



Completion Report

Project Number: 49461-001
Technical Assistance Number: 9127
October 2020

Solomon Islands: Strengthening Solomon Islands' Maritime Safety and Establishing the Solomon Islands Maritime Safety Authority

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TECHNICAL ASSISTANCE COMPLETION REPORT

TA Number, Country, and Name: TA 9127-SOL: Strengthening Solomon Islands' Maritime Safety and Establishing the Solomon Islands Maritime Safety Authority		Amount Approved: \$800,000.00	
		Revised Amount: Not applicable	
Executing Agency: Ministry of Infrastructure Development	Source of Funding: TASF-V	Amount Undisbursed: \$38,775.41	Amount Used: \$761,224.59
TA Approval Date: 29 June 2016	TA Signing Date: 21 July 2016	TA Completion Date	
		Original Date: 31 July 2019	Latest Revised Date: Not applicable
		Financial Closing Date: 31 October 2019	Number of Extensions: 0
TA Type: Capacity Development TA		TA Arrangement: Supported Grants 0127, 0292, 0293-SOL: Domestic Maritime Support (Sector) Project	

Description

Solomon Islands is made up of six major islands and over 900 smaller islands. It has the 23rd largest maritime exclusive economic zone in the world and the sixth largest in the Pacific region. Shipping is therefore an essential part of the domestic (interisland), regional, and international maritime industry.¹ On 29 June 2016, ADB approved the Strengthening Solomon Islands' Maritime Safety and Establishing the Solomon Islands Maritime Safety Authority technical assistance (TA) at the request of the government to ensure sustainability of the Solomon Islands Maritime Safety Administration (SIMSA).² The capacity development TA aimed to build the capacity of SIMSA's staff; restructure the administration arrangements as SIMSA moved to an independent authority to manage maritime safety; and help the new restructured SIMSA comply with, and facilitate full accession to, the International Maritime Organization (IMO) and the United Nations Convention on the Law of the Sea (UNCLOS).

Expected Impact, Outcome, and Outputs

The impact of the TA was safe shipping and clean seas in Solomon Islands that is aligned with the National Transport Plan 2011–2030. The outcome was the establishment of a sustainable, efficient, and internationally-certified maritime safety authority in Solomon Islands. This would be achieved by securing a certification by IMO following a compulsory IMO audit conducted in July 2019. The TA's outputs were: SIMSA restructured into an independent regulatory authority, compliance with international maritime laws and standards increased, and capacity of SIMSA strengthened.

Implementation Arrangements

The Ministry of Infrastructure Development (MID) was the executing agency and SIMSA was the implementing agency, both of whom provided the government's in-kind contributions. The TA was administered by the Pacific Liaison and Coordination Office and assisted by the Solomon Islands Pacific Country Office. Part of the design was to form a steering committee chaired by the permanent secretary of MID. However, due to the high turnover of government officials, no steering committee was formed. Instead the undersecretary (technical) of MID was the project director and the primary focal person for the TA. Progress reports were regularly prepared by SIMSA. Ad hoc meetings and workshops were held with key stakeholders. The TA engaged six international consultants according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) for intermittent inputs of 33 person-months over a period of 3 years. At TA closing, the consultants provided 35.5 person-months inputs to complete the tasks defined in their terms of reference (TOR). All consultants completed the deliverables and two consultants were rated excellent, three satisfactory, and one generally satisfactory.

Conduct of Activities

The TA was planned to be implemented from August 2016 to July 2019. Activities were designed to be conducted in two phases. The first output (SIMSA restructuring) was to be completed in the first phase by June 2017, and the last two outputs (compliance with international maritime laws and standards, and capacity building of SIMSA) were to be completed in the second phase by July 2019. The first phase activities were achieved, but delayed by 14 months, until

¹ ADB. 2016. *Technical Assistance Report: Strengthening Solomon Islands' Maritime Safety and Establishing the Solomon Islands Maritime Safety Authority*. Manila.

² ADB had earlier supported legislative and institutional changes to create SIMSA. ADB. 2012. *Technical Assistance Completion Report: Establishment of the Solomon Islands Maritimes Safety Administration*. Manila.

August 2018, and the second phase activities were partially achieved. The first phase activities completed were: (i) assessed and revised the existing organizational structure; (ii) reviewed the existing system (national regulations and government obligations) to comply to IMO and UNCLOS conventions; (iii) prepared a restructuring plan for SIMSA, including human resource development, job descriptions, training plan, and transition and implementation plan; (iv) upgraded the information technology system which included procurement and installation of new computers, printers, and launched the new website; and (v) established a financial management system, and developed a business plan.³ The new website was launched on 8 December 2016. The restructuring of SIMSA into a new Authority (Solomon Islands Maritime Authority or SIMA) with financial independence and regulatory functions was delayed. The SIMA Act was approved by the Parliament on 31 August 2018, 14 months later than originally planned.⁴ The delay in approval was due to political instability which included resignations and reshuffling of key ministers including the MID minister, leading to a change in government in November 2017. The SIMA Act gives powers and functions for the Board to, among other things, determine policies and strategies of the new authority. An important task in the second phase was to set up the SIMA Board and implement the transition plan.⁵ Board positions were advertised in November 2018, but there were no suitable candidates. A second round of advertisements were published in April 2019, and three board members were appointed on 1 July 2019, 11 months after the SIMA Act came into force. Due to the absence of a Board during TA implementation, there was very little progress in implementing the transition plan before the TA closed in July 2019. However, following the passage of the Act, some activities were implemented: training for the current SIMSA staff; preparation of draft regulations for Board approval; revision of the business development plan and the financial management framework; and preparation of draft Board procedures.⁶

Technical Assistance Assessment Ratings

Criterion	Assessment	Rating
Relevance	At completion, the TA remained relevant as it is aligned with the Solomon Islands National Transport Plan 2011–2030. The design and monitoring framework (DMF) results chain also remained relevant at TA closing even though there was little progress in implementing the transition plan to achieve the results. The TA was part of ADB's support to strengthen maritime safety in the country. A follow-on TA was necessary to sustain and build on the achievements and attain the envisioned yet stalled reforms of the previous TA. This was one of the recommendations cited in the completion report for TA 7178 (footnote 2). Building the institutional capacity is indispensable for sustainability, thus a capacity development TA was requested by the government. Despite the delays, particularly in the passage of the SIMA Act through the Parliament, activities continued to be delivered by the TA to strengthen SIMSA's capacity. TA resources were utilized to train staff and seafarers and to conduct awareness training to maritime stakeholders as planned. The Government of Belgium provided funds to SIMSA for in-house training, which were used to cover miscellaneous training costs. The TA consultants conducted these in-house training programs. The TA consultants prepared the draft regulations, which are yet to be approved by the Board and MID Minister. ⁷ At TA completion, the IMO audit was conducted in July 2019 and, with funding from the Government of Australia, the Board appointed a new director of the newly restructured SIMSA.	Relevant
Effectiveness	The restructuring of SIMSA into an independent regulatory authority was an important output that the TA achieved. The prolonged approval period for the bills resulted in 2 out of 9 performance indicators in the DMF not being achieved. As the newly restructured SIMSA did not have the necessary resources in place to fulfill its statutory obligations, the new entity was not able to meet all IMO audit requirements, and SIMSA was not fully prepared for the IMO compulsory audit in 2019. However, the overall design indicators helped and guided progress towards establishing the authority to be fully operational as a sustainable, efficient, and internationally recognized maritime authority with enough resources to regulate the Solomon Islands domestic shipping industry. Outputs and activities were partially achieved. The newly restructured SIMSA is currently working on getting IMO certification and,	Less than effective

³ Set up the framework of the authority's finance and accounting system for maintaining appropriate financial records, suitable accounting methods and audit procedures.

⁴ The Solomon Islands Maritime Authority Act, 2018 establishes the Solomon Islands Maritime Authority as a financially self-sufficient organization with sufficient resources to carry out its functions.

⁵ The Board is the governing body of the restructured SIMSA or the SIMA.

⁶ The list of training programs is in Appendix 3.

⁷ The drafted regulations prepared by the TA consultants are: Shipping (Safety Management Systems) Maritime Order, Shipping (Removal of Vessels Wrecked) Maritime Order, and Shipping (Load Line and Stability) Maritime Order.

Criterion	Assessment	Rating
	in February 2020, appointed a new director who will be responsible to recruit new staff and manage the operations of the new authority.	
Efficiency	The TA utilized over 100% of the estimated international consulting services in terms of person-months and utilized 95.15% of the TA funds with 4.85% undisbursed funds. In the course of TA implementation, additional inputs were needed due to the change in government. As such, the TA utilized 35.5 person-months, 2.5 person-months over the initially planned 33 person-months over a period of 3 years. At TA completion, the consultants turned over electronic copies of documents on the restructuring of SIMSA to MID. The consultants also assisted MID to re-advertise the Board positions and secured funding from the Government of Australia to fund an interim director for the new authority. Although the budget item for training, seminars, and/or conferences was underutilized (15.02% utilization), the planned outputs for capacity building and training were achieved.	Efficient
Overall Assessment	The TA was relevant and efficient. Delays in TA implementation affected the effectiveness of the TA. Despite the delays, a new Board was established, and after the TA closed, the Board appointed a new director responsible to recruit new staff and manage the operations of the new authority. These were crucial implementation steps that would transform SIMSA into a sustainable, efficient, and internationally certified maritime safety authority in Solomon Islands.	Successful
Sustainability	The Government of Solomon Islands was able to promulgate new maritime laws, appoint a Board, and appoint a director for the new authority. The government's 2020 recurrent budget was maintained for SIMSA until the new authority has the necessary human development resource, information technology, and financial management system to operate independently. The new maritime laws are now in place mandating regulatory functions and revenue collection to the new authority.	Likely sustainable

Lessons Learned and Recommendations

Design and/or planning	For a TA that requires legislation changes that will lead to major institutional changes, it is recommended to create two completely separate TA projects: one to assess the feasibility of the outcome and the length of time required to implement change before the legislative process is entered into; and the second to commence only after the Act or Regulation has been promulgated.
Implementation and/or delivery	During implementation, there were issues faced by the TA: insufficient time assigned to the consultants' contracts, political instability, and limited maritime knowledge within the government sector. During implementation, the team leader's inputs were adjusted several times: first, to reallocate to the other five consultants engaged in the first phase; second, additional inputs to brief the new MID minister and other cabinet members on the draft bills after the change in government; and third, to support senior government officials and the Attorney General's Office in preparing presentations for the legislative committee and during parliamentary deliberations on the passage of the SIMA Act. It is imperative to calculate the implementation timeline realistically and consider the possible risk of delay due to political instability or uncertainties. Three years of implementation period was insufficient to do all the envisioned activities. The drafting and eventual passage of the Act to restructure SIMSA, which was a ministry division, into an independent authority exhausted almost the entire implementation period, besides the time needed to recruit and train new staff.
Management of staff and consultants	Having a committed project director at the ministry level was crucial during the and post-TA implementation period. Although some activities were not completed at TA completion, the MID's undersecretary (technical), who was the project director and the primary focal person for the TA, continued with the transition plan as prepared by the TA.
Knowledge building	<p>The SIMSA was given copies of the following reports, manuals, and plans that are essential for capacity building: (i) training manual and plan for staff which covered both recruitment and training, transitional plan, position descriptions, processes, procedures, and policies; (ii) papers on obligations of a maritime administration; and (iii) financial framework which includes organization, staffing plan, and salary structure for the finance section, policy paper on levies and charges, cash management guidelines, financial policies and procedures manual, corporate plan, and several other topics related to financial restructuring and financial sustainability.</p> <p>Not all envisioned knowledge and capacity building activities were realized. It was observed that the allocation of consultants' person-months should be more realistic considering expected outputs. It was too ambitious to cluster knowledge building with assessment; review; conduct of public</p>

	consultations; and documentation of policies, manuals, drafting instructions and regulations. More time is required for knowledge building.
Stakeholder participation	Workshops with maritime stakeholders and the government ministries leading to the finalization of the policy document were conducted. A separate presentation to Parliamentarians on the bills was also arranged by the TA consultants. Ministries of public service, and finance and treasury were met on several occasions to ensure smooth transition of SIMSA staff from the public service to the new entity, and to confirm the arrangement regarding revenue collection to be transferred from the Ministry of Finance and Treasury to the new restructured SIMSA.
Partnership	During TA implementation, other development partners were updated on the progress of the TA during monthly development partners' meetings, bilateral meetings, and review missions. The collaborations built an understanding of the TA's objectives that led to the governments of Australia and Belgium providing financial support to the newly restructured SIMSA.
Replication and/or scaling up	If working with other maritime safety authorities, the allocation of person-months needs to be more realistic for the expected outputs. In a capacity building and reform-focused TA, it is important to have sufficient contingency funds to allow for flexibilities in addressing needs as they arise, sufficient time to implement transition plans, and to build knowledge.
Post-TA financial resource	Because the adaptation of the new restructured authority plan and the implementation of the transition plan were not fully realized by TA completion, the government provided around \$670,000 in the 2020 operational budget to cover staff salaries and operational costs. The government also secured assistance from the government of Australia to fund the position of a new director for the restructured SIMSA.
Other lessons	National standards should be in line with international best practices. It would have been beneficial for the government if an international training and study tour were conducted and attended by working-level staff to see first-hand international best practices, specifically those embodied by IMO and UNCLOS.

Follow-up Actions

Suggested follow-up actions are:

(i) Support and closely monitor the implementation of the business development plan to ensure financial sustainability of the newly restructured SIMSA; (ii) conduct regular capacity building activities, including in the Pacific region, to (a) share regional experiences and best practices, (b) support further reforms, and (c) ensure continuous compliance to international standards; and (iii) any future maritime infrastructure development projects to include some TA flexibility to further support the newly restructured SIMSA. In addition to capacity building, subsequent TA should include environment protection. The proposed Land and Maritime Connectivity project will support climate-resilient port infrastructure, green port development, and capacity building of the port authority on the compliance with international best practices. During country programming, ADB will discuss with the government about the requirement of further assistance in this sector as appropriate.

Prepared by:

Dalcy Tozaka Ilala

Designation and Division:

Senior Country Coordination Officer, Solomon Islands
Pacific Country Office, PLCO

Actual Key Activities with Milestones**1. SIMSA restructured into an independent regulatory authority**

- 1.1 Recruit consultants (individual consultant selection) (August 2016)
- 1.2 Mobilize consultants and initial consultations (August 2016)
- 1.3 Review existing system, international conventions, country obligations (December 2016)
- 1.4 Produce draft restructuring model for SIMSA, including organizational structure, job descriptions, human resource development and training plan, and transition and implementation plan (December 2016)
- 1.5 Establish IT system, financial management system, and business plan (December 2016)
- 1.6 Draft and/or update bills for SIMSA restructuring needs (December 2016)
- 1.7 Government and/or Parliament approve SIMSA restructuring (June 2017)

2. Increased SIMSA compliance with international maritime laws and standards

- 2.1 Recruit staff for SIMSA's new and vacant positions (July 2017)
- 2.2 Adapt the authority institution plan and implement the transition plan (July 2017–July 2018)
- 2.3 Approve and gazette all regulations (July 2017–July 2019)
- 2.4 Commission the IT and financial management system (July 2017–July 2018)
- 2.5 Procure necessary equipment and tools (SIMSA own financing) (January 2017–July 2019)

3. Strengthened capacity of SIMSA

- 3.1 Implement the training plan (January 2017–July 2019)
- 3.2 Implement staff and seafarer training program (January 2017–July 2019)
- 3.3 Conduct awareness training programs for maritime stakeholders (January 2017–July 2019)

Actual Inputs

Asian Development Bank: \$800,000.00

ADB = Asian Development Bank, AGO = Attorney General's Office, IMO = International Maritime Organization, IT = information technology, Q = quarter, SIMSA = Solomon Islands Maritime Safety Administration, TA = technical assistance, UNCLOS = United Nations Convention on the Law of the Sea.

Source: Asian Development Bank.

TECHNICAL ASSISTANCE COST

Table A2.1: Technical Assistance Cost by Activity
(\$'000)

Item	Amount	
	Original	Actual
1. Consultants	650.69	740.80
2. Equipment	10.00	10.17
3. Training, seminars and/or conferences	68.31	10.26
4. Miscellaneous TA administration	5.00	0.00
5. Contingency	66.00	0.00
Total	800.00	761.23

TA = technical assistance.

Source: Asian Development Bank estimates.

Table A2.2: Technical Assistance Cost by Financier
(\$'000)

	ADB	Total Cost
1. Original	800.00	800.00
2. Revised	0.00	0.00
3. Actual	761.23	761.23
4. Unused	38.77	38.77

ADB = Asian Development Bank.

Source: Asian Development Bank estimates.

TRAINING PROGRAMS

Training Programs	No. of Staff
Diploma in Ship Superintendency	3
Diploma in Ship Management	2
Law of the Sea, University of Wollongong	1
Certificate in Shipping Operations	2
Diploma in Crew Management and Agency	1
Diploma in Maritime Management and Leadership	4
Diploma in Small Craft Surveying	6
Diploma in Maritime Accident Investigation	1
Hi-Pack Software Training, Ceehydro Systems	2
Executive Secretarial Course	1
Marine and Fisheries Studies	2
Class 3 Marine Engineer (Watchkeeper)	1
Marine Aids to Navigation (AtoN) Solutions	2