCAM permanent secretary considered that their needs would be established as part of the on-going reviews they were undertaking.

The organisational needs identified at the beginning of the TA were broadly summarised as follows:

- a full establishment of trained staff, the composition of which will need to evolve with organisational changes and the changing role from service provider to service manager;
- procurement manuals and documentation including contract documentation together with staff trained in their use;
- current information on the transport infrastructure;
- a private sector which could provide the required services and understood contracting to a government agency;
- staff who understood how to engage and manage private sector contractors; and,
- the lack of equipment including computers (with email), computer software, printers, digital cameras, surveying equipment

The staff needs identified included:

- training in:
 - government and MID procedures particularly for those who had been newly recruited;
 - establishing and maintaining an infrastructure database;
 - programming and budgeting;
 - procurement and contract management;
 - engaging and managing private sector suppliers;
- experience in:

- supervising maintenance works; and,
- all aspects in which training had been conducted.

Many of the needs identified had been included in the TA TOR but some were not. Where it was possible within the time and the capacity of the team, some of the additional needs were satisfied (e.g. the production of some standard bidding documents).

Of the organisation needs, at the end of the TA the following had occurred:

- Three staff had been recruited for the TPPU and two for Land Transport Division and all had undergone varying levels of training. The poor availability of suitably qualified candidates to fill vacancies remains but MID is actively continuing staff recruitment;
- Procurement and contract management manuals and some standard bidding documents (for road maintenance) had been produced and staff and contractors had received training;
- A transport database had been developed, a user manual prepared and TPPU staff trained in its use. Further data collection needs to continue;
- The capacity of the private sector had been established, contractors had received training in MID procurement procedures and providers had been consulted on developing their capacity;
- Staff have been briefed and encouraged to engage the private sector and have begun tendering road maintenance contracts. Further work is required to develop documentation and providing training in engaging the private sector to provide professional services such as tender preparation; and,
- MID has provided the great bulk of the equipment needed but the provision of internet access and computer anti-virus protection remains an urgent and high priority particularly to protect the database.

Broad training plans were developed for TPPU staff essentially using ISMID TA training and mentoring opportunities and PCERP secondments. The focus was on providing on-the-job training using project activities and mentoring from the TA team members. Training and mentoring was also provided for other DID staff.

The training provided is detailed in relevant sections in this report. Overall, various staff received training in procurement and contract management, programming and budgeting, and database management. TPPU staff also received extensive training on a range of engineering and transport related topics over a five week period in Australia. TPPU staff and some Land Transport Division staff gained practical experience in the supervision of road rehabilitation and maintenance contract works. The availability of staff because of work and other training commitments, the lack of practical opportunities and the unavailability of travel funds severely restricted training in field surveys, policy analysis, project evaluations and regulation reform.

4.1.8 Further Organisational Development

For staff development in the immediate future the emphasis should be on involving staff in the practical use of the manuals and procedures that have been introduced, and the training they have received. Mentoring support would be a considerable advantage and that support could be provided by SIRIP.

Now that some training has been provided and duties have become clearer, individual staff development plans should be revised. The position profiles prepared should be re-examined to ensure that they remain relevant. Development plans and duty statements or position profiles will

need to be prepared for the staff being recruited. It is recommended that the SIRIP assist in this work.

The NTP has directed a number of role changes for DID which will result in significantly altered Divisional structures. Once individual Divisional organisational structures are confirmed, human resource development plans will need to be developed for each division to provide the staff to meet revised roles. Donor assistance will be required to assist Divisions design and implement the new structures and development plans.

A number of positions in the present Divisional organisations will not exist in re-organised Divisions. Where practical, staff should be re-trained for new positions. However, since the training, especially the on-the-job training, is likely to occur over an extended period, the remaining length of service of individual staff will need to be taken into account.

As each Division moves into re-organisation, it will be essential that staff be trained to enable them to carry out their tasks. Position profiles will need to be raised or re-written for each position, training needs determined and suitable training identified and undertaken. Training should focus on using on-the-job training to skill staff and full use should be made of opportunities provided by donor programs. Formal training should be structured on conditions and practices suitable for application in Solomon Islands.

The work of Divisions is being disrupted because the recruitment and promotion of staff is not proceeding through the Ministry and other government agencies quickly enough, at times taking 12 months or more. If they are not improved, such lengthy processes will continue to inhibit MID divisions in making organisational changes in a timely manner and will have an adverse impact on the implementation of the proposed changes.

4.2 Training

A range of training was provided for DID staff. Those aspects of training not covered elsewhere in this report are detailed below.

4.2.1 Strategic Planning Training

Strategic or corporate planning is well established in MID. Each Department produces a strategic plan supported by Divisional corporate plans. MID confirmed that formal strategic planning training was not required. However, considerable support was provided in developing the NTP and its programs and mentoring support was provided to DID in their strategic planning. Further support was provided to DID in developing the 2007 road maintenance program.

4.2.2 Financial Planning and Budgeting Training

It was originally envisaged that this training would be undertaken on the basis of the draft National Transport Fund (NTF) regulations. However, the financial planning and budgeting aspects of these regulations would not be confirmed until after this TA was completed. These regulations are likely to be subject to significant change to accommodate EU requirements. It would therefore have been inappropriate to undertake training for NTF Board members and TPPU staff (as the interim Secretariat to the NTF Board) on regulations that were likely to change. The consultant to be appointed by EU will provide comprehensive assistance and training to assist the Board and Secretariat as and when they become functional. MID agreed to this approach.

A small component on budgets, budgeting and financial management was included in the procurement training.

4.2.3 External Training Opportunities

Other than the training conducted in Brisbane, no other external training courses were arranged under the auspices of this TA for several reasons.

Firstly, the time available was limited. The project was delayed in starting and the Project duration was reduced significantly. Further, TPPU staff, the main target for training, were heavily committed on database and NTP development, other training both in Solomon Islands and Australia, secondments to the PCERP and normal duties. Secondly, there was no funds provision in the TA for training other than the training in Australia and MID had no funds available. The team was not able to identify any other potential funding sources nor was the team made aware of any other available funding sources.

Finally, the availability of formal courses which would have an immediate, direct application to the duties of the staff was very limited. A single Microsoft Access course was available in Honiara and would have been pursued had the time and finances been available. The University of the South Pacific offer some extension courses in finance, economics, planning etc but these would have provided only general background. What immediate and direct benefit the students could gain from these courses had to be balanced against the cost of foregoing other training and on-the-job experience opportunities in the timeframe of the TA.

Suitable computer courses were identified in Australia and attendance by the three TPPU staff attending the Brisbane training was considered. This option was discarded primarily because of time limitations and in preference to other training and experience that was available in Brisbane but not in Solomon Islands. However, the Brisbane based training did include two days of Access training.

Staff were, and continue to be, seconded to the PCERP to gain experience in supervising road maintenance and rehabilitation contracts. The SIRIP offers opportunities for staff to gain further similar and additional experience by:

- using the information in the transport database and working jointly with TPPU staff to update the database information,
- working jointly with MID staff to inspect road networks and develop the rehabilitation program,
- assisting in developing standard bidding documents,
- seconding staff of the TPPU and Land Transport Division to the SIRIP to assist in managing rehabilitation contracts, and
- providing mentoring assistance and advice to the Ministerial Tender Board.

Arrangements were made for TPPU staff to be seconded to the AusAID funded Solomon Islands Institutional Strengthening of the Land Administration Project (SIISLAP) but this did not proceed during the TA because of the workloads of both SIISLAP and TPPU staff. It is recommended that the secondments proceed in the near future but at a time suitable to both organisations.

Preliminary arrangements were made for staff secondments to the EU funded wharf construction project. Although the contractor had been appointed, work had not begun by the end of the TA. It is recommended that those secondments go ahead.

Now that initial training has been carried out under the TA and the duties and capabilities of individual staff members are clearer, further training should be included in the development plans for individual staff members. Consideration should be given to making use of the Honiara based computer courses (especially in Microsoft Access) and the extension courses offered by the University of the South Pacific.

4.2.4 Overseas Training

A five-week training program was prepared and delivered by BCE and Brisbane City Council (the identified partner agency) between 23 September and 28 October 2006. The three TPPU staff attended the training which was conducted in Brisbane.

The training topics were devised jointly by all TPPU members and the TA team. The detailed training program is included at Annex D, but in outline the training included:

- transport planning and policy evaluation;
- prioritisation of project options;
- contract procurement and administration;
- operation of the transport funding arrangements;
- evaluation of civil works contracts and project options including maintenance and rehabilitation;
- project management and other actions necessary for successful implementation across all transport modes; and
- training in Microsoft Access.

The three participants reported that the training and experience were of considerable value to them not only from the professional development point of view but also from the personal contacts made with Partner Agency staff and members of the Reference Group and the overall cultural experience.

4.3 Regional Partner Agency

The TOR required that a suitable partner agency in the region be identified to be a professional mentor for the MID. Brisbane City Council was selected with two departments of the Council specifically identified: Brisbane City Works and the Department of Economic Development.

The Council assisted in preparing and delivering a large component of the Brisbane based training and the training participants from the TPPU established a number of mentoring contacts within the Council. Early in 2007, the Director TPPU visited the Council and BCE to establish further contact and begin planning further support from the Council.

In conjunction with identifying a partner agency, the Consultant also constituted a group of specialists, designated the Technical Reference Group, who could provide advice and assistance when required. Members of the Technical Reference Group were drawn from SMEC Pty Ltd (the major shareholder BCE) and Brisbane City Council. The Reference Group examined the procurement and contracting manuals prepared under the TA and provided considerable input into the development of the Brisbane based training.

It is recommended that Brisbane City Council and the TPPU jointly develop an agreement and processes for continuing mentoring assistance and the provision of technical advice and assistance. The assistance should include secondments to Brisbane and Solomon Islands to assist

in the provision of training and professional development matched to individual staff development plans.

4.4 TPPU Development

A Transport Policy and Planning Unit was established within the DID in 2005 but, excluding the director, the first staff were not recruited until late in 2005. TA assistance was provided to facilitate the development of the TPPU. This included assisting in defining the role and responsibilities of the TPPU, development of a database, production of a procedures manual, formal training and on-the-job training and mentoring.

The role of the TPPU is to centralise the management of transport strategic planning and transport asset databases. The TPPU is responsible for:

- preparing and maintaining the National Transport Plan with input from MID departments, national and provincial agencies, industry representatives and relevant community groups through the Transport Task Force;
- coordinating all donor projects within the MID;
- maintaining close liaison with the Department of National Planning and Aid Coordination (DNPAC) to ensure the integration of MID plans and programs with national plans;
- preparing, on an annual basis, the rolling three year works program; and,
- producing annual works programs for maintenance and construction including budget estimates and procurement strategies.

The TPPU staff complement is a director and six staff. The director was appointed prior to the mobilization of the Consultant but three staff were not appointed until late in 2005. The appointment of the remaining three has been difficult because of the required qualifications for the appointments and the cumbersome public service recruitment processes. DID hopes to have completed the recruitment of the remaining three staff early in 2007.

A manual on Planning, Programming and Budgeting Guidelines was produced and TPPU staff received training on the Guidelines. (This is described further later in this report.).

The TPPU staff, including the Director, were actively engaged in all aspects of preparation of the NTP. The three staff participated in field surveys for data collection on transport service operations, road and bridge condition, road traffic characteristics and local community surveys. They also participated in the development of priorities for the NTP.

Additional field work by TPPU staff was planned but was not possible because RAMSI appointed staff in the Ministry of Finance would not release the travelling allowance funds for the staff. This was despite the fact that DID held air tickets for the travel and the travelling allowances were included in DID's approved budget. On two occasions, TA advisers themselves paid privately for the accommodation and meals when travelling with TPPU staff because allowances had not been released.

A program was established of rotating TPPU staff through the PCERP which was undertaking road rehabilitation works. At the end of 2006, two staff had undertaken such secondments.

One TPPU member was appointed secretary of the Ministerial Tender Board (MTB). Significant mentoring support was provided in the management of the MTB, the tendering process and the management of contracts from a Board point of view.

The TPPU has provided the secretariat for the TTF and the NTF Board, the latter being a temporary arrangement until the Board becomes fully operational and is able to appoint its own secretariat. Assistance was provided in the TPPU's discharge of secretariat responsibilities.

The TPPU has been nominated as the custodian for manuals prepared for DID. This does not necessarily involve the TPPU in maintaining the currency of the manuals. Amendments to manuals will be undertaken by the DID division or unit with the most involvement or responsibility in an individual manual. The evaluation recommendation to establish a committee to manage amendments is rejected as it is considered impractical and unnecessary.

The TPPU is now a functioning organisation and although it remains under-staffed, it should reach full strength in 2007. The Director and the three staff appear to have gained a good understanding of their roles and duties and have benefited from the assistance of the TA. The Unit and its staff have become highly respected within the DID, other government agencies, the TTF and the NTF Board. The Unit will benefit greatly from continued support from senior DID staff, the TTF, the NTF Board and donors. They will also benefit from continuing support from the Partner Agency, Brisbane City Council.

The most significant threat to the operations of the TPPU is the lack of funds to undertake field inspections to maintain the database. The database provides an important reference source for government agencies, the NTF Board and donor agencies involved in or contemplating transport projects. If the data is allowed to become dated then the relevance of the SITNIS database, and in turn the TPPU, will be questioned. It may necessary for the Board or donors to provide support to ensure that the database records are current and relevant for transport planning.

4.5 Review of Existing Documentation and Legislation

The Team reviewed a wide range of legislation, documentation and data in the course of their activities. Most documentation relevant to the team's work was outdated. The available data on transport infrastructure and transportation services was dated and unreliable. A key document of more recent preparation was the Transport Sector Strategy prepared in 2002 for the Ministry of Transport, Works and Communications and funded by the European Development Fund.

The Roads Act 1955, Traffic Act 1968, Shipping Act 1998; Civil Aviation (Amendment) Act 2005, and associated regulations were reviewed when preparing the NTP and the database. The Roads and Traffic Acts are out of date. Amendments to the former had been prepared but have yet to be presented to Parliament. The Traffic Act requires revision. The 1998 Shipping Act is current but there are presently four regulations which require clearance by the Attorney General and subsequent gazettal. One long out-standing regulation, 'Safety Regulations for Non-Convention Ships' was finally cleared by the Attorney General's office late in November 2006.

The Finance and Audit Act and the Labour, Employment, Income Tax and National Provident Fund Acts together with the Criminal Code, Leadership Code and SIG Financial Instructions were all examined in the preparation of the various procurement manuals. The Finance and Audit

Act was also reviewed when establishing the NTF. Financial Instructions are being rewritten under a donor assisted project.

Discussion on the transport database and documentation for planning, budgeting, procurement and contract management is included later in this report.

DID held few maps and those that were held were very much out of date. The AusAID funded SIISLAP had prepared new maps but was not in a position to provide paper copies of maps. Digital mapping (for use with the database) could not be provided because SIISLAP was still in the process of verifying the mapping procedures that they have prepared.

The NTP provides for the revision of the Traffic Act. However, external assistance will be necessary to carry out the revision.

4.6 Database Development

A transport database was developed to provide comprehensive and geographically disaggregated information including:

- locations, quantities and conditions of existing physical transport assets in the three sub-sectors;
- current and projected demands for transport services; and,
- existing levels, costs, tariffs and market structures of infrastructure construction and service provision in the public and private sectors.

The database was named the ‘Solomon Islands Transport Network Information System’ (SITNIS).

4.6.1 Database Design

The database was designed so that the data population, presentation of information and interrogation are user friendly. It allows the storage and presentation of all aspects of the database in a similar format. The simple design is based on the Microsoft Access database package which was chosen because it is readily available in Solomon Islands, is simple to learn and is supported by internet accessed help services. A simple to use, user interface has been incorporated into the database. This interface (shown in Figure 4.4) allows easy navigation between tables, queries and reports.

The structure of the database is sufficiently flexible that it will be easily possible to incorporate additional data tables in the future. It also allows the linking of data relating to different aspects of the transport system. For example, it is possible to view the details of the road serving a particular wharf from the wharf data screen. Those relationships that have been built into the database are shown in Figure 4.5.

A number of macros allow the user to produce a number of lists and reports. To date, these include maintainable infrastructure and, infrastructure requiring rehabilitation and reconstruction. In addition, the database can automatically produce a spreadsheet file containing the data needed for input into the Road Economic Decision (RED) model for road project evaluation and works programming.

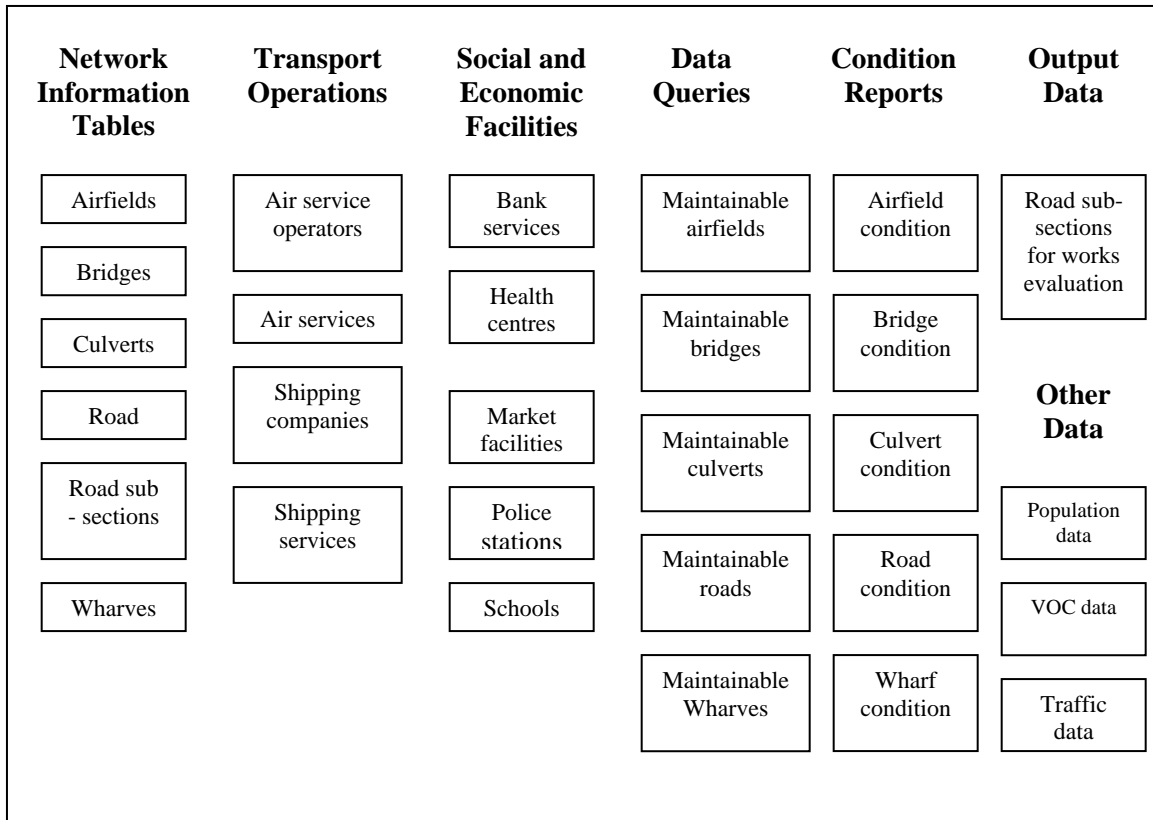


Figure 4.4 SITNIS User Interface

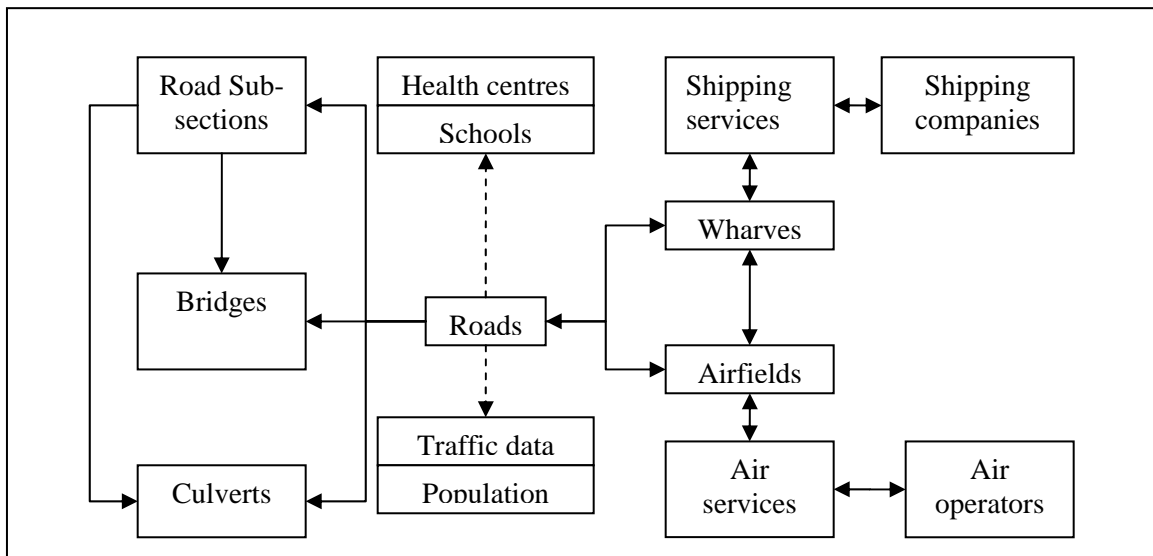


Figure 4.5 SITNIS Data Links and Hierarchies

4.6.2 Data Entry

The database itself contains a number of data tables relating to aspects of the transport system and key socio-economic aspects. These, together with the current status of the data, are summarised in Table 4.1. The responsibility of maintaining the data lies with the TPPU. It is recommended that the Unit incorporate appropriate data from the recently conducted household surveys and census.

Data	Completeness	Comments
Road network	100%	All available data entered, annual updating to be carried out as per Programming and Budgeting Manual
Bridges and culverts	100%	All available data entered, annual updating to be carried out as per Programming and Budgeting Manual
Wharves and anchorages	100%	All available data entered, annual updating to be carried out as per Programming and Budgeting Manual
Air fields	100%	All available data entered, annual updating to be carried out as per Programming and Budgeting Manual
Air services	75%	Data quality subject to frequent changes in schedules and lack of adherence to schedules
Population data	80%	Data from 1999 Census used but not complete for Malaita because of difficulties in locating many communities
Hospitals and health centres	100%	All available data entered
Secondary and high schools	100%	All available data entered
Police stations	100%	All available data entered
Markets	100%	All data entered, needs to be updated and added to from field surveys
Banks	100%	All available data entered
Shipping services	25%	Data collection system yet to be established by Marine Division
Shipping companies	25%	Data collection system yet to be established by Marine Division
Air service operators	100%	All available data entered
Traffic counts	100%	All available data entered. Revised data to be added annually

Table 4.1 Status of SITNIS Data

4.6.3 Demand Data

No existing sources of recent demand data were identified except for a few road traffic surveys for the PCERP and, in Western Province, for the preparation of the SIRIP. The Programming and Budgeting Procedures include the collection of road traffic data and estimates of traffic over wharves. Solomon Airlines will be the main source of scheduled air traffic data but, to date, the airline has not been able to supply this data. Shipping companies will be the primary source of data on traffic over wharves. TPPU should remain responsible for collecting the data.

4.6.4 Costs, Tariffs and Market Structures

This element of the database is set up to incorporate three areas of data, as follows:

- freight rates and passenger fare levels (where available);
- details of transportation providers; and,
- standardised data to be used for the economic evaluation and prioritisation of transport infrastructure maintenance and development, including that required in the RED model.

4.6.5 Database User Manual and Staff Training

A SITNIS User Manual³ was prepared. The manual incorporates simple explanations of the database structure as well as the basic principles employed by Access. Trialing and testing of the manual was carried by TPPU staff to ensure that it and the database met the needs of the MID. Because of its simplicity no formal training was carried out in the use of SITNIS. However on-job training was given over the period of development of the database and the preparation of the user manual such that the database is sustainable by the three TPPU staff who participated. Following on-the-job-training, the staff of TPPU took over all duties and responsibilities for data entry.

4.6.6 Surveys

Procedures for carrying out data collection surveys have been prepared and are incorporated into the Programming and Budgeting Manual. Training in the use of these procedures has been delivered to staff of TPPU and Land Transport Division. Training in the field was limited principally because of difficulties MID experienced in obtaining funds to carry out the surveys and obtaining suitable vehicles to travel beyond the environs of Honiara. The bulk of the areas from which current data was required lay outside Honiara. On at least two occasions, team members personally paid the travel costs of TPPU staff so that the training and surveys could proceed. Supervised road and bridge condition surveys, traffic surveys and social impact surveys were conducted in Western Province. TPPU staff, with a team member, carried out road and bridge condition surveys on two roads in Malaita Province in conjunction with training an AusAID CSP engineer in the use of the data collection forms. The TPPU also managed traffic counts in the Honiara area with funds provided by Honiara Town Council.

4.6.7 Mapping

It is intended to link the SITNIS system with the Solomon Islands GIS system currently being developed by the AusAID funded SIISLAP. However, SIISLAP were still in the process of verifying the mapping procedures that they have prepared and no digital mapping could be provided. The digitised mapping being developed from aerial surveys required additional ground survey data.

4.7 Transport Task Force

A Transport Task Force (TTF) was established in early 2006. The initial role of the TTF was to act as the steering committee to the ISMID TA and to review and comment on drafts of the NTP and the establishment of the NTF. The TA team assisted the MID draw up a Terms of Reference for the TTF⁴. Members are drawn from relevant government ministries and from private sector transport users and operators. The permanent membership is:

³ [Database User Manual](#)

⁴ [Transport Task Force Terms of Reference](#)

- Permanent Secretary, Department of National Planning and Aid Coordination (Chairperson);
- Under Secretary, Department of Finance;
- Permanent Secretary, Department of Provincial Government, National Reconciliation and Peace;
- Permanent Secretary, Department of Infrastructure and Development;
- Director, TPPU, MID (secretary to the TTF);
- Controller of Civil Aviation;
- Chief Executive, Solomon Airlines;
- Secretary, Solomon Islands Chamber of Industry and Commerce;
- Chairman, Solomon Islands Shipowners Association; and,
- a representative of the private sector contracting industry.

In addition, representatives of international donor agencies which are actively supporting the transport sector are invited to attend meetings.

Seven meetings were held during the period of the TA. The TPPU fulfils the role of secretariat to the TTF and meeting minutes⁵ are held by the TPPU.

It is recommended that the TTF remain in existence and acts as an oversight agency for monitoring the implementation of the NTP. It is further recommended that the TTF take on the role of a steering group for all future donor assisted programs.

4.8 National Transport Plan

A national transport plan⁶ was prepared by the MID with the assistance of the TA. During the drafting process, MID staff were consulted extensively and TPPU staff played a significant role in the collection and analysis data and the determination of priorities. Through the TTF, representatives of other government agencies, commerce, industry, transport users and transport operators were actively consulted and involved in commenting on the draft plans and approving the final Plan.

The NTP was delayed for some weeks in the Cabinet approval process partly to make some minor amendments to satisfy particular electoral needs. The delay in Cabinet clearance risked causing delays in the approval of imminent donor programs for transport infrastructure. However, it was beyond the capacity and remit of the TA team to attempt to influence the approval process at the political level. The Cabinet approved the NTP in July 2006.

The TA team assisted the MID prepare a ministerial press release⁷ and a short summary⁸ of the Plan for distribution to the media and other interested parties.

The NTP is the first ever such transport plan for Solomon Islands. It aims to set the strategies, policies and immediate priorities for development of the Solomon Islands transport system. Its

⁵ [Transport Task Force Meeting Minutes](#)

⁶ [National Transport Plan](#)

⁷ [National Transport Plan Press Release](#)

⁸ [National Transport Plan Summary](#)

implementation is intended to have a significant positive impact on the Government's objective of developing rural areas. Specifically it sets out to:

- develop transport sector services,
- develop and maintain transport sector physical infrastructure,
- improve the competency and capacity of Government agencies, and
- develop the transport private sector.

The Plan provides for DID divisions and CAD of DCAM to be re-organised to carry out planning and regulatory functions with service delivery functions being outsourced to the private sector. Most of the changes directed by the Plan have been described above. Also outlined in the Plan are measures to involve and strengthen the private sector including the removal or streamlining of restrictive national and provincial Government policies and practices which relate to the transport sector.

The NTP highlights a number of areas where donor assistance is considered to be important in achieving particular initiatives. Some examples include the reorganisation of DID, feasibility studies for strategic roads and improving shipping services. The imminent SIRIP should contribute significantly to improving the road infrastructure and DID's management of the road network. Other donor assistance across other aspects of the Plan would assist in maintaining the Plan's relevance and application.

Whilst the Plan contains the direction and rationale for making and sustaining substantial improvements to the transport network and services in the country, it will not realise its aims without continuing Government support (including financial support), implementation by the various agencies, TPPU's maintenance of the Plan, involvement from the TTF and NTF Board, support from donors and protection from untoward political interference.

4.9 National Transport Fund

The establishment of a National Transport Fund (NTF) is a key component of the NTP. It is also a requirement for the implementation of impending grants and for gaining access to a large tranche of grant funding from the European Union (EU). The TA assisted in establishing the policy and institutional aspects of the proposed Fund.

4.9.1 Establishment of Principles

The principles for the establishment and operation of a transport fund in Solomon Islands were drawn up. These were explained to relevant government agencies and private sector representatives at TTF meetings by way of a briefing note⁹ initially and latter at the first meeting of the shadow NTF Board on 3 October 2006. The principles were based on those applied in the successful development of road funds in a number of Asian countries and elsewhere. They required adjustment to incorporate the broader remit of the fund proposed for Solomon Islands. Some of the principles, such as vesting responsibility for the collection of user charges directly in the NTF rather than via the Government's consolidated budget, were considered to be unacceptable to the Government at this stage.

The key principles of the NTF are summarised below:

⁹ [National Transport Fund Briefing Note](#)

- The NTF would be set up primarily to provide a long term sustainable mechanism for funding the maintenance of Solomon Islands' transport infrastructure and to support the provision of inter-island transportation services which are socially necessary but not commercially viable.
- The NTF would have its own management board including representatives from both the Government and the private sector. This board would have a statutory responsibility to ensure the allocation of sufficient funds to cover maintenance requirements, to ensure efficient and effective use of the funds, and to audit the procurement and supervision of maintenance works.
- The NTF would be assisted in this role by a small secretariat. The Secretariat would be responsible for carrying out the day-to-day tasks of the Board. Initially, the TPPU would act as the Secretariat.
- The Board would be responsible to Parliament for its conduct and would have to produce an annual report setting out its performance in meeting its objectives.
- The Board would ensure full transparency in its operations and would be required to publish periodic reports setting out how revenues had been spent. The Board would also be required to conduct a public annual general meeting where the Board could respond to questions on its performance.
- The existing infrastructure management agencies would continue to be responsible for procurement and supervision of maintenance and development works. The Board would have an oversight and audit role to ensure that contracting agencies were following guidelines and to minimize the possibility of corruption.
- The Board would be responsible for ensuring that the NTF is adequately capitalized and replenished through budget allocations and donor contributions.
- The NTF would provide a transparent and robust disbursement mechanism for donor funds.

4.9.2 Aviation Special Fund

An Aviation Special Fund was established under a 2005 amendment to the Civil Aviation Act 1986–CAP 47. The Act details the areas that the Special Fund can finance. Revenue for the fund is raised primarily from upper airspace use but is insufficient to fund all the infrastructure maintenance and development needs of the civil aviation sector. The Aviation Special Fund will continue and infrastructure needs not supported by that fund will be met by Government funding or the NTF.

4.9.3 Determination of Funding Requirements

A key element in the work to develop the NTF was to assess the requirements for funding over the short, medium and long term. The NTP gave broad indications of funding needs. A more detailed estimate required a first principles review of the available condition data for roads, bridges, wharves and airstrips.

EU Stabex 98 funds were identified as a possible major source of revenue for the NTF to supplement SIG funds during the period up to the end of 2010. To secure these funds requires the signing of an Implementation Protocol by the SIG and EU. An Implementation Protocol requires a detailed scope for the use of the funds and detailed estimates of component costs. The Team assisted the Solomon Islands resident mission of the EU to prepare a terms of reference for a consultant to draft an Implementation Protocol. The consultant mobilized in August 2006 and the draft was completed on 20 October 2006.

4.9.4 Drafting of NTF Legislation

A review of the Finance Act indicated that the NTF could be set up by a Ministerial Order and did not need an Act of Parliament. This was confirmed by advice from the Attorney General's office. In conjunction with the Economic Reform Unit of the Ministry of Finance, National Reform and Planning, a Ministerial Order was prepared. Although the Order was signed into effect on 3 October 2006 the Attorney General subsequently advised that an Act of Parliament was required in order to sequester funds from Government to finance the NTF (see below).

Two sets of regulations to support the Ministerial Order were prepared:

- NTF Board Regulations¹⁰ – which describe the NTF Board, its terms of reference, and defines procedures relating to a number of areas of the operation of the Board.
- NTF Procedural Regulations¹¹ – which describe the main financial procedures, office procedures and requirements for impact assessments and performance monitoring.

The Regulations were circulated for comment within government agencies and the EU. They were subsequently approved by the Government and are waiting for signature by the Minister of Finance.

4.9.5 Establishing the NTF Board

The proposed NTF Board, its function and terms of reference were discussed with a wide range of government agencies and private sector organizations. As the result of these discussions, a 'shadow' Board was established in anticipation of the signing of the relevant Ministerial Order. It held an inaugural meeting on 3 October 2006 attended by representatives of the agencies and organizations nominated in the draft Board Regulations, as well as observers from other agencies and organizations. A Chairperson was elected. In addition, the purposes and terms of reference of the Board and the NTF were explained and arrangements for the second meeting were determined.¹²

With the issuing of the Ministerial Order on 3 October to set up the Board, the NTF Board can be considered as established but it will remain a non-operational Board until legislation in respect of the NTF is passed by Parliament. An Act of Parliament is required in order to sequester funds from Government to finance the NTF. A draft¹³ has been submitted to the Attorney General's office for finalization before presentation to Parliament. It is expected that this Act will be put to Parliament early in 2007. The associated regulations and procedures orders have been drafted and are waiting signature by the Minister of Finance

4.9.6 Sustainability of the NTF

The establishment of the NTF and the Board is directed by the Cabinet approved NTP and is fully supported by the MID and the TTF. An ADB/AusAID/NZAID aid agreement is conditional upon the formation of the NTF. Despite the NTP and the various aid agreements, whether or not the Government will continue to support the NTF, both with legislation and with budget funding, remains to be seen. The MID, TTF, NTF Board and donor agencies will need to support the NTF actively in order that the Government will continue to support the NTF.

¹⁰ [National Transport Fund Board Draft Regulations](#)

¹¹ [National Transport Fund Board Draft Procedural Regulations](#)

¹² [National Transport Fund Board Meeting Minutes](#)

¹³ [National Transport Fund Draft Act](#)

4.10 Programming and Budgeting Manual

A Programming and Budgeting Manual¹⁴ was prepared. The manual provides a comprehensive guide for all the phases of planning and programming, beginning with database preparation and updating, field surveys for updating infrastructure condition and traffic and, data analysis including specification and evaluation of sub-project maintenance and development works. The manual also covers works programming and budgeting of works on wharves, airstrips and roads and bridges.

Elements of programming and budgeting are also covered in the Procurement Manual (described later). As described previously, a separate SITNIS user manual was also written.

Trial testing of sections of the Manual was carried out for the database updating and usage, road condition and road traffic surveys and social surveys, and limited aspects of sub-project definition and preparation of road maintenance works programmes for one and three years forward.

Training¹⁵ in the use of the Programming and Budgeting Manual was delivered to TPPU and other staff during early November 2006. Some on-job training had already been provided in December 2005 for two TPPU staff as part of a data collection to support an ADB Project Appraisal Mission in preparation for the SIRIP. This data collection involved road and bridge condition surveys, traffic surveys and community consultation activities. TPPU staff, with a team member, carried out road and bridge condition surveys on two roads in Malaita Province in conjunction with training an AusAID CSP engineer in the use of the data collection forms. The TPPU also managed traffic counts in the Honiara area with funds provided by Honiara Town Council. Those TPPU staff deployed demonstrated a high degree of capability to absorb the training given and the TPPU staff will have little difficulty in using the procedures set out in the Manual. Further field training was planned but the Ministry of Finance would not release the travel funds for this on-the-job training and no funds were available in the TA. On at least two occasions, team members personally paid the travel costs of TPPU staff so that the training and surveys could proceed. Although training was possible in the Honiara area, the bulk of the areas from which current data was required lay outside Honiara. Assignment of the staff to assist the SIRIP will further enhance TPPU staff capability.

It is recommended that:

- future aid transport related projects are required to use the Manual where appropriate;
- TPPU staff are actively engaged in assisting appointed external consultants appointed to prepare plans and programs; and,
- appointed external consultants are directed to review and improve the Manual in the light of their usage.

4.11 Procurement and Contracting

Procurement and contract management skills were lacking in MID. The existing tendering and contracting documentation was outdated and inadequate. The Team assisted in developing some suitable manuals and documentation and provided training for DID staff and contractors.

¹⁴ [Programming and Budgeting Manual](#)

¹⁵ [Presentations and training material](#)

4.11.1 Review of Existing Procurement Documentation

The TOR required a review of existing regulations and contract documentation for the procurement of “goods and services” to determine their appropriateness. Since goods and services procurement is a comparatively small component of transport related procurement, a more extensive review was conducted. Existing regulations, instructions, tendering documentation and contract documentation were reviewed. Emphasis was placed on the procurement of works, rather than goods and services, since works procurement is, and will continue to be, the largest MID procurement activity.

SIG Financial Instructions are issued under the Public Finance and Audit Act. The Instructions were reviewed in conjunction with the preparation of the Procurement Manual. Whilst the Instructions are adequate, there are a number of areas where they can be improved. For example there is no provision for contract termination, there is no limit on variations, the provisions for emergencies or ‘certificates of inexpediency’ require improvement and procedures are vague or can be improved in a number of areas such as tender openings, price variations, contract completion, contract securities, extensions of time and progress payments. These and other matters were raised with the International Monetary Fund team undertaking the AusAID ‘Review of Accounting Procedures and Redraft of Financial Instructions’. Revised Financial Instructions are due for release in 2008. Procedures covering the shortfalls in the current Financial Instructions were included in the Procurement Manual.

The existing tendering and contracting documentation was inadequate. There were no standard bidding documents and a ‘standard’ conditions of contract used is well out of date. Standard bidding documents are urgently required, in order of priority, for the following:

- minor and major road maintenance,
- minor and major civil construction,
- procurement of services, and
- procurement of goods.

Standard conditions of contract are required for each set of bidding documents and, whilst in some cases, standard ADB or other international conditions of contract may be suitable templates, the documents should be appropriate to the level of procurement and to Solomon Islands conditions.

Some elements of standard bidding documents, such as a standard contract agreement have been included in the Procurement Manual.

MID intends to develop standard bidding documents by engaging service providers to prepare bidding documents for individual contracts and these will form the basis for developing standard bidding documents. MID also plans to use SIRIP resources to assist in the preparation of the documents.

Although not required under the TOR, several sets of standard tendering related documents were produced. These were a community based contract¹⁶ to engage communities on small works and four sets of bidding documents for the repair of potholes in sealed roads¹⁷, grading of gravel roads¹⁸, grading of shoulders on sealed roads¹⁹ and, clearing of roadside vegetation and drains²⁰.

¹⁶ [Community Based Contract](#)

¹⁷ [Bidding Documents for Repair of Sealed Road Potholes](#)

¹⁸ [Bidding Documents for Gravel Road Grading](#)

Training in the content and use of the bidding documents was given to the acting director of Land Transport Division.

The bidding documents include new conditions of contract to replace the several outdated versions currently being used. The conditions of contract can be used by any ministry on any works contract of value up to around SB\$3m depending on the complexity of the contract. The Instructions to Bidders in the bidding documents may be more detailed than those commonly used since they include details on bid opening, bid evaluation and the award of the contract. The detail conforms to the processes contained in the new Procurement Manual and was included to both inform contractors of the correct procedures and also to provide some measure of obligation on MID staff to conform to the Procurement Manual procedures.

The review of the documentation provided the basis for determining the best way to satisfy the TOR requirement for a contract manual and at the same time to provide the range of documentation and manuals that were actually needed.

4.11.2 Production of Procurement and Contracting Manuals

The TOR required the Project Management Specialist (PMS) to:

“help counterpart staff prepare a contract procedures manual that includes:

- (a) types of contracts and contract laws;
- (b) types of tender procedures, evaluations, and selection criteria;
- (c) guidelines on costing methods and preparation of tender prices;
- (d) contract administration;
- (e) inspection and quality control;
- (f) claims and dispute settlements; and,
- (g) financial (costs, accounting and budgeting) controls.”

It was noted that the TA TOR restricted activity to the transport sub-sector of MID.

The following observations were made in respect of the TOR:

- the TOR required a ‘contract procedures manual’ but Items (b) and (c) in the TOR are tendering procedures;
- it was not clear what was meant by ‘contract laws’ since there are no specific Solomon Islands ‘contract laws’;
- contract procedures is a sub-set of contract administration (Item (d)) not the reverse as shown in the TOR;
- inspection and quality control could not be covered effectively and practically without specifications on which to base the procedures;
- Item (c) is a tenderer (bidder) activity which varies greatly in scope and detail depending not only on the type of procurement but each individual tender; and,
- it was not clear what is required under Item (g) since accounting and budgeting are not contracting procedures.

Based on the review of the existing documentation and MID needs, and an examination of the TOR requirements, it was determined that a series of manuals was required. This was agreed to

¹⁹ [Bidding Documents for Maintenance of Sealed Road Gravel Shoulders](#)

²⁰ [Bidding Documents for Roadside and Drainage Maintenance](#)

by both the MID and ADB. A plan²¹ for the development of the manuals was prepared for and agreed to by the MID.

Three separate manuals and two sets of specifications were prepared together with the standard bidding documents described above. Figure 4.6 shows how the various documents produced support the procurement and contract management processes.

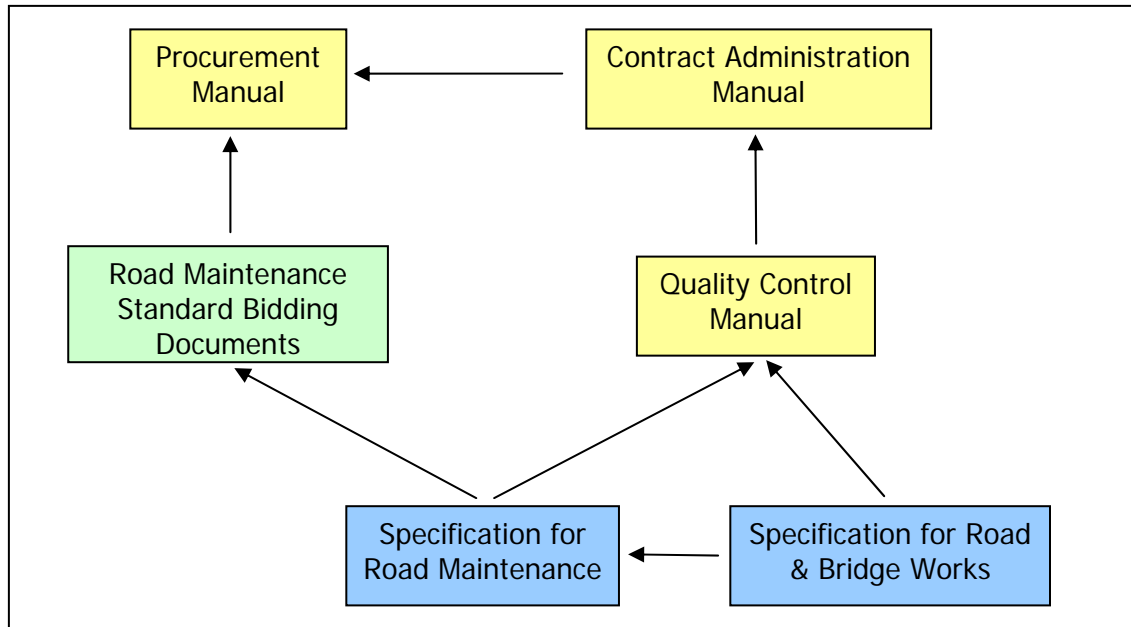


Figure 4.6 Relationship Between Procurement Documentation Produced

All manuals were prepared in Microsoft Word format so that the MID could amend them easily if required and staff could copy forms from the manuals. Custodianship of the manuals is vested in the TPPU and the TPPU holds the master copies in electronic form. It should be noted that the TPPU computers do not have computer virus protection. Up-to-date and continuing virus protection needs to be provided as a matter of urgency as many MID computers contain viruses.

The Procurement Manual²² details the procedures for tendering and letting contracts and incorporates the provisions of the SIG Financial Instructions. The Financial Instructions are being re-written and the revised Instructions are planned to be issued in 2008. The Procurement Manual will need to be reviewed and revised to reflect changes in the new Financial Instructions.

The contents of the Procurement Manual include: responsibilities; principles and illegal practices; procurement planning and design; requirements for bidding documents; advertising tenders and issuing bidding documents; receipt and opening of tenders; evaluation of tenders and award of contract; contract execution; contract administration; and, emergencies. Standard forms are included in the manual together with an example tender evaluation and examples of an advertisement, letter of acceptance and contract agreement. An annex is included on currency adjustments, additions and priced deviations.

²¹ [Manuals plan](#)

²² [Procurement Manual](#)

Some MID staff began using the Procurement Manual as soon as it was available. Each participant at the training workshops was given a copy of the manual.

The Contract Administration Manual²³ is a guide for the management of works contracts especially civil works contracts. The manual contains chapters on administration, staff responsibilities and contractual obligations together with 30 contract administration procedures. Each participant at the training workshops was given a copy of the Contract Administration Manual.

The Quality Control Manual (Roads & Bridges)²⁴ contains check lists to enable engineers and supervisors to check a contractor's work against the contract specifications. Each check list refers specifically to clauses in the road and bridge works specification and the road maintenance specification. There are 19 construction check lists and 13 maintenance check lists. Copies of the manual were provided to Land Transport Division staff and AusAID Community Sector Program (CSP) staff involved in road works.

Although not required under the TOR, a Specification for Road and Bridge Works²⁵ and a Specification for Road Maintenance²⁶ were produced. It was necessary to prepare these specifications so that the Quality Control Manual (Roads & Bridges) could be produced. Both specifications were adapted to suit Solomon Islands conditions from the Papua New Guinea Department of Works specifications. The Specification for Road and Bridge Works is also suitable for airfield and wharf construction and the Specification for Road Maintenance is suitable for airfield maintenance. Copies of both specifications were provided to Land Transport Division, Civil Aviation Division and the AusAID CSP.

The following table shows how the manuals are considered to have satisfied the TOR.

TOR Requirement	Manual Covering the Requirement
Contract procedures manual	Contract Administration Manual
Types of contracts	Procurement Manual
Contract laws	There are no specific SI contract laws. Arbitration is covered in standard contracts. The Procurement Manual complies with the SIG Finance and Audit Act and SIG Financial Instructions. Relevant labour, employment and safety laws requirements are included in the Specification for Road and Bridge Works and the standard bidding documents.
Tender procedures, evaluations and selection criteria	Procurement Manual
Guidelines on costing methods and preparation of tender prices.	Programming and project cost estimates are covered in the Procurement Manual.
Contract Administration	Contract Administration Manual
Inspection and quality control	Contract Administration Manual Quality Control Manual Specification for Road and Bridge Works Specification for Road Maintenance

²³ [Contract Administration Manual](#)

²⁴ [Quality Control Manual](#)

²⁵ [Specification for Road and Bridge Works](#)

²⁶ [Specification for Road Maintenance](#)

Claims and dispute settlement	Contract Administration Manual and standard bidding documents
Financial (costs, accounting and budgeting) controls	Contract Administration Manual: financial progress monitoring, payments, variations, contract security, insurance, contract commencement, contract completion. Procurement Manual: funding sources, SIG budget, programming, financial delegations, variations, tender security, contract security, insurance, contract execution, contract termination, contract completion.

Table 4.2 Manual TOR Requirements

To varying degrees, staff have been using the Contract Administration Manual and, particularly, the Procurement Manual with the latter being extensively by Ministerial Tender Board secretaries. There have not been any MID roads contracts to test the Quality Control Manual (Roads) although one TPPU staff member seconded to the PCERP has used some of the check lists to a limited extent. (The PCERP is using different but comparable specifications.) The standard bidding documents are being used for 2007 road maintenance contracts.

The Procurement Manual will need to be revised once the revised Financial Instructions are issued in 2008. It is suggested that assistance to do this could be provided by the SIRIP. It is strongly recommended that the SIRIP be encouraged to use the Specification for Road and Bridge Works when letting road rehabilitation contracts and the Contract Administration Manual and Quality Control Manual (Roads) when administering contracts. This will test the utility of the specifications and the manuals for Solomon Islands and MID conditions, ensure that the documents are revised as necessary and assist in promoting their use in the MID.

4.11.3 Training on Procurement and Contracting

The terms of reference required the PMS to:

“prepare training materials and deliver formal and on-the-job-training to government staff and local private contractors on project administration, contract supervision, asset management, procurement of goods and services, and financial management”

A plan²⁷ for the training was prepared for, and agreed to, by MID. In respect of the TOR, it was agreed that:

- training was to be based on the new manuals particularly the Procurement Manual and the Contract Administration Manual;
- the training materials could not be produced and the training conducted until the manuals were produced;
- the training was to focus on the procurement of works, the major MID procurement, rather than the procurement of goods and services;
- contract administration was to be included rather than ‘contract supervision’ or ‘project supervision’;
- training in transport infrastructure asset management was to be provided by the Transport Planner-Economist (TPE); and,
- although the focus of the ISMID TA was on transport infrastructure, building contractors would not be excluded from the contractor training.

²⁷ [Training Plan](#)

Training packages were prepared and delivered for the Ministerial Tender Board (MTB), MID staff and contractors. Electronic copies of the slide presentations have been left with the TPPU.

The MTB training workshop²⁸ was conducted in just over half a day. The objectives of the training were for attendees to:

- be familiar with the contents of the new MID Procurement Manual,
- understand the MID procurement process including common mistakes made,
- be familiar with SIG instructions and acts pertaining to procurement, and
- be familiar with illegal and inappropriate practices relating to procurement and be aware of the penalties attached to corruption, fraud and conflict of interest.

The MTB workshop was attended by the Permanent Secretary, Under Secretary, Chief Accountant and the then MTB Secretary. (The MTB Secretary appointment has been rotated through three staff.) Included in the presentation material were examples of illegal, inappropriate and poor practices which had been reported to the PMS. A post-training evaluation was not conducted because of the small numbers and since two of the attendees would be attending other training workshops. Following the production of the manuals, the MTB training and mentoring of MTB Secretaries, MTB practices have improved and continue to improve. This has resulted in an improvement in DID tendering procedures overall.

Staff training was conducted over two two-day workshops²⁹ and was attended by 15 staff of DID. The Directors of the Land Transport Division and the Urban Works and Services Division did not attend. DCAM did not respond to the offer of training. A report on the training, including the training objectives, was prepared³⁰.

The staff training was well received overall. A number of staff immediately began using the manuals and the forms contained in them. Some attendees suggested that the training be longer and that additional formal training would be advantageous. It is considered that staff will gain more from using the manuals and from on-the-job mentoring rather than from more training on the same topics. However, there will be a requirement for further training once all standard bidding documents are produced and the revised Financial Instructions issued. Attendees suggested that the training be provided to other ministries, especially the Ministry of Finance. This is recommended.

Contractor training was conducted over a single two-day workshop³¹ preceded by a one day pilot workshop earlier in the year. The two-day workshop was delayed because of delays in the Brisbane based training for the TPPU staff who were required for the contractor training. There were 33 attendees at the two-day workshop with representatives from the majority of plant contractors and the two engineering consulting companies. There were also four advisers from two AusAID programs including three involved in road works. A report on the training, including the training objectives, was prepared³².

The training was well received with many indicating that they wanted more training. A high proportion of attendees, predominately building contractors, requested training in costing tenders,

²⁸ [MTB Presentation](#)

²⁹ [MID Staff Presentation](#)

³⁰ [Report on MID Staff Training](#)

³¹ [Contractor Presentation](#)

³² [Report on Contractor Training Workshop](#)

taking off quantities and the preparation of tenders. A need for training in accounting, management and job supervision was identified by some. A significant number stated that staff of the Ministry of Finance (especially the Department of Treasury) should be given training in tendering and contracting procedures. This stems from the significant delays caused by that Ministry in making contract payments and the payment of retentions on contracts. It was also suggested by attendees that similar training be provided for all government agencies, including the Central Tender Board, and also be provided at the provincial level. Over a third of attendees suggested that lunch or refreshments should have been provided during the workshop.

Further training would benefit both contractors and MID but separate training packages should be prepared for civil and building works. Smaller contractors would benefit from training in business management, job costing, the preparation of tenders and the management of contracts including the management of cash flows. Larger civil contractors would benefit from technical training in road construction and maintenance and tender preparation including costing. In respect of training for building contractors, the current AusAID Infrastructure Program may be a suitable vehicle to design and deliver the training. The ADB SIRIP would provide a suitable opportunity to provide further training for those involved in civil works.

The contractor training has helped build the reputation of the TPPU staff especially those who act as MTB Secretary. The staff are seen as honest and knowledgeable and contractors seek their advice regularly. One unintended result of the training is that three engineers who attended have approached TPPU staff expressing their interest in joining MID and seeking additional information about MID and their prospects.

The following table shows how the training conducted is considered to have satisfied the TOR.

TOR Requirement	Staff	Contractors
Project administration	Contract administration	Contract administration
Contract supervision	Contract administration	Contract administration
Procurement of goods and services	Procurement of works, goods and services	Procurement of works
Financial management	As an element of procurement and contract administration	As an element of procurement and contract administration
Asset management	Training by the TPE on the Transport Infrastructure Works Programming and Budgeting Manual	Assumed not to be required

Table 4.3 Procurement Training TOR Requirements

4.11.4 Obstacles to Implementing ADB's Procurement Guidelines

The MID Procurement Manual follows closely the ADB Procurement Guidelines. In essence, the only significant departures are SIG Financial Instructions restrictions on such matters as two-stage bidding, pre-qualification of bidders and the ADB 'Other Methods of Procurement' which are not provided for under the Financial Instructions.

The principle obstacles to implementing the ADB's procurement guidelines are MID capability, the Central Tender Board's capability, the lack of experience in tender and contract

administration in the Ministry of Finance (specifically the Department of Treasury), and political involvement in individual procurements.

MID is changing from managing works by force account or day labour to managing works by contract. Whilst the Urban Works and Services Division of DID does have some experience in letting and managing contracts, overall MID procurement procedures require improvement and staff need to gain experience. The production of the Procurement Manual and the training that was conducted have helped but the remaining significant deficiency is in documentation with the absence of standard bidding documents for the procurement of works, goods, services. For works contracts, DID intends engaging service providers to prepare bidding documents for individual contracts from which standard bidding documents could be developed. DID also sees the SIRIP providing assistance in this respect. It is recommended that the SIRIP also assist in developing standard bidding documents for the procurement of goods and services.

The Central Tender Board lacks procurement guidelines, robust processes and trained members. The Board would benefit from assistance to develop procurement guidelines and to provide training and mentoring assistance.

The Department of Treasury is criticised continually by DID staff and contractors alike for slow payments, not maintaining the contracts register (as required by Financial Instructions) and not understanding contract administration matters such as variations, progress payments, retentions, performance guarantees etc. It is likely that the revised Financial Instructions, when issued in 2008, will contain provisions for these matters. Treasury staff would benefit from some basic training in the procedures relating to contracts and awareness training on the impact that their inefficiency has on the sustainability of contractors and the importance of developing the private sector. That training should be provided as soon as possible.

Political involvement in the tendering process is not uncommon even though this contravenes Solomon Islands legislation. If future ADB TA and loan projects utilise SIG procurement processes then each procurement should be monitored closely to ensure that SIG procedures are followed and comply with ADB procurement guidelines. Alternatively, project procurement could be undertaken outside SIG procedures by the project's managing contractor using ADB approved procedures. This option, however, would not contribute to the strengthening of SIG procedures and the development of a sustainable Solomon Islands procurement process.

4.12 Private Sector Provision of Services

MID as an organisation is moving from being a service provider to a management and regulatory organisation. Assistance was provided to assess the potential for increased involvement of the private sector in the provision of services. Strategies and actions for this to occur were included in the NTP. Additionally, a concept paper was prepared on the development of the private sector to undertake road maintenance.

The initial assessment and reports³³ early in the project underestimated the capacity of the private sector. Later, more detailed investigations revealed a more favourable capacity but one still characterised by inadequate capacity and expertise. Of particular note, there is sufficient contractor capacity to carry out basic road maintenance although the bitumen spraying and

³³ [Review of Capacity Within MID and Private Sector](#)

bitumen and aggregate supply resources remain limited. A concept paper³⁴ was prepared on the development of the private sector to carry out road maintenance in Solomon Islands.

The private sector provider base for the transport sector in the country is not well developed and lacks capacity. In most transport sector areas it is too small to provide competition in a tendering process. The growth of the transport related private sector has been inhibited by inappropriate government interventions, government agencies providing competing services and inadequate management of programs by government agencies. For a competent, reliable and competitive private sector provider base to develop, the operating environment needs to be attractive.

Since MID will divest itself of service delivery functions, private sector providers, such as contractors, will need to develop the capacity to provide services previously delivered by the MID. Private sector service providers will need to be supported by the MID and donor agency programs if a sustainable private capacity is to be developed. Furthermore, MID must have the skills and capacity to engage and manage private sector providers. The foundations for this have been laid by the TA but the MID will need further assistance to develop a sustainable capacity.

Developing the capacity and capability of this private provider support base will require a heavy reliance on improvements in government agency operations together with the assistance of donor programs. Furthermore, providers will need a high degree of certainty for them to have the confidence to develop their capacity (e.g. for staff recruitment and training, and the financing, purchasing and maintenance of equipment). This environment can be assisted by commercially attractive and consistent Government and MID policy and consistency in planning, programming and funding. Donors will need to support these measures.

Donor programs can provide additional incentive and opportunity for contractors and consultancies to develop their expertise provided that the programs provide the opportunities and contain specific training and development components.

Tendering processes which provide preferential treatment for locally owned companies can assist the growth of local contractors initially. However this can increase project costs because of reduced competition, lower standards of work, increase project times and increase supervision costs. Provided that this is understood, is acceptable and the costs are included in the overall project cost, this preferential system can be employed in the short term to initiate the development of the locally owned contractor base. It should be employed only as a short term measure and not as a long term practice. Further, it should only be employed if there is a likelihood of continuous long term work for the contractors.

Private sector providers will need guidance and assistance in tendering and contract management practices. Some introductory training has been provided under the TA and further training for road and bridge contractors is possible during the next five years under the SIRIP.

³⁴ [Concept Paper – Developing Road Maintenance by Private Resources in Solomon Islands](#)

ANNEX A: TERMS OF REFERENCE

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Objectives and Scope

1. The goal of consulting services is to strengthen the institutional capacity of the Ministry of Infrastructure and Development (MID) to effectively plan and manage infrastructure development in Solomon Islands in a sustainable manner. The objectives are to develop among counterpart the skills needed to prepare a National Transport Plan (NTP); create, train, and assist a Transport Policy and Planning Unit (TPPU); establish a National Transport Fund (NTF); and promote private sector involvement in infrastructure development.

2. The technical assistance (TA) will address the constraints faced by the Government in land, sea, and air transport in Solomon Islands. It will include training and counterpart support in (i) strategic planning and policy development, (ii) regulation of transport services, (iii) asset management, (iv) project management, (v) financial management, and (vi) procurement of goods and services. This assistance is envisioned to be structured around achievement of the objectives described in para. 1.

3. A team of international consultants will be engaged from a firm, intermittently over 2 years, to conduct needs assessments, prepare training materials, conduct formal and informal training activities, and provide professional support to counterpart staff in MID and other departments and government ministries. The firm will also provide opportunities for short-term secondments for MID staff to reinforce in-country training, through association with a suitable partner agency. An independent evaluation will be conducted under the direct supervision of the Executing Agency (EA) to assess the program and recommend adjustments to its content and methods.

B. Transport Planner-Economist and Team Leader (12 person-months)

4. An international consultant will be engaged as a transport planner-economist and team leader for 12 person-months, intermittently over 2 years, to provide training in strategic planning and help prepare plans, institutional structures, staff development plans, and financial mechanisms. The terms of reference for the consultant include to:

- (i) review existing and ongoing studies and technical assistance, legislation, policies, and regulations within the land, sea, and air transport sub sectors; and other areas that affect transport planning such as land management and environmental protection;
- (ii) review government staffing and expected personnel plans for infrastructure development;
- (iii) synthesize previous recommendations and new assessments in plan for needs assessment and staff development for capacity development;
- (iv) prepare training materials and deliver formal and on-the-job training on the following topics, with depth of coverage to be determined by needs assessment:
 - (a) strategic planning and integration with the National Economic Recovery, Reform, and Development Plan (NERDDP) and the national budget;
 - (b) policy analysis and preparation;
 - (c) impact assessment of infrastructure development, including economic,

- (d) social, environmental, and land issues; and regulation of transport services.
- (v) help counterpart staff update transport sector policies and strategies based on the Transport Sector Strategy, and prepare an NTP, with detailed prioritized capital investment and recurrent activities, including timelines for near-, medium-, and long-term development, consistent with national economic and transport policies;
- (vi) help counterpart staff develop a TPPU that encompasses relevant government units, including detailed activities for TPPU functioning;
- (vii) help counterpart staff establish a governmental transport task force to serve as the project steering committee, and establish procedures for the TPPU to serve as its secretariat;
- (viii) jointly with the other consultants, identify a suitable partner agency in the region to be a professional mentor and develop recommendations to effectively utilize it for technical backup, including short-term secondments to the partner agency and consulting visits to Solomon Islands if required. Develop training plans and materials to ensure productive use of short-term secondments;
- (ix) jointly with the other consultants, identify suitable external training opportunities for counterpart staff to increase their skills and qualifications, mobilize funding from government and donor sources, and make necessary arrangements within the TA implementation period.
- (x) help the EA design a quality assurance plan and contracting procedures for independent evaluation of outcomes identified in the project framework.
- (xi) provide other technical assistance relevant to these terms of reference to counterpart MID staff and other ministries as the Government requests;
- (xii) jointly with the other consultants, prepare inception, quarterly, and final reports (para. 7, below) documenting TA activities and assessing their effectiveness in meeting TA objectives.

C. Transport Specialist (6 person-months)

5. An international consultant will be hired as transport specialist for 6 person-months, intermittently over a 2-year period, to train and provide professional support in analysis, and help establish a sustainable financial mechanism, through NTF creation. The terms of reference for the consultant include:

- (i) determine information and data collection needs with respect to the TA objectives, and assist counterpart staff in establishing a comprehensive and geographically disaggregated database, including:
 - (a) locations, quantities, and conditions of existing physical transport assets in the three sub sectors;
 - (b) current and projected demands for transport services; and
 - (c) existing levels, costs, tariffs, and market structures of infrastructure construction and service provision in the public and private sectors.
- (ii) in cooperation with the European Union Project Management Unit, help counterpart staff establish an NTF; develop plans to mobilize contributions from the Government, development partners, and user fees; and specify a governance mechanism with participation of government units and representatives of the public and private sectors.

- (iii) help counterpart staff in the legal drafting of legislation for enactment by an act of Parliament to create the NTF;
- (iv) prepare training materials and deliver formal and on-the-job training on financial planning and budgeting to support NTF operation of the NTF and integration with the National Economic Reform, Recovery, and Development Plan;
- (v) provide other technical assistance relevant to the terms of reference to MID counterpart staff and other ministries, as requested by the Government;
- (vi) jointly with the other consultants, identify a suitable partner agency in the region and help develop training plans and materials for short-term secondments;
- (vii) jointly with the other consultants, identify suitable training opportunities for counterpart staff to increase their skills and qualifications; and
- (viii) jointly with the other consultants, prepare inception, quarterly, and final reports (para. 7, below) documenting TA activities and assessing their effectiveness in meeting objectives.

D. Project Management Specialist (12 person-months)

6. An international consultant will be hired as a project management specialist for 12 person-months, intermittently over a 2-year period, to provide training and professional support in contract procedures, procurement of goods and services, consultant engagement, contract supervision and administration, promotion of private sector development, and contractor training in tender procedures. The terms of reference for the consultant include to:

- (i) review existing regulations and contract documents for procurement of goods and services in the transport sub sectors, determine their appropriateness, and recommend a plan for updating;
- (ii) review existing staffing and expected personnel plans in the government ministries and departments responsible for infrastructure development;
- (iii) determine information and data collection needs for the TA objectives, and help the transport economist and counterpart staff develop the database;
- (iv) synthesize previous recommendations and new assessments, and help the team leader and counterpart staff prepare the plan for needs assessment and staff development, and procedures for plans for personnel, regulations, and documentation;
- (v) prepare training materials and deliver formal and on-the-job training to government staff and local private contractors on project administration, contract supervision, asset management, procurement of goods and services, and financial management;
- (vi) help counterpart staff prepare a contract procedures manual that includes:
 - (a) types of contracts and contract laws;
 - (b) types of tender procedures, evaluations, and selection criteria;
 - (c) guidelines on costing methods and preparation of tender prices;
 - (d) contract administration;
 - (e) inspection and quality control;
 - (f) claims and dispute settlements; and
 - (g) financial (costs, accounting, and budgeting) controls.
- (vii) identify potential obstacles to implementing ADB's procurement guidelines for future TA and loan projects, and recommend ways to harmonize such differences;
- (viii) Help counterpart staff assess the potential for enhanced public and private service provision through public-private partnerships, domestic and international

direct investment, management contracting of public assets and operations, tenders, subsidies for service concessions, and corporatization of public agencies;

- (ix) recommend measures to further encourage private sector involvement in infrastructure and service provision, including development of the local contracting industry;
- (x) provide other technical assistance relevant to the terms of reference to counterpart staff of MID and other ministries, as the Government requests;
- (xi) jointly with the other consultants, identify a suitable partner agency in the region and help develop training plans and materials for short-term secondments;
- (xii) jointly with the other consultants, identify suitable training opportunities for counterpart staff to increase their skills and qualifications; and
- (xiii) Help prepare inception, quarterly, and final reports (para. 7, below) documenting TA activities and assessing their effectiveness in meeting the objectives.

E. Partner Agency (intermittent)

7. In association with an overseas partner agency, the consulting firm will arrange overseas training through short-term secondments of MID staff and technical backup by partner agency staff. The objective of these arrangements is to provide exposure to, and practice in, the professional and administrative systems and processes of a developed infrastructure agency. It is expected that opportunities for 8 person-months of work experience will be required over 2 years. Direct expenses for professional support will be reimbursed. The Project will bear travel and accommodation expenses of participants. The terms of reference for the partner agency include to:

- (i) provide suitable professional work experience supervised by partner agency staff in planning, engineering, and contract administration, based on materials and training objectives provided by the consulting firm;
- (ii) help deliver on-the-job training during short-term secondments based on training plans and materials developed by the project team;
- (iii) make available documentation on procedures and systems in transport analysis and planning, budgeting, cost estimation, financial management, technical standards, procurement of consulting services and capital works, contracts and contract administration;
- (iv) designate a procedure to respond to technical questions and requests for professional advice, and a contact person for follow-up;
- (v) jointly with the project team, identify suitable overseas training opportunities for counterpart staff to increase skills and qualifications, and arrange participation within the TA implementation period; and
- (vi) contribute to the reports prepared by the consultants by documenting the MID activities during their short-term secondments.

F. Evaluation Specialist (1 person-month)

8. An international consultant will be hired as an evaluation specialist for 1 person-month to conduct an independent assessment of the program. Supervision and reporting of this task will be under the EA's direct supervision. The terms of reference for the consultant include to:

- (i) assess the quality and completeness of the in-country training program with

- respect to the terms of reference of the project, with particular attention to the needs for capacity building as expressed by MID and Government staff;
- (ii) assess the quality and relevance of the overseas training program, including the level of support from the partner agency;
- (iii) assess the extent to which the training program has resulted in, or is likely to develop, sustainable skills transfer;
- (iv) evaluate the quality of project reports and other communications provided by the consulting firm;
- (v) recommend adjustments to the work program, methods, and materials; and
- (vi) produce an evaluation report to be submitted directly to the EA and the ADB.

G. Reports

9. The consultants will submit the following reports in English to ADB for distribution (6 copies for distribution to the Government, and 3 for ADB):

- (i) **Inception report.** This brief report will be submitted within 4 weeks of the start of the TA. It will outline, in accordance with the terms of reference, the consultants' approach, methodology, and work plan, as well as cost implications for consulting services. The report will provide a clear bar chart of all activities under the TA, and recommend changes to implementation arrangements, and a list of equipment to be procured. It will also provide a detailed background to the sector and identify issues and decision-making requirements to facilitate TA progress.
- (ii) **Quarterly progress reports.** These brief reports will inform ADB of achievements under each item of the terms of reference; identify difficulties in implementation, and outline proposed solutions. The reports will clearly present the status of implementing the terms of reference, performance status, and accomplishments under each item of the terms of reference, as well as plans for the next quarter's work. The reports will adopt a uniform format facilitating monitoring, and will update the bar chart on all TA activities.
- (iii) **Draft final report.** This report, to be submitted on TA completion, will provide: (a) a summary of TA activities, (b) all recommendations and concepts developed under the terms of reference, (c) stakeholder assessments, (d) an assessment of TA effectiveness, and (e) conclusions.
- (iv) **Final report.** The consultants will submit this report 1 month after receipt of the comments on the draft final report from the Government and ADB. It will have the agreed-upon format, and the agreed-upon content.

H. Other Matters

10. Office accommodation will be provided for the consultants within the Ministry of Infrastructure Development.

11. The costs of international and domestic travel and allowances for consultants and counterpart staff will be met by the TA budget.

12. Consultants are expected to bring their own computers and provide their own communications during their services.

ANNEX B: PROGRESS ACHIEVED TOWARDS TARGETS

Design Summary	Performance Indicators/Targets	Progress Achieved	Monitoring Mechanisms	Assumptions and Risks
Goal Increased efficiency in the transport sector, contributing to economic growth with improved distribution of benefits	By 2012: <ul style="list-style-type: none"> Improved provincial accessibility via all transport modes Road network maintained and upgraded Air and sea transport services operate on integrated routes and schedules Sustained economic growth rate from the 2004 baseline Improved balance among provincial growth rates 	The National Transport Plan represents the initial, but very important, first step towards restoring and implementing a sustainable maintenance programme for rural and urban transport infrastructure and services countrywide. The Plan includes a short term Action Plan which, if implemented, will result in significant progress towards the Goal for 2012.	<ul style="list-style-type: none"> Government statistics as compiled in ADB country reports (2005) PIER will provide baseline statistics MID work program National Economic Recovery, Reform and Development Plan; and action plans Country programming consultations with communities, private sector, and agencies 	
Purpose Strengthen the MID's institutional capacity in planning, finance, and management of infrastructure development.	By 2007 <ul style="list-style-type: none"> Transport Policy and Planning Unit established National Transport Plan operational and integrated into national development plans National Transport Fund operational 	<ul style="list-style-type: none"> TPPU is set up as a Division of DID and has earned the respect of peer government agencies and recognition as the locus of transport policy formation and planning SIG has approved the NTP. Ministries responsible for preparing plans for other sectors should therefore ensure that their plans are consistent with the NTP NTF Board established. The Act for setting up the Transport Fund in final stages of drafting for putting to Parliament in early 2007 	<ul style="list-style-type: none"> Review of completed documents CSPU and sector review missions Tripartite project reviews/reports ADB project completion report Audited accounts of NTF Evaluation reports of contracted projects 	<ul style="list-style-type: none"> MID and other ministries implement approved action plans The Government maintains support for funding the NTF The Government continues to fund TPPU staff User also contribute to NTF

- Contract procedures manual implemented
- Improved time-budget contract performance
- Procedures Manual and training of MID staff and private contractors in its use completed. Ready for implementation for contracts to be let.
- Tendering procedures have improved. MTB procedures have improved. The MTB has begun terminating non-performing and incorrectly tendered contracts. There have been no contracts completed to date.

Outputs

Capacity building completed through institutional improvements, formal and on-the-job training, and development of planning and management documentation in
(ii) strategic transport planning
(iii) sustainable financial management
(iv) project management

By 2007:

- | | |
|--|--|
| 1.1 Operational policies and procedures for TPPU developed
1.2 Two TPPU staff appointed under the civil service
1.3 Four TPPU and MID staff trained in planning, policy, and impact assessment
1.4 NTP completed with sufficient detail and time lines for action
1.5 Two person months of secondments
2.1 Operational policies and procedures for NTF developed
2.2 Four TPPU and MID staff trained in financial planning and management
2.3 Three person months of secondments
2.4 Legal drafting to establish NTF | 1.1 Planning, Programming and Budgeting Manual completed
1.2 Three TPPU staff plus Director appointed, three in process of appointment
1.3 Six TPPU and MID staff trained in application of Planning, Programming and Budgeting Manual
1.4 NTP including Action Plan completed and approved by Cabinet
1.5 Three TPPU staff each seconded overseas for 5 weeks
2.1 Operational policies and procedures prepared and awaiting signature by Minister of Finance
2.2 TOR prepared for TA to NTF with funding by EU under Stabex 98 programme
2.3 No secondments of NTF Secretariat staff yet
2.4 All drafting of legal documents to establish NTF being |
|--|--|

- TA review missions
- Tripartite meetings and project reports
- Review of works programs, training plans and materials

- The Government appoints two TPPU staff under civil service
- The EU assigns a finance specialist for detailed design of NTF
- The Government assists with legal drafting for NTF

	completed	completed by Attorney General's office		
	3.1 Contract procedures manual drafted	3.1 Procurement manual, contract administration manual and three other related manuals completed		
	3.2 Six MID staff trained in project management	3.2 Six MID staff trained in project management		
	3.3 Three person months of secondments	3.3 Overseas training of three TPPU staff included training in project management		
	3.4 Staff of six local contracting firms trained in contract procedures	3.4 Staff of six local contracting firms trained in contract procedures		
	3.5			
Activities				
Design of institutional improvements	Start: First qtr 2005 Complete: Fourth qtr 2005 Responsibility: TA consultant team	Completed and included in NTP	<ul style="list-style-type: none"> • Project monitoring missions • TA review reports • Independent evaluation report 	<ul style="list-style-type: none"> • Adequate data are available, or can be found, for the required analyses • Timely availability of suitable courses for counterpart local staff • Government staff and contractors are available for formal training • Government staff are released for short-term secondments
Needs assessment	Start: First qtr 2005 Complete: Second qtr 2005 Responsibility: TA consultant team	Completed		
Preparation of staff development plans	Start: First qtr 2005 Complete: Second qtr 2005 Responsibility: TA consultant team	Completed in outline		
In-country training of MID staff	Start: Fourth qtr 2006 Complete: Ongoing Responsibility: TA consultant team	No external formal training of MID staff completed - no appropriate in-country courses available. Special courses for training in database management and digitized mapping		

	Start: Third qtr 2006 Complete: Ongoing Responsibility: Partner agency	can be organized. Internal formal training carried out on procurement, contract management, planning, programming and budgeting. On-the-job training carried on a range of topics including procurement, contract management, tender board procedures, database management, planning, programming and budgeting.
Overseas training of MID staff through secondments	Start: Third qtr 2006 Complete: Ongoing Responsibility: TA consultant, Partner agency	Carried out during fourth qtr 2006
Overseas formal training of MID staff	Start: Third qtr 2006 Complete: Ongoing Responsibility: TA consultant, MID staff	Carried out during fourth qtr 2006
Development of planning and management documentation	Start: Second qtr 2005 Complete: Ongoing Responsibility: TA consultant, MID staff	Completed
Contractor training		Completed during fourth qtr 2006

ANNEX C: DOCUMENTS PREPARED

Name of Document	Electronic Copy File or Folder Name
Review of Capacity Within MID and Private Sector	<u>FC MID Org Report</u>
Database User Manual	<u>Database User Manual</u>
Transport Task Force Terms of Reference	<u>TTF TOR</u>
Transport Task Force Meeting Minutes	<u>TTF meeting minutes</u>
National Transport Plan	<u>National Transport Plan</u>
National Transport Plan Summary	<u>NTP Summary</u>
National Transport Plan Presentation	<u>NTP Presentation</u>
National Transport Plan Press Release	<u>NTP Press Release</u>
National Transport Fund Briefing Note	<u>NTF Briefing Note</u>
National Transport Fund Board Draft Regulations	<u>NTFB Draft Regulations</u>
National Transport Fund Board Draft Procedural Regulations	<u>NTFB Draft Procedures</u>
National Transport Fund Draft Act	<u>NTFB Draft Act</u>
National Transport Fund Board Meeting Minutes	<u>NTFB Minutes</u>
Programming and Budgeting Manual – Cover	<u>P & B Manual cover</u>
Programming and Budgeting Manual – Main Text	<u>P & B Manual main text</u>
Programming and Budgeting Manual – Appendix A	<u>P & B Manual App A</u>
Programming and Budgeting Manual – Appendix B	<u>P & B Manual App B</u>
Presentation on Principles of Economic Evaluation of Transport Infrastructure Projects	<u>Economic Evaluation Presentation</u>
Project Analysis masters and work sheets	<u>Project Analysis Forms</u>
	<u>Road Project Evaluation Form</u>
Presentation on Organization and Management of Annual Planning Procedures	<u>Annual Planning Presentation</u>
Presentation on Works Programming and Budgeting	<u>Works Programming Presentation</u>
Program Preparation master Forms	<u>Program Preparation Forms</u>
Presentation on Field Data Collection	<u>Field Data Collection Presentation</u>
Presentation on Data Analysis	<u>Data Analysis Presentation</u>
Field Survey Form Masters	<u>Field Survey Forms</u>
Production Plan – Procurement Manuals to be produced by PMS ISMID	<u>Manuals Plan</u>
Procurement Manual	<u>MID Procurement Manual</u>
Contract Administration Manual	<u>MID Contract Administration Manual</u>
Quality Control Manual (Roads & Bridges)	<u>MID Quality Control Manual</u>
Specification for Road and Bridge Works	<u>MID Roads and Bridges Specification</u>

Specification for Road Maintenance

Community Based Contract

Bidding Documents for Repair of Sealed Road Potholes

Bidding Documents for Gravel Road Grading

Bidding Documents for Maintenance of Sealed Road Gravel Shoulders

Bidding Documents for Roadside and Drainage Maintenance

Training Plan - Training To Be Delivered By PMS ISMID

Presentation - MID Procurement Manual – MTB Briefing

Presentation - MID Procurement & Contract Administration

Procedures – MID Staff Training

Report on MID Staff Training

Presentation - MID Procurement & Contract Administration

Procedures – Contractor Training Workshop

Report on Contractor Training Workshop

Concept Paper – Developing Road Maintenance by Private Resources in Solomon Islands

[MID Road Maintenance](#)

[Specification](#)

[MID Community Based Contract](#)

[Bitumen Pothole Repair Bidding](#)

[Docs](#)

[Road Grading Bidding Docs](#)

[Sealed Road Shoulder](#)

[Maintenance Bidding Docs](#)

[Roadside & Drainage Bidding](#)

[Docs](#)

[Training Plan](#)

[MTB slides handout](#)

[MID Staff slides handout](#)

[Report on MID staff training](#)

[Contractor slides handout](#)

[Report on contractor training](#)

[SI Private Sector Road Maint](#)

ANNEX D: BRISBANE-BASED TRAINING PROGRAM

Table D.1 Brisbane-Based Training Program

Date	Content	Outcomes	Contact
Monday 25-09-2006	Welcome Orientation	After welcoming the training participants, BCE training coordinators hosted an orientation session to address: administrative matters, promote familiarisation with local area and essential services (including walking tour of Brisbane); and, introduce the roles and responsibilities of BCE, BCC and SMEC International. John Cowie from the Economic Development Branch of Brisbane City Council presented an overview of the history, structure and vision for the City and Region.	Michael McMillan Brisbane City Enterprises (SMEC) michael.mcmillan@smec.com.au Elisha Keighley Brisbane City Enterprises (SMEC) elisha.keighley@smec.com.au
Tuesday 26-09-2006	Contractor Assessment	Contractor assessment is a critical element of practical and cost effective transport program delivery. This session assisted participants to understand the purpose for conducting contractor assessment and the contractor assessment process. Using a real life example, the participants used eligibility and quality criteria to prepare and issue a contractor assessment document to evaluate competency.	Greg Goodsell Manager, Highways & Transport SMEC International greg.goodsell@smec.com.au
Wednesday 27-09-2006	Tender Development	After discussing the key components of bid documentation, the participants prepared sample bid documentation for maintenance works. These documents were defined by relevant legal clauses, financial controls, standard conditions of contract and contractual performance requirements.	
Thursday 28-09-2006	Bid Evaluation	The participants applied the principles of bid evaluation to assess actual (sample) bid documents from road maintenance projects, based on a variety of bidding procedures. The participants were encouraged to gather relevant information to determine substantial responsiveness and reliability before considering the lowest nominated cost.	

Date	Content	Outcomes	Contact
Friday 29-09-2006	Contract Documentation	The participants worked through practical exercises based on previous case studies to establish the contract outline and necessary considerations in preparation of contract document. Each participant successfully created suitable contract documentation from this activity.	
Monday 02-10-2006	Microsoft Access 2003 – Level 1	Participants participated in a two-day Microsoft Access course delivered by a certified trainer to transfer a sufficient level of knowledge and skills to sort, filter and query data, to validate data entry and to build a small menu system to manage a database.	Jack Coad IT Training Solutions www.itts.com.au
Tuesday 03-10-2006	Microsoft Access 2003 – Level 2	The skills and knowledge adopted throughout this training session were applicable to the review and maintenance of a database of transport infrastructure information and condition reports.	
Wednesday 04-10-2006	Transport Infrastructure Management Systems – Introduction	Based on the MID experience, the participants explored inventory needs, data collection, analysis, programming and reporting capacity of transport infrastructure management systems. The participants also explored the role of GIS in integrated transport infrastructure management systems. This information can be applied to the effective management of the Solomon Islands Transport Network Information System (SITNIS).	Paul Robinson SMEC International paul.robinson@smec.com.au
Thursday 05-10-2006	Transport Infrastructure Management Systems – Data and Condition / Maintenance Work Planning	Participants learnt how to plan and set up a transport network inventory, including defining essential condition parameters for a transport network, condition assessment and rating, levels of service and prioritisation of these principles. The participants were also encouraged to consider options available for maintenance and rehabilitation projects to improve efficiency of program delivery.	

Date	Content	Outcomes	Contact
Friday 06-10-2006	Transport Infrastructure Management Systems – Maintenance Works Programming	While actively participating in transport infrastructure maintenance and rehabilitation programming activities, participants tackled budget constraints in program preparation and integration with existing programs. This session also required participants to prepare a transport network report assessing the current inventory and condition of the network and incorporating a works program.	
Monday 09-10-2006	Contract Administration and Supervision of Maintenance Works	This session focussed on quality control and transparency. Participants learn about the contract administration process including understanding delegated authority, record keeping, file systems, contract registers and formal contractual correspondence. Participants were encouraged to explore the difference in legal processes between Solomon Islands, Australia, PNG and other examples.	Paul Schutz SMEC International paul.schutz@smec.com.au
Tuesday 10-10-2006	Site meetings, Financial Controls and Reporting	Maintenance works contract supervision includes project monitoring, performance evaluation and contractor management. Activities such as recording of minutes of site and general meetings, monitoring of physical progress and financial progress were discussed.	
Wednesday 11-10-2006	Measurement, Certification of Quantities and IPC's	To finalise the technical component of contract supervision and administration, training covered records for measurement, valuation, work completion and interim payment certificates. Following this session, participants should be able to record measurements of completed work in a measurement book, prepare schedule of works completed against BOQ items and prepare Interim Payment Certificate.	
Thursday 12-10-2006	Field Experience	ACTIVITY: Jondaryan Shire Council. As a regional council, Jondaryan Shire Council carries out rural road maintenance activities similar to those within the Ministry of Infrastructure Development infrastructure works program. Participants took	Ken Cowan Manager of Works Jondaryan Shire Council kenc@jondaryan.qld.gov.au

Date	Content	Outcomes	Contact
		part in supervision of a variety of rural road maintenance activities occurring in a number of sites, including gravel road grading, pot-hole repair, drainage maintenance and spray sealing.	
Friday 13-10-2006	Field Experience	<p>ACTIVITY: Asphalt production. Brisbane City Council owns and operates asphalt production and recycling facility. The participants were invited to inspect the asphalt production plant, review asphalt production process, shadow supervisor of asphalt operations and learn about recycling opportunities.</p> <p>ACTIVITY: Tugun Bypass construction. Participants were invited to observe the best-practice environmental management, quality control and site supervision responsibilities of large scale road infrastructure construction (including tunnels and bridges). This SMEC International site provided an insight to holistic site management.</p>	<p>Rick Estreich Manager - Asphalt Plant Brisbane City Council rick.estreich@brisbane.qld.gov.au</p> <p>Graham Read General Manager – Queensland SMEC International graham.read@smec.com.au</p>
Monday 16-10-2006	Field Experience	ACTIVITY: Archerfield Airport. Participants attended a tour of the Archerfield Airport to inspect infrastructure needs and management approach including regular maintenance works planning.	
Tuesday 17-10-2006	Field Experience	<p>ACTIVITY: City Fleet. City Fleet, a Council business unit responsibility for vehicle fleet maintenance, hosted a visit to Council's vehicle inspection workshop. This facility is licensed to test and certify vehicle road worthiness in the same way as a private operator. The participants were able to observe licensing of the workshop, inspect workshop operations, licensing regulations, forms and systems used. Participants were encouraged to identify and discuss the different approaches used by vehicle inspection operations and how they can be appropriately managed.</p> <p>ACTIVITY: City Design. Participants visited City Design to learn about the design process for roads, drains and bridges built</p>	<p>Tony Rawson City Fleet tony.rawson@brisbane.qld.gov.au</p> <p>Dan Maher City Design dan.maher@brisbane.qld.gov.au</p>

Date	Content	Outcomes	Contact
		by Council. City Design also outlined their quality control procedures and demonstrated some design examples.	
Wednesday 18-10-2006	Field Experience	ACTIVITY: Brisbane City Works. Participants shadowed site supervisors on a number of general road maintenance activities – including road re-surfacing, road re-alignment, bitumen sealing, footpath construction and bridge construction.	Grant McDonald Manager Brisbane City Works grant.mcdonald@brisbane.qld.gov.au
Thursday 19-10-2006	Issues, Variations, Extensions of Time	Participants were encouraged to examine the programming practices learnt from recent experience in comparison to those practiced in Solomon Islands. Interactive group discussions sought to identify areas for improvement and possible steps to enhance performance. Monitoring was discussed including importance of maintaining records of all issues, using variations and preparing recommendation for an Extension of Time for approval by the employer.	Paul Schutz SMEC International paul.schutz@smec.com.au
Friday 20-10-2006	Claims, disputes, contract completion documents	The technical component of contract supervision was concluded with discussions on the claims and dispute resolution process. Participants were encouraged to work through scenarios to correctly handle claims and disputes. The group also identified records templates (Work-as-Executed Drawings, Completion Report) and Standard Contracts for administration of smaller works.	
Monday 23-10-2006	Field Experience	ACTIVITY: Contractual Models for Public Transport Service Delivery. A workshop was organised with finance, marketing and management representatives of Brisbane Transport – Brisbane City Council's public transport service provider. The group discussed public transport service incentives and barriers and sought to develop a contractual model to address the required level of service outcomes. ACTIVITY: Port of Brisbane. Participants visited Queensland's largest general cargo port and Australia's fastest growing	Gail Davies Brisbane Transport gail.davies@brisbane.qld.gov.au Rosie Field Community Relations Executive Port of Brisbane rosie.field@portbris.com.au

Date	Content	Outcomes	Contact
		container port. Brisbane trade consists of a range of containers bulk and break-bulk cargoes – including 50% of Australian beef and cotton exports. The Port of Brisbane Corporation is government-owned and is also undertaking a massive land reclamation project to increase commercial land available.	
Tuesday 24-10-2006	Field Experience	ACTIVITY: Pine Rivers Shire Council. Pine Rivers Shire Council offers an urban rural development mix. It carries out rural and semi-rural road maintenance activities including gravel road grading, pot-hole repair, drainage maintenance and spray sealing. Participants took part in supervision of a variety of these operations.	Bill Brew Road and Design Services Pine Rivers Shire Council bill.brew@pinerivers.qld.gov.au
Wednesday 25-10-2006	Field Experience	ACTIVITY: Alma Park Zoo. Participants were given the opportunity to familiarise with some of Australia's native flora and fauna at this community zoo. This site visit was arranged when a previously organised site visit to another regional Council was cancelled at the last minute.	
Thursday 26-10-2006	Field Experience	ACTIVITY: Public Transport Services. Transport + Traffic hosted a session to inform participants about the program planning process relevant to public transport services including development of Brisbane's Transport Plan and performance targets. Participants experienced Brisbane's public transport services owned and operated by Council – including a tour of the South East Busway (Bus Rapid Transit model) on a Council bus and City Cat cruise (ferry) on the Brisbane River.	Tom Savage Public Transport Operations Brisbane City Council tom.savage@brisbane.qld.gov.au
Friday 27-10-2006	Training Review + Feedback	Participants were invited to complete survey forms and provide confidential feedback on the training program delivery, execution and management.	

(Intentionally blank)