

SECTOR ASSESSMENT (SUMMARY): TRANSPORT (SECTOR RECOVERY NEEDS)¹

A. Transport Sector Overview

1. The government's vision for the transport sector is to create effective transport infrastructure and transport services to support sustained economic growth and social development in Solomon Islands. Investments in the transport sector are prioritized in the National Transport Plan 2010 and financed through a combination of grants and regular budget appropriation. The National Transport Fund (NTF) is the main source of funding for the sector. The government's capital and recurrent budgets, supplemented by grants from the Government of Australia, provide the funds for the NTF. The Asian Development Bank (ADB) and the governments of Japan and New Zealand are investing in the transport sector through parallel funding arrangements.

2. The Government of Solomon Islands has invested significantly in transport infrastructure, allocating SI\$100 million (\$13.9 million) in 2012, and SI\$118 million (\$16.3 million) in 2013. Most of the allocated funding is for the rehabilitation and maintenance of roads and bridges, and reconstruction of wharves and jetties. Responsibility for the sector is vested with the Ministry of Infrastructure Development (MID) for land and maritime transport, and with the Ministry of Civil Aviation for air transport.

B. Description of the Emergency

3. On 3–5 April 2014, prolonged heavy rainfall associated with a tropical depression, which later became Tropical Cyclone Ita, caused severe flooding in Solomon Islands. The areas that suffered the most were east and west Guadalcanal and the capital, Honiara. Major infrastructure such as roads, housing, and sewerage and water supply systems were damaged or destroyed. Several bridges collapsed, bridge approaches were washed away, and 7,300 households were badly damaged in Guadalcanal Province. The flooding caused 23 fatalities, displaced some 10,000 people, and affected about 52,000 people in total. On 4 April 2014, the government declared a state of disaster for Honiara and Guadalcanal Province, and on 5 April it requested international emergency assistance to aid relief efforts.

4. During May 2014, ADB and other development partners conducted a rapid assessment of the macro and sectoral impacts of the flash floods (footnote 1). Total damages and losses were estimated at \$107.7 million, equivalent to 9.2% of Solomon Islands' gross domestic product. Two sectors sustained most of the damage, accounting for 56% (housing) and 23% (transport) of overall damage. The largest level of economic loss is expected in mining (50%) and agriculture (31%).

5. Due to a combination of large flows and heavy buildup of debris, bridges experienced extensive damage to piers, abutments, approaches, scour protection, and service connections, and several bridges, bridge approaches, causeways and culverts collapsed or were completely washed away. The accumulation of debris and sediments blocked the bridges and crossings, resulting in several rivers and streams forming new waterways. Overflowing rivers also damaged road pavements, roadside drains and road shoulders. Landslides were recorded in several places, and the submergence of roads for extended periods after the flooding resulted in

¹ This summary is based on Government of Solomon Islands. 2014. *Rapid Assessment of the Macro and Sectoral Impacts*. Honiara. Available on request.

accelerated degradation of the pavement. Access was cut off at several locations, and Henderson International Airport was closed for 2 days. The old Mataniko bridge linking China Town with Honiara was completely destroyed, and access was disconnected. The road transport sector also sustained economic losses from longer travel times due to congestion and lengthier alternative routes, as well as payments required by some landowners for use of road diversions. Vehicle operating costs increased accordingly.

6. Gold Ridge mine accounts for a substantial proportion of the overall flood losses (26%) after a damaged bridge on the road leading to the mine forced its closure. The mine still remains closed, and the lost production time will reduce government revenues and employment. The mine also poses an environmental risk if it is left in its current condition.

C. Government's Reconstruction Priorities

7. The rapid assessment (footnote 1) took stock of the reconstruction and recovery needs, and highlighted that the repairs to roads and bridges should be carried out as soon as possible to minimize secondary impacts on the economy, and to restore connectivity to essential services such as hospitals, schools, markets, and main commercial centers in Honiara. Particular attention should be paid to ensuring the longer-term flood resilience of roads and bridges by choosing build-back-better options. The negative revenue implications of the mine closure should be taken into account when considering recovery priorities.

8. Total recovery and reconstruction needs for the transport sector are estimated at \$34.66 million, or 63% of the recovery and reconstruction needs overall (Table 1). After contributions from the NTF (\$1.39 million), and the governments of Australia (\$3.76 million), Japan (\$10.00 million), and New Zealand (\$1.22 million), \$18.29 million remains unmet.

**Table 1: Indicative Costs of Recovery and Reconstruction
(\$ million)**

Sector	Immediate^a recovery	Reconstruction^b	Total	% of Total
Transport	5.84	28.82	34.66	63%
Water & Sanitation	0.74	4.50	5.24	10%
Agriculture	2.90	2.73	5.63	10%
Housing	2.62	-	2.62	5%
Health & Education	1.49	5.42	6.91	13%
Total	13.59	41.47	55.06	100%

a. Required within 3-6 months from emergency

b. Beyond 6 months, with the inclusion of some build back better initiatives

Source: Government of Solomon Islands estimates

D. ADB Sector Experience and Assistance Program

9. ADB has been supporting the government's efforts of transport sector development since 2000 and has implemented six projects: Post-Conflict Emergency Rehabilitation Project; Solomon Islands Emergency Assistance Project; Domestic Maritime Sector Project; Solomon Islands Road Improvement (Sector) Project; Second Solomon Islands Road Improvement (Sector) Project; and Transport Sector Development Project (TSDP).² The Sustainable Transport Improvement Investment Program is under preparation and implementation will start in 2015 using the results-based lending modality. Some of the resources of the ongoing TSDP have been redirected to assist the damage assessment and emergency restoration works.

10. ADB will provide emergency assistance through a sector approach for reconstruction of transport infrastructure damaged by the flash floods. The project will use similar implementation arrangements as for the TSDP. The subprojects will include repairs to both paved and unpaved roads, bridges, culverts, and drainage systems, including climate and disaster proofing. MID will be the executing agency, and day-to-day implementation will be carried out by the central project implementation unit assisted by additional international and national consultants.

² ADB. 2000. *Report and Recommendation of the President to the Board of Directors: Proposed Loan for Solomon Islands for the Post-Conflict Emergency Rehabilitation Project*. Manila; ADB. 2006. *Report and Recommendation of the President to the Board of Directors: Proposed Grant for Solomon Islands for Road Improvement (Sector) Project*. Manila; ADB. 2007. *Report and Recommendation of the President to the Board of Directors: Proposed Grant for Solomon Islands for Emergency Assistance Project*. Manila; ADB. 2008. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Grant for Solomon Islands for Domestic Maritime Support (Sector) Project*. Manila; ADB. 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Grant for Solomon Islands for Second Road Improvement (Sector) Project*. Manila; ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Technical Assistance Grant for Solomon Islands for the Transport Sector Development Project*. Manila.