

# SOLOMON ISLANDS NATIONAL INFRASTRUCTURE INVESTMENT PLAN 2013-2023

**Solomon Islands Government  
Ministry of Development Planning and Aid Coordination**

The Solomon Islands National Infrastructure Investment Plan (SI NIIP) presents the priorities of the Government and the strategic direction for major initiatives in economic infrastructure over the next five to ten years. This is the first attempt to compile in one document the development needs for the various sub-sectors of economic infrastructure, including energy, land, sea and air transport, water and sanitation, telecommunications, and solid waste management.



The SI NIIP has been prepared by the Solomon Islands Government with the technical assistance of the Pacific Region Infrastructure Facility (PRIF) and in close consultation with key stakeholders including government ministries, state owned enterprises (SOEs), development partners, civil society, and the private sector.

A full copy of the plan is available on request – [enquiries@theprif.org](mailto:enquiries@theprif.org)  
or to download from [www.theprif.org](http://www.theprif.org)



## Infrastructure Needs

Solomon Islands faces many challenges in the provision of infrastructure. The country's geography, with more than 300 islands stretched over a distance of some 1,100 km presents enormous problems for meeting the population's demands for urban services. The population is youthful and growing rapidly, drifting from rural to urban areas, placing severe stress on service provision and pressure to create sufficient employment opportunities. Solomon Islands is vulnerable to natural disasters and is likely to become more vulnerable as a result of climate change. Well-chosen infrastructure will support greater competition in goods and services, further enhancing the country's development, including growth of the private sector.

The SI NIIP is the Government's response to this need. The SI NIIP is closely linked to the National Development Strategy (NDS) of Solomon Islands and its vision of "a United and Vibrant Solomon Islands". Infrastructure plays a critical role in achieving the goals of the NDS, because there is a clear and positive linkage between infrastructure, social development, community wellbeing and economic growth. That is why it is critical for Solomon Islands to invest in infrastructure and ensure that infrastructure facilities are efficiently operated and adequately maintained.

## Approach and Methodology

The methodology adopted in the preparation of SI NIIP has involved six key activities:

- **Review of the current state of infrastructure in the various sub-sectors**
- **Analysis of demand and future needs for infrastructure**
- **Development of a long list of newly proposed projects in each sub-sector (in addition to on-going and committed projects)**
- **Establishing a list of priority projects, through participatory multi-criteria analysis**
- **Preparing a potential funding strategy**
- **Consideration of the means by which climate change/resilience planning can be integrated into the SI NIIP process**

The SI NIIP process included an assessment of current infrastructure and establishing the demand for new infrastructure. Based on this and in consultations with a wide range of stakeholders, a long-list of about 90 projects was assembled. The list included all projects that were either ongoing, committed, or being considered within each sub-sector to meet the demand for infrastructure.



## Prioritisation of Infrastructure Investments

Spanning the seven infrastructure sectors covered in the plan, the SI NIIP has prioritised those activities that are most closely aligned to the objectives of the NDS.

A multi-criteria analysis was used for the prioritisation, which resulted in a package of projects that could be implemented within a reasonable period of time, given existing funding and capacity constraints. The outcome of this process, which was carried out in close consultation with stakeholders, are 29 high and medium priority projects totalling SBD\$ 2.3 billion for the period up to 2020. A summary of the results for the top twenty-nine projects is shown below.

Top 19 Projects	Next 10 Projects
<ul style="list-style-type: none"> <li>• Henderson Apron Upgrade</li> <li>• Resealing of Urban Roads</li> <li>• Provincial Runways Upgrade</li> <li>• Honiara Main Roads</li> <li>• Honiara Port Remedial Works</li> <li>• Malaita North Road</li> <li>• Honiara Urban Devt</li> <li>• Tina Hydropower</li> <li>• Provincial Sanitary Landfills</li> <li>• Honiara SIEA Genset Upgrade</li> <li>• 2013 Replacement (Domestic) Wharves</li> <li>• New (domestic) Wharves Tranche 2</li> <li>• Rural WASH Projects</li> <li>• Guadalcanal Feeder Roads Tranche 2</li> <li>• Malaita Feeder Roads Tranche 1</li> <li>• Water Supply 2 Year Plan</li> <li>• Naro Hill - Lambi Road</li> <li>• Honiara Port Extension (new wharf)</li> <li>• Rural Electrification</li> </ul>	<ul style="list-style-type: none"> <li>• Gizo Water Supply</li> <li>• Mberande - Aola Road</li> <li>• Malaita Main Roads</li> <li>• Remote Communities ICT</li> <li>• Choiseul Township</li> <li>• Guadalcanal Feeder Roads Tranche 3</li> <li>• Guadalcanal Feeder Roads Tranche 4</li> <li>• Malaita Feeder Roads Tranche 2</li> <li>• Choiseul Bay Connectivity Road</li> <li>• Malaita Industrial Parks</li> </ul>

Together with ongoing and already committed projects, the total investment in economic infrastructure is estimated at some SBD\$3.2 billion for the period up to 2020.

## Maintenance and sustainability

The SI NIIP outlines the key policies and strategies of the Government with regard to financial, operational, environmental and institutional sustainability of planned investments.

For a number of reasons, expenditure on operations and maintenance (O&M) of infrastructure assets in Solomon Islands has been low for many years. This partly explains the fact that most of the projects in the SI NIIP are not new construction, but involve the repair and rehabilitation of existing infrastructure facilities. The SI NIIP is intended to be a sustainable infrastructure investment plan. Accordingly, the SI NIIP includes estimates of the 'whole of life costs' within the plan period. Based on this analysis it is estimated that the SI NIIP will result in additional maintenance costs of about SBD 290 million over the next 10 years, eventually building up to an annual maintenance burden of some SBD50 million per year.

Undertaking this major programme of investments in infrastructure will stretch the capacity and resources of Government. A number of areas in planning, implementation and management will require capacity building. These complementary activities include a variety of supporting mechanisms varying from technical outputs such as plans and regulations, to institutional strengthening, particularly in portfolio and project management. The needs and opportunities for institutional strengthening are highlighted in the SI NIIP, particularly at the strategic level.

A special section in the SI NIIP focuses on increasing resilience against natural disasters and climate change by assessing the risks and proposing adaptation measures for existing infrastructure and identifying new infrastructure needed to improve resilience. Climate change adaptation and disaster risk management criteria were included in the Multi-Criteria Analysis for project prioritisation and the proposed priority projects most

susceptible to climate change and natural hazards were examined in more detail in order to identify potential measures and costs to increase their resilience.

### **Funding Strategy**

The strategy for financing economic infrastructure priority projects in the SI NIIP has been developed by the Ministry of Finance and Treasury (MoFT). This entailed the analysis of the Government's own funding projections and potential contributions from the private sector and development partners. The funding strategy is guided by the following principles:

- Ensure that the available funding for economic infrastructure from SIG and its development partners roughly matches the total capital and maintenance expenditures for the proposed investments in the SI NIIP.
- Encourage the private sector to invest in economic infrastructure and bring together public and private funding for infrastructure.
- Ensure that funds are available for adequate operation and maintenance of new infrastructure and that analysis of proposed projects is based on the 'whole of life costs' of infrastructure assets.
- Stimulate state owned utilities to operate in a financially sustainable manner and recover at least the costs of operation and maintenance of economic infrastructure service delivery from user fees, allowing for lifeline tariffs for vulnerable groups and stimulating the economic use of infrastructure services;
- Stimulate the use of Community Service Obligations (CSOs) as an instrument to achieve the social and community objectives of the government in such a way that it will not negatively impact on the financial performance of SOE's;
- Adhere to the principles of the Debt Management Strategy with the aim of ensuring that debt distress as experienced in the past will not return and use loans only for investments that will enhance the productive capacity of the country and for high priority projects and infrastructure identified in the NDS.

Based on an estimate of available funding from various sources an estimated SBD3.3 billion in funding will be available for investments in economic infrastructure for the period up to 2020, of which SBD1.9 billion is already committed and SBD1.4 billion is not yet committed. It should be noted that this estimate includes approximately SBD300 million of private sector funding which could be made available to suitable projects.

### **SI NIIP - management and monitoring**

The SI NIIP is envisioned as a Strategic Plan for the (Economic) Infrastructure Sector as defined in Chapter 8 of the NDS. Formulating and endorsing the SI NIIP is one of the measures taken by the government in implementing objective No. 6 of the NDS. A wide spectrum of stakeholders will view the SI NIIP as the key guide to infrastructure investment.

The Ministry for Development Planning and Aid Coordination (MDPAC) will be the agency responsible for taking the SI NIIP forward and as such will oversee implementation of the plan. The MDPAC will work in close consultation with the MoFT and with the other sector ministries involved in preparing, implementing, and monitoring the plan.

The MDPAC will prepare short annual monitoring reports on the implementation of the SI NIIP and will share these reports with key national level stakeholders and development partners. The monitoring reports will be used to update the document on a regular basis to align it with the latest planning and budget priorities, and report progress on implementation. A major review and update of the SI NIIP is anticipated every three to four years, in line with the Government's objective to adopt a more programmatic approach to planning.

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*PRIF is a multi-development partner coordination and technical facility which supports infrastructure development in the Pacific. PRIF Members include: Asian Development Bank (ADB), Australian Department of Foreign Affairs and Trade (DFAT), European Commission and European Investment Bank (EC/EIB), Japan International Cooperation Agency (JICA), New Zealand Ministry of Foreign Affairs and Trade (NZMFAT), and the World Bank Group.*