

Project Administration Manual

Project Number: 51214
Grant Number: GXXXX
June 2018

Solomon Islands: Proposed Technical Assistance
Grant for Transport Sector Project Development
Facility

ABBREVIATIONS

ADB	–	Asian Development Bank
CPIU	–	central project implementation unit
MCA	–	Ministry of Communication and Aviation
MOFT	–	Ministry of Finance and Treasury
MID	–	Ministry of Infrastructure Development
MTTAP	–	Medium Term Transport Action Plan
NTF	–	National Transport Fund
PMU	–	project management unit
NTP	–	National Transport Plan
SDR	–	Special Drawing Right
SIPA	–	Solomon Islands Ports Authority
STIIP	–	Sustainable Transport Infrastructure Improvement Program

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The executing and implementing agencies are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At grant negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the grant agreement. Such agreement shall be reflected in the minutes of the grant negotiations. In the event of any discrepancy or contradiction between the PAM and the grant agreement, the provisions of the grant agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. The proposed Transport Sector Project Development Facility (PDF) will support the Government of Solomon Islands (the government) to improve the start-up efficiency of priority transport projects in the roads, maritime and aviation sectors by: (i) preparing feasibility studies, and detailed designs; and (ii) providing implementation support for procurement, social and environmental safeguards activities at the early stage of project implementation. PDF will also support capacity building of key implementing agencies.
2. The PDF is aligned with the following impact: All Solomon Islanders have access to essential services and productive resources and markets.¹ The PDF will have the following outcome: The readiness of transport projects for funding is improved.²
3. The PDF will have three outputs. Output 1: Feasibility studies and detailed designs completed for selected priority projects. The PDF aims to ensure design readiness by supporting the government to prepare feasibility studies and detailed designs for priority projects in the transport sector. Output 2: Initial implementation for new transport projects are supported. The PDF will provide implementation support at the project start-up stage for (i) safeguard compliance activities including signing of memorandum of understanding with land owners, land acquisitions or resettlement activities if required, and (ii) procurement activities, including preparation of bid documents, bid evaluation, and contract negotiations. Output 3: MID's capacity in designs review, contract supervision, and quality assurance strengthened. The PDF will support MID to strengthen its technical design unit within the Central Project Implementation Unit (CPIU). In addition, CPIU's technical skills in road construction supervision and quality assurance and control will be enhanced.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	2018							Responsible Individual/Unit/Agency/Government
	May	Jun	Jul	Aug	Sep	Oct	Nov	
Advance contracting actions	X	X	X	X	X	X		CPIU/SIPA/ADB
Establish project implementation arrangements	X	X	X					CPIU/SIPA
ADB Board approval				X				ADB
Grant signing					X			ADB/MOFT
Government legal opinion provided					X			MOFT
Government budget inclusion						X		MID/MOFT
Grant effectiveness						X		ADB

ADB = Asian Development Bank, CPIU = Central Project Implementation Unit, MOFT = Ministry of Finance and Treasury, SIPA = Solomon Islands Ports Authority.
Sources: ADB and Solomon Islands Government.

¹ Government of Solomon Islands. 2016. *National Development Strategy 2016–2035*. Honiara.

² The design and monitoring framework is in Appendix 1.

B. Overall Project Implementation Plan

Table 2-1: Facility Implementation Plan

Project Development Facility		2018				2019				2020				2021				2022				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	PDF Processing	Approval																				
	PDF Implementation																					
	Set up the Steering Committee			■	■																	
	Steering Committee Programming/Update			▲	▲		▲		▲		▲		▲		▲		▲		▲			
CONSULTING FIRM	- Project Proposal and Approval			▲																		
	- Consultant Selection			■	■																	
	- Consulting Services					■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
INDIVIDUAL CONSULTANTS	- Consultant Selection			■	■																	
	- Consulting Services					■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

Source: Government of Solomon Islands and Asian Development Bank.

Table 2.2: Project Specific Implementation Plan

Activities	2017		2018				2019				2020				2021				2022			
			Year 1				Year 2				Year 3				Year 4				Year 4			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. Project Preparation																						
1 Establishment of PMU for SIPA																						
B. Project Management																						
Consultant Selection																						
Contract Administration																						
C. Consulting Services																						
1 Road Component																						
Guadalcanal Roads																						
Hibiscus Avenue, City Council to Town Grounds																						
Honiara East West Inner Bypass Road																						
2 Maritime Component																						
Noro Port																						
Honiara Port (Seismic Investigations)																						
7 Other Domestic Wharves																						

Feasibility Study from Regional Technical Assistance (RETA) on Strengthening Domestic Transport Connectivity in the Pacific for the Roads sub-sector.

Feasibility Study from RETA 8674: Trade and Transport Facilitation in the Pacific for the maritime sub-sector.

Feasibility Study and Detailed Designs from Project Development Facility

Detailed Designs from Project Development Facility

Procurement and Safeguards Support from Project Development Facility

km = kilometer, PMU = Project Management Unit, Q = quarter, SIPA = Solomon Islands Ports Authority.

Source: Government of Solomon Islands

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Project Implementation Organizations

Project Implementation Organizations	Management Roles and Responsibilities
Ministry of Finance and Treasury	Act on behalf of Solomon Islands as the borrower.
Project specific management body Ministry of Infrastructure Development	Overall management of the facility:
<p>Facility Steering Committee:</p> <p>A Facility Coordinating Committee (FSC) was established. Permanent Secretary, MOFT will be the head of the FSC.</p> <p>Other members will be: Permanent Secretaries or representatives of MDPAC, MID, MCA, and MPGIS.</p> <p>Facility Coordinating Committee</p> <p>Facility Coordinating Committee will be co-chaired by the Permanent Secretaries of MID, and MCA.</p> <p>Other members will include representative from MID including CPIU, MCA; MDPAC; MLHS; MECCDMM, MPS, MPGIS, SIPA.</p>	<p>Oversee facility implementation progress, discuss, review the feasibility study findings and endorsed projects for support under the facility.</p> <p>Note: The projects to be supported under the initial funding of \$6.0 million have been approved during processing to expedite implementation.</p> <p>Hold quarterly meeting at the minimum to discuss overall status and project issues, and as necessary, invite representatives from other stakeholders.</p>
<p>Implementing Agency: MID through the Central Project Implementation Unit (CPIU) for roads, domestic wharves components and SIPA for international wharves</p> <p>MCA through the MID's CPIU for the aviation component</p>	<p>CPIU: Overall management of consultancy contract:</p> <p>Maintain project accounts, including advance accounts and complete grant financial records</p> <p>Prepare and submit withdrawal applications for the firm and individual consultants:</p> <p>Prepare and submit project progress reports for aviation and roads components</p> <p>SIPA: Prepare and submit project progress reports for maritime component under its responsibility.</p>
ADB	<p>Monitor and review overall implementation of the facility in consultation with the executing/Implementing agencies.</p> <p>This include: the implementation schedule; actions required in terms of social and environmental impacts; timeliness of budgetary and staff allocations; procurement and disbursement progress; compliance with grant covenants; and the likelihood of attaining the project's immediate development objectives.</p>

ADB = Asian Development Bank, CPIU = Central Project Implementation Unit, MCA= Ministry of Communication and Aviation, MDPAC = Ministry of Development Planning and Aid Coordination, MECCDMM = Ministry of Environment, Climate Change and Disaster Management and Meteorology, MID = Ministry of Infrastructure Development, MLHS = Ministry of Lands, Housing and Survey, MPGIS = Ministry of Provincial Government and Institutional Strengthening, MPS = Ministry of Public Services, QCBS = quality and cost based selection, SIPA = Solomon Islands Ports Authority.

Sources: ADB, CPIU, MCA, MID, and SIPA.

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Finance and Treasury Officer's Name: Mr. Harry D. Kuma
 Position: Permanent Secretary
 Telephone: +677 21074/21075
 Email address: hkuma@mof.gov.sb
 Office Address: PO Box 26, Honiara, Solomon Islands

Asian Development Bank

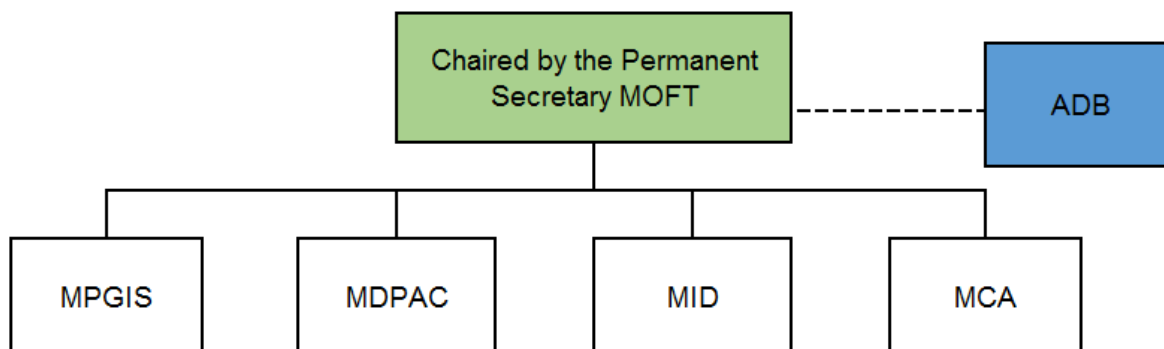
Pacific Liaison and Coordination Office Staff Name: Xiaoqin Fan
 Position: Regional Director
 Telephone No.: +61 (02) 8270 9444
 Email address: xfan@adb.org

Mission Leader

Staff Name: Nissanka Salgado
 Position: Infrastructure Specialist
 Telephone No.: +677 21333
 Email address: nsalgado@adb.org

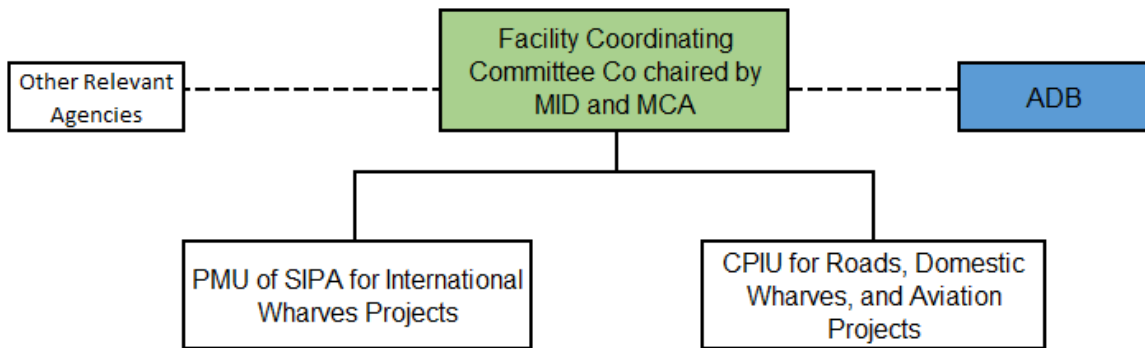
C. Project Organization Structure

Facility Steering Committee



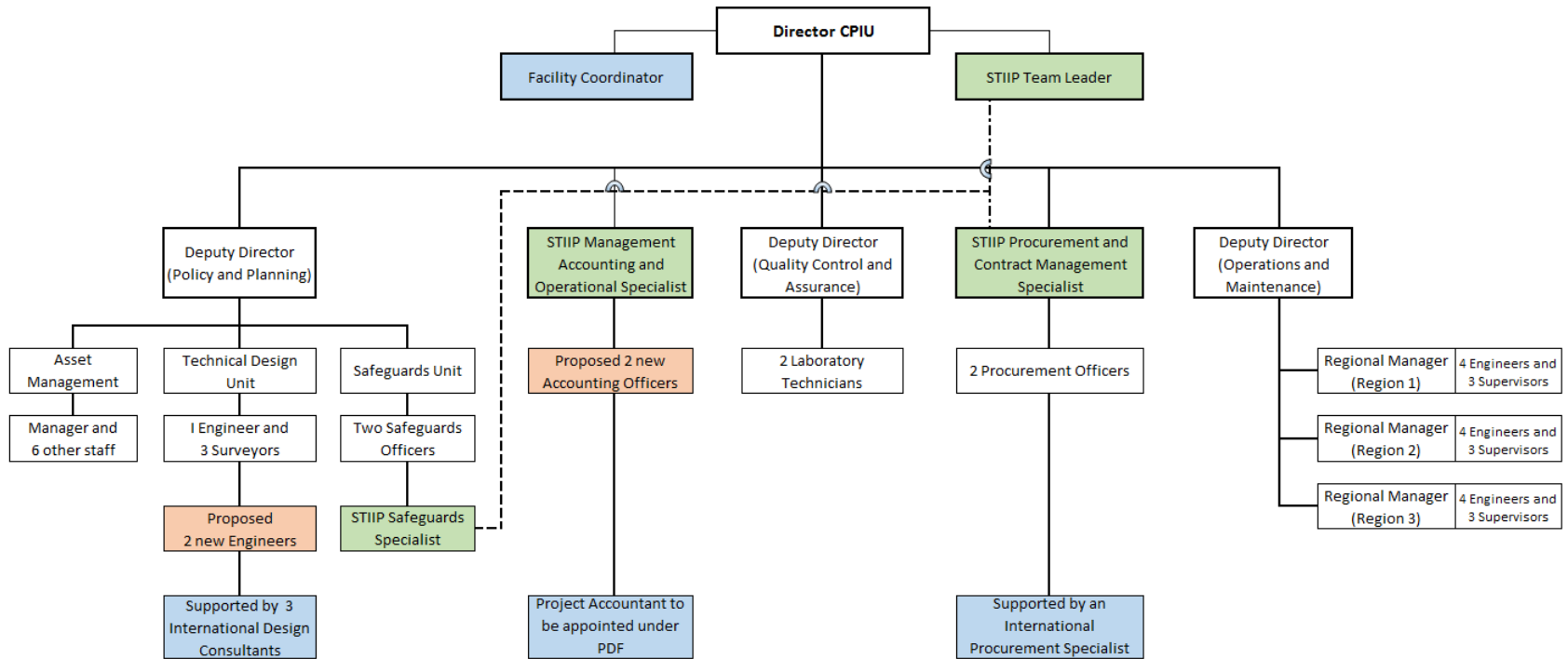
ADB = Asian Development Bank; MCA = Ministry of Communication and Aviation; MOFT= Ministry of Finance and Treasury; MDPAC = Ministry of Development Planning and Aid Coordination; MID = Ministry of Infrastructure Development; MPGIS = Ministry of Provincial Government and Institutional Strengthening.

Facility Coordinating Committee



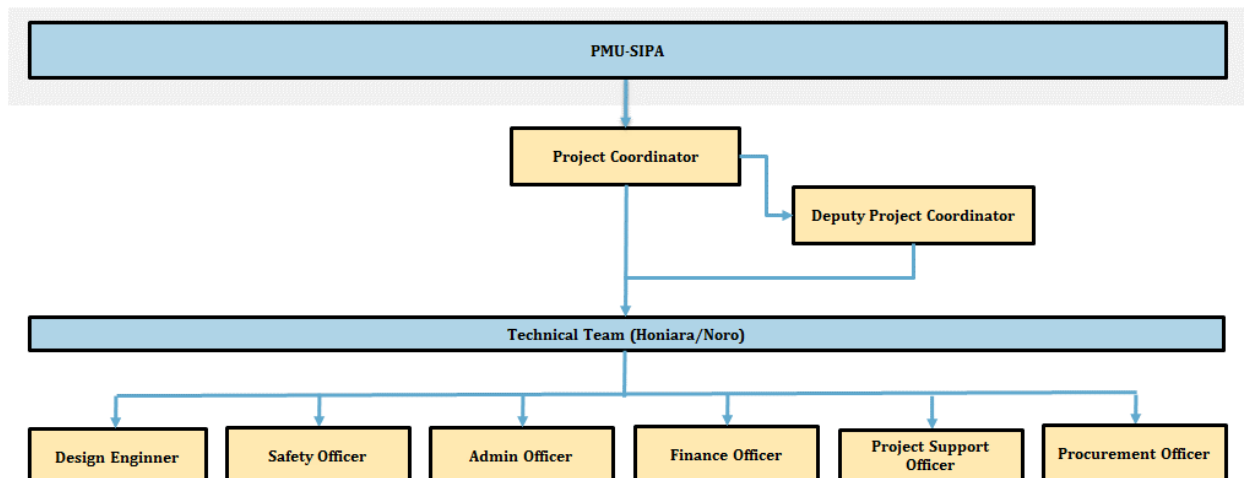
ADB = Asian Development Bank; CPIU = Central Project Implementation Unit; PMU = Project Management Unit; MCA = Ministry of Communication and Aviation; MID = Ministry of Infrastructure Development.

1. Central Project Implementation Unit



Source: Central Project Implementation Unit, Ministry of Infrastructure Development, Solomon Islands.

2. Project Management Unit of SIPA



Source: Solomon Islands Ports Authority, Government of Solomon Islands.

4. The PDF will support the government to engage an experienced Facility Coordinator to support technical and overall coordination. A Facility Steering Committee chaired by the Permanent Secretary, Ministry of Finance and Treasury (MOFT) will be established to discuss, review, and approve the subprojects based on the selection criteria as described in Appendix 1. The other members will be Permanent Secretaries or representatives of the Ministry of Development Planning and Aid Coordination, MID, Ministry of Communication and Aviation (MCA), and Ministry of Provincial Government and Institutional Strengthening. The Facility Coordinator will support the government in convening and holding the steering committee meetings. The initial projects to be supported under the PDF were agreed and endorsed by the government.

5. A Facility Coordinating Committee co-chaired by the Permanent Secretaries of MID and MCA will be established to review the progress of the facility implementation, strengthen inter agency coordination, guide the addressing of cross cutting issues in social, resettlement, environmental and other relevant areas, and encourage ownership at both the central and provincial levels.

6. The existing central project implementation unit (CPIU) of MID will be responsible for the implementation of roads, domestic wharves and aviation sector projects under the PDF. MCA will closely work with the project preparatory consultants engaged by the MID for scoping, feasibility studies and design activities of aviation projects. CPIU will provide the required technical support to MCA and manage the consultants' deliverables. The technical design unit of CPIU will be strengthened by appointing two additional permanent design engineers. Ministry of Public Services has approved the additional positions. Individual design review consultants will be recruited as necessary to support CPIU to review design documents prepared by the firm. Initially a road, wharf, and aviation designs engineer will be recruited as an individual consultant. For the financial management unit, an accountant will be recruited. The recruitment of two procurement positions is ongoing, and a procurement specialist (to be recruited under the firm) will support the CPIU in procurement activities for the follow-on projects. In addition, a facility coordinator with transport experience will also be engaged to support the director CPIU to establish document review system and document flow system to ensure smooth implementation of the facility.

7. For the Port component, the Solomon Islands Ports Authority (SIPA) will appoint a separate project management unit (PMU) to implement the PDF. Board approval for the proposed PMU will be obtained prior to the grant approval.

IV. COSTS AND FINANCING

8. The project cost is estimated to be \$6.96 million including consulting services and contingencies. The government has requested a grant not exceeding \$6.0 million from ADB's Special Funds resources (Asian Development Fund) to help finance the PDF. The government will finance local taxes and duties of \$0.75 million, contingencies of \$0.09 million, and project management costs of \$0.13 million.

A. Cost Estimates Preparation and Revisions

9. The cost estimates have been prepared jointly by the implementing agencies and ADB staff. The cost estimates will be updated during implementation by ADB, with the actual cost estimates after the procurement of consultants.

B. Key Assumptions

10. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: SI\$ 7.67 = \$1.00 (as of 1 March 2018).
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 4: Escalation Rates for Price Contingency Calculation

Item	2018	2019	2020	2021	2022	Average
Foreign rate of price inflation	1.5%	1.5%	1.5%	1.6%	1.6%	1.5%
Domestic rate of price inflation	1.0%	1.4%	1.7%	2.0%	2.0%	1.6%

Source: Asian Development Bank estimates.

- (iii) In-kind contributions were not considered.

C. Detailed Cost Estimates by Expenditure Category

Table 5: Detailed Cost Estimates by Expenditure Category

Item	SI\$ (million)			US\$ (million)			% of Total Base Cost
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost ^a	
A. Investment Costs ^b							
1. Project Preparatory Activities	29.26	4.51	33.77	3.81	0.59	4.40	73.5
2. Project Management ^c	4.80	2.26	7.06	0.63	0.29	0.92	15.4
3. Capacity Development	4.60	0.52	5.12	0.60	0.07	0.67	11.2
Subtotal (A)	38.66	7.29	45.95	5.04	0.95	5.99	100.0
Total Base Cost	38.66	7.29	45.95	5.04	0.95	5.99	100.0
B. Contingencies ^d							
1. Physical	3.87	0.73	4.59	0.50	0.09	0.60	10.0
2. Price	2.39	0.45	2.83	0.31	0.06	0.37	6.2
Subtotal (B)	6.25	1.18	7.43	0.82	0.15	0.97	16.2
Total Project Cost (A+B)	44.91	8.46	53.38	5.86	1.10	6.96	116.2

^a In March 2018 price

^b Includes taxes and duties of \$0.75 million financed by the Government through exemptions.

^c Includes project management to be financed from ADB and government resources.

^d Physical contingencies computed at 10% of base cost. Price contingencies computed using average foreign cost escalation factor of 1.5% and price contingency using Solomon Islands average domestic cost escalation factor of 1.6%.

Note: Figures may not tally due to rounding

Source: Asian Development Bank estimates.

D. Allocation and Withdrawal of Grant Proceeds

Table 6: Withdrawal of ADB (ADF) Grant Proceeds

CATEGORY			ADB FINANCING
Number	Item	Amount Allocated (\$)	Percentage of Total
		Category	
1	Consulting Services and Project Management Costs	6,000,000	100% of total expenditure claimed*
	TOTAL	6,000,000	

*Exclusive of taxes and duties imposed within the territory of the Beneficiary.

E. Detailed Cost Estimates by Financier

**Table 7: Detailed Cost Estimates by Financier
(\$ million)**

Item	ADB		Amount	SIG		% of Cost Category	Total Cost
	Amount	% of Cost Category		Taxes and Duties	Total		
A. Investment Costs							
1. Project Preparatory Activities	3.81	86.7	0.00	0.59	0.59	13.3	4.40
2. Project Management							
2a Project management - ADB	0.70	100.0	0.00	-	0.00	0.0	0.70
2b Project management - SIG	0.00	0.0	0.13	0.09	0.22	100.0	0.22
3. Capacity Development	0.60	89.8	0.00	0.07	0.07	10.2	0.67
Subtotal (A)	5.12	85.4	0.13	0.75	0.87	14.6	5.99
Total Base Cost	5.12	85.4	0.13	0.75	0.87	14.6	5.99
B. Contingencies	0.88	91.0	0.09	0.00	0.09	9.00	0.97
Total Project Cost (A+B)	6.00	86.2	0.21	0.75	0.96	13.8	6.96

ADB = Asian Development Bank; SIG = Government of Solomon Islands

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

F. Detailed Cost Estimates by Outputs and/or Components

Table 8: Detailed Cost Estimates by Outputs
(\$ million)

Item	Total Cost	FS and DDs Completed		Initial Implementation for New Projects Supported		Capacity Developed	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs							
1. Project Preparatory Activities	4.40	4.04	0.92	0.36	0.08	0.00	0.00
2. Project Management	0.92	0.73	0.80	0.07	0.07	0.12	0.13
3. Capacity Development	0.67	0.00	0.00	0.00	0.00	0.67	1.00
Subtotal (A)	5.99	4.78	0.80	0.43	0.07	0.79	0.13
Total Base Cost	5.99	4.78	0.80	0.43	0.07	0.79	0.13
B. Contingencies							
1. Physical	0.60	0.48	0.80	0.04	0.07	0.08	0.13
2. Price	0.37	0.29	0.80	0.03	0.07	0.05	0.13
Subtotal (B)	0.97	0.77	0.80	0.07	0.07	0.13	0.13
Total Project Cost (A+B)	6.96	5.55	0.80	0.49	0.07	0.92	0.13

DD = Detailed Designs; FS = Feasibility Studies

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

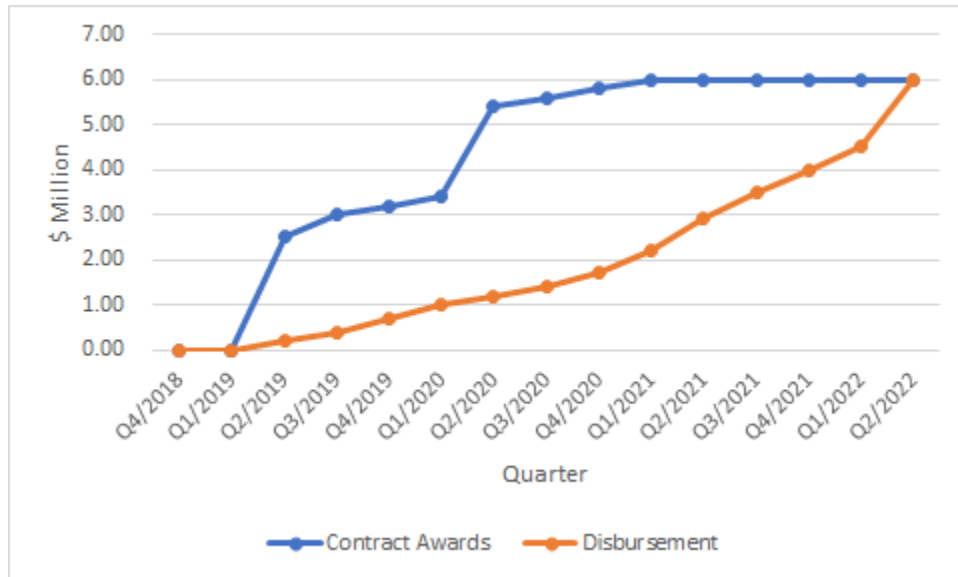
G. Detailed Cost Estimates by Year

Table 9: Detailed Cost Estimates by Year
(\$ million)

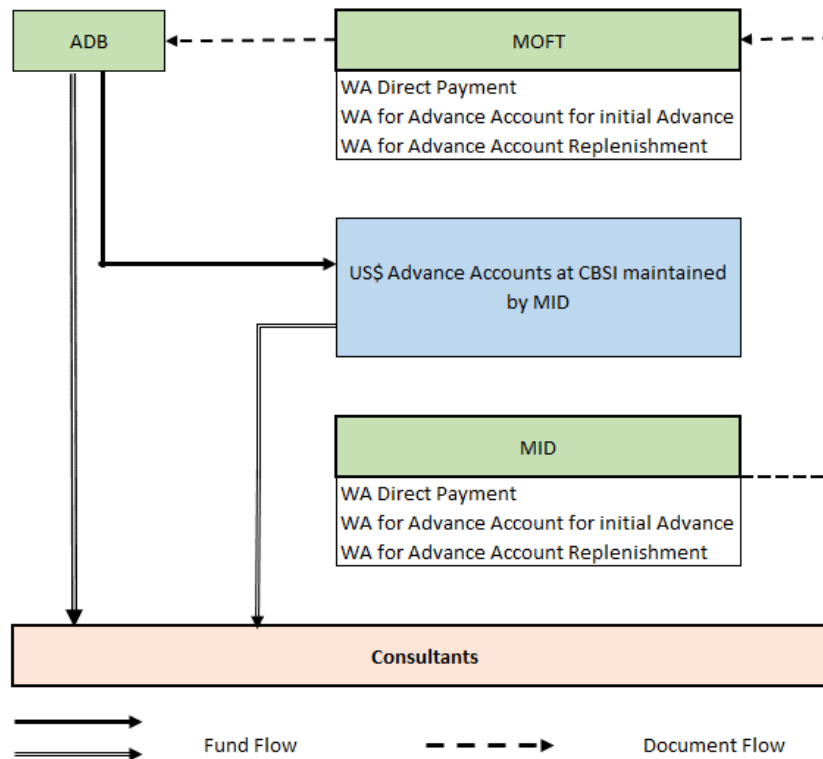
Item	Total Cost	Year 1	Year 2	Year 3	Year 4	Year 5
A. Investment Costs						
1. Project Preparatory Activities	4.40	0.44	0.88	0.88	0.88	1.32
2. Project Management	0.92	0.09	0.18	0.18	0.18	0.28
3. Capacity Development	0.67	0.07	0.13	0.13	0.13	0.20
Subtotal (A)	5.99	0.60	1.20	1.20	1.20	1.80
Total Base Cost	5.99	0.60	1.20	1.20	1.20	1.80
B. Contingencies						
1. Physical	0.60	0.06	0.12	0.12	0.12	0.18
2. Price	0.37	0.00	0.02	0.06	0.09	0.19
Subtotal (B)	0.97	0.06	0.14	0.18	0.21	0.37
Total Project Cost (A+B)	6.96	0.66	1.34	1.38	1.40	2.17
% Total Project Cost	100.0	9.5	19.3	19.8	20.2	31.2

Note: Numbers may not sum precisely because of rounding.
Source: Asian Development Bank estimates.

H. Contract and Disbursement S-Curve



I. Fund Flow Diagram



ADB = Asian Development Bank, CPIU = Central Project Implementation Unit, MID = Ministry of Infrastructure Development, MOFT = Ministry of Finance and Treasury, WA = Withdrawal Applications.

Source: Asian Development Bank.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

11. ADB updated the financial management assessment (FMA) conducted for the Transport Sector Flood Recovery Project in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects³ and the Financial Due Diligence: A Methodology Note⁴. The FMA considered MID as the implementing agency for the project. The FMA included a review of the accounting and reporting system, internal and external auditing arrangements, fund disbursement procedures, and information systems. Based on the assessment, the key financial management risk identified is the lack of internal audit function. The ADB assisted projects implemented by MID in the past years have mainly been supported by consultants. During the implementation of the Transport Sector Development Project, from 2011 to 2016, however, MID was involved in the financial management of projects, accounting, financial reporting, and auditing. MID's capacity has been developed through trainings in the areas of (i) use of accounting software, (ii) record-keeping practices and timeliness of financial reporting, (iii) internal controls, (iv) financial management, and (v) adherence to ADB financial management policies and procedures including operation of advance accounts. It is concluded that the overall pre-mitigation financial management risk of the implementing agency is moderate. The implementing agency has agreed to implement an action plan on internal audits, as a key measure for addressing deficiencies to mitigate the risk. Financial management risks and risk-mitigation measures will be reviewed and updated throughout the life of the project.

12. Below outlines the financial management action plan to be undertaken during the implementation of the grant.

Table 11: Financial Management Action Plan

Weakness	Risk	Action Items	Period	Responsibility	Status 30/04/2018
No Internal Audit in MID	Low	Conduct regular internal audit through the MOFT Internal Audit Department	Continuous (2018 to 2021)	MOFT	Under STIIP, arrangements have been made to perform internal audits through the MOFT Internal Audit Department (MOFT IAD) by supporting MOFT IAD to engage an internal audit officer.
Work overload at CPIU Finance	Low	Hire accounting officer to manage the accounts of the TA	June 2018	CPIU/MID	Preparation of accounting officer terms of reference (TOR).

³ ADB. 2005. *Financial Management and Analysis of Projects*. Manila.

⁴ ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila.

Weakness	Risk	Action Items	Period	Responsibility	Status 30/04/2018
Deficiencies and misinterpretation of ADB guidelines in disbursement and withdrawal of project funds by EA and IA.	Low	Regular liaising among the EA, IA, and ADB to ensure that ADB guidelines are followed. Regular interagency coordination at all levels to be put in place, to discuss portfolio performance of the PDF.	Continuous (2018 to 2021)	ADB/MID/MOFT	Not started
Newly-hired accounting officer may not have knowledge of ADB disbursement procedures	Low	Provide regular training on ADB's disbursement processes	Q2 2018	ADB	Not started
Financial management policies and procedures might not be appropriate for project management.	Moderate	An improved financial management system is currently ongoing, which aims to improve resources management and accounting information flows to support timely updates of CPIU project management system	Continuous (2018 to 2021)	CPIU/MID	Ongoing
Lack of timely audit process leading to the covenants not being met.	Low	Annual project accounts and underlying working papers prepared on a timely basis in preparation for the annual financial statement audit. Compliance with covenants monitored, including submission of audited project accounts.	Continuous (Q2 2019 to Q2 2022)	CPIU/MID	Not started
Backups of financial data are infrequent and not secure.	Low	Regular backup of all accounting data and appropriate security measures of backup data are in place at CPIU.	Continuous (2018-2021)	CPIU/MID	Ongoing

ADB = Asian Development Bank, CPIU = central project implementation unit, EA = executing agency, IA = implementing agency, MID = Ministry of Infrastructure Development, MOFT = Ministry of Finance and Treasury.

B. Disbursement

1. Disbursement Arrangements for ADB Funds

13. The grant proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time)⁵, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.⁶ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

14. Payment of consulting services will generally be disbursed by ADB through direct payment procedures as applicable and should be certified by the CPIU Director based on the payment terms in the contract. The MID through CPIU will be responsible for: (i) preparing disbursement projections; (ii) requesting budgetary allocations for project management; (iii) collecting supporting documents; and (iv) preparing and sending withdrawal applications sent to ADB through the Ministry of Finance and Treasury (MOFT). Each withdrawal application must include the claim or invoice from the consultant and be approved by the borrower's authorized representative.

15. **Advance fund procedure.** MID will establish an advance account for the grant. The ceiling of the advance account will be \$100,000. The currency of the advance account is the U.S. dollar. The advance account is to be used exclusively for ADB's share of eligible expenditures. MID who established the advance account is responsible and accountable for proper use of advances to the advance account.

16. The total outstanding advance, in any event, should not exceed the estimate of ADB's share of expenditures to be paid through the respective advance account for the forthcoming 6 months. MID may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet⁷ setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the implementing agency in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

17. **Statement of expenditure procedure.**⁸ The statement of expenditure (SOE) procedure will be used to reimburse and/or liquidate eligible expenditures not exceeding \$50,000 equivalent per individual payment. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB. MID has adequate experience in managing and administering SOE procedures. The SOE procedures has been used by the MID in the Domestic Maritime Sector Project (DMSP), implementation of which has been successful.

18. Before the submission of the first withdrawal application, the recipient should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each

⁵ The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>)

⁶ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

⁷ ADB. 2017. *Loan Disbursement Handbook*. Appendix 8A

⁸ SOE forms are available in Appendix 7B of ADB's *Loan Disbursement Handbook*.2017.

authorized person. The minimum value per withdrawal application is in accordance with the Loan Disbursement Handbook. Individual payments below such amount should be paid (i) by the executing/implementing agency and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The Borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursement (CPD)⁹ system is encouraged for submissions of withdrawal applications to ADB.

2. Disbursement Arrangements for Counterpart Fund

19. MID will be responsible for: (i) preparing disbursement projections, and (ii) requesting budgetary allocations for project management costs. The government will finance local taxes and duties through exemptions, and project management costs.

C. Accounting

20. MID through CPIU will maintain, or cause to be maintained, separate books and records for all expenditures incurred on the project following International Public Sector Accounting Standard for cash-based accounting system following the government's financial regulations. MID will prepare project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

21. MID will cause the detailed project financial statements to be audited in accordance with International Standards of Auditing, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the implementing agency.

22. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the grant were used only for the purposes of the project; (iii) whether the borrower or implementing agency was in compliance with the financial covenants contained in the legal agreements; (iv) compliance with the advance fund procedure; (v) compliance under SOE procedure certifying: (i) to the eligibility of those expenditure claims under SOE procedures and (ii) proper use of the procedure in accordance with ADB Loan Disbursement Handbook and the project documents.

23. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

24. The government, and MID have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹⁰ ADB reserves the right to require a change in the auditor (in a manner

⁹ The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>

¹⁰ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance account, processing of new reimbursement, and issuance of new commitment letters will not be processed.

consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

25. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.¹¹ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.¹²

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

26. All advance contracting will be undertaken in conformity with ADB Procurement Policy (2017, as amended from time to time) and the associated Project Administration Instructions and Staff Instructions. The issuance of expression of interest under advance contracting and will be subject to ADB approval. The recipient, MOFT, and MID have been advised that approval of advance contracting does not commit ADB to finance the project.

B. Procurement of Goods, Works, and Consulting Services

27. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section D.

28. All consultants will be recruited in accordance with ADB Procurement Policy (2017, as amended from time to time) and ADB Procurement Regulations for ADB Borrowers (2017, as amended from time to time).¹³ The terms of reference for all consulting services are detailed in Section D.

29. A consulting firm or individual consultants will be recruited for the facility. International, and national consulting services are required to (i) feasibility study, (ii) detailed design, and (iii) initial implementation support, (iv) facility management, (v) capacity building. A consulting firm (Project Preparatory Consultants-PPC) will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality–cost ratio of 90:10 for items (i) to (iii). An independent designs review consultancy (IDRC) firm or individual consultants will also be engaged to assist IAs to review the designs of IDRC. In addition, individual consultants will be

(ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the grant may be suspended if the audit documents are not received within the next 6 months.

(iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the grant.

¹¹ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

¹² This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

¹³ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

recruited as necessary for the project preparatory or designs review and to support the government in PDF implementation and capacity development. The government has requested that ADB carry out consultant selection on its behalf to avoid start-up delays. ADB has agreed to jointly select the consultant based on the responsibility matrix in Appendix 2. The government will retain its responsibility for contract negotiation and contract signing through MID.

C. Procurement Plan

30. The procurement plan is in Appendix 3 and describes all procurement of consulting services for the PDF.

D. Consultant's Terms of Reference

31. The consultant's Terms of Reference is in Appendix 4.¹⁴

VII. SAFEGUARDS

32. The PDF is categorized C for environment, involuntary resettlement and indigenous people safeguards as the PDF itself will not involve any physical construction works. The project scope involves preparation of feasibility studies (including safeguards due diligence) and detailed design of transport projects. Hence, the PDF is expected to develop environmentally and socially viable and inclusive follow-on investment projects. These projects will be prepared by the consultants in compliance with ADB's Safeguard Policy Statement 2009 (SPS) and government guidelines, regulations, and policies including the MID's approved Safeguards Procedures Manual (SPM).

33. Safeguards due diligence will follow the requirements of the SPM and the SPS which for each investment/project will include a screening and categorization to determine the level of assessment required and the preparation of safeguards documents commensurate with the level of assessment. These may include (i) environmental and social management guidelines for inclusion in contracts for low risk and low impact investments (such as category C); (ii) an environmental assessment including environmental management plan (EMP); (iii) land due diligence report (DDR) or resettlement plan (RP) and/or resettlement framework (RF); and (iv) an indigenous peoples plan (IPP) and/or indigenous peoples planning framework (IPPF). Relevant project information will also be disclosed to the affected persons and a grievance redress mechanism will be established at project level consistent with the SPS. See consultant's Terms of Reference is in Appendix 3 for details and Section IX.B for safeguards monitoring requirements.

34. **Prohibited investment activities.** Pursuant to ADB's SPS ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

VIII. GENDER AND SOCIAL DIMENSIONS

35. The PDF will prepare feasibility studies, undertake detailed design and initial project preparation activities and are not expected to have any adverse impact on women and/or widen

¹⁴ Terms of reference:

http://www.adb.org/Documents/Manuals/Consulting-Services-Operations-Manual/CSOM.pdf?bcsi_scan_D4A612CF62FE9576=AORY9a8Nho2ezS9Xss/liqEAAAANNiAA&bcsi_scan_filename=CSOM.pdf (paras 65–72).

gender inequality. Projects will be prepared in compliance with Handbook on Poverty and Social Analysis: A Working Document (2012). Gender, consultation and participation, labor, HIV/AIDS, and other social risks relating to follow-on grant will be assessed and mitigation plans will be prepared to address any issues and adverse impacts to women and vulnerable groups.

36. Specifically, the gender assessment should be guided by the ADB's Gender Toolkit: Transport (2013). The PDF will ensure at least 40% women and vulnerable groups participation in consultations and meetings during due diligence including holding separate meetings with women to facilitate their open and meaningful participation. Poverty, social and gender assessments will be undertaken in each of the project to be prepared and identify constraints and challenges specific to women which should be considered in the design of the ensuing investment. Particularly sex-disaggregated data on a range of relevant socioeconomic indicators should be collected, with focus on the needs, demands, constraints faced by the poor, women and vulnerable groups in the project area, in terms of their equitable access to the benefits and opportunities associated with road, aviation and port construction. The ensuing investment will be designed to consider the outcomes of the assessments including preparation of a Gender Action Plan in at least two of the feasibility studies to be prepared. A Social Safeguards and Gender Specialist will be recruited for four person-months to ensure implementation of gender activities and gender responsive design in each of the ensuing investment.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

37. The Design and Monitoring Framework (DMF) is in Appendix 5.

A. Monitoring

38. **Project performance monitoring.** The PDF implementation progress and performance will be assessed using the targets, indicators, assumptions, and risks in the DMF. CPIU and SIPA will establish their respective project performance management systems. Indicators to be monitored include (i) contracts awarded within one year of grant approval, (ii) the number of bid documents ready before project approval, and (iii) the extent of due diligence of social and environmental safeguard measures completed and gender assessment and gender action plan prepared at ensuing loan fact-finding mission stage. In addition, CPIU is responsible to monitor overall progress of the PDF incorporating inputs from monthly and quarterly progress reports prepared from SIPA. Progress will also be monitored and reported monthly by the consulting firm. The CPIU will submit quarterly progress reports to ADB and will provide information necessary to update ADB's project performance reporting system.¹⁵

39. **Compliance monitoring.** ADB will closely monitor the compliance with grant covenants through the quarterly progress reports and during project administration missions including review, midterm, and completion. Any significant noncompliance will be reported and discussed at the proposed facility coordination committee or directly with the MOFT, MID or MCA.

40. **Safeguards monitoring.** For each project/investment ADB will review the screening and categorization, feasibility studies including safeguards due diligence reports, instruments and integration of safeguards requirements in the bidding documents prepared by the consultants to ensure they are in line with the provisions and requirements of the SPS and MID's SPM. The

¹⁵ ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

conduct of consultations with affected persons and safeguards information disclosure will also be reviewed during project administration missions.

41. **Gender and social dimensions monitoring.** ADB and MID will discuss with the consultancy team the requirements on poverty, social and gender assessment per ensuing project. Regular monitoring and supervision of the Consultants' outputs will be done by MID during feasibility, detailed designs and procurement assessment to ensure ADB's Gender and other social related requirements are met.¹⁶

B. Evaluation

42. ADB will field an inception mission in parallel to the consultancy firm's inception phase. Bi-annual review mission and a mid-term review mission will be fielded. During the missions, any minor changes in scope or implementation arrangement will be agreed to ensure achievement of project objectives. The DMF indicators will be reviewed at the midterm review mission. CPIU and SIPA will monitor project implementation in accordance with the schedule and time-bound milestones and keep ADB informed of any significant deviations that may result in the milestones not being met. Within 6 months of physical completion of the PDF, MID will submit a project completion report to ADB.¹⁷ SIPA, and MCA will provide the necessary information to the report.

C. Reporting

43. MID will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts audited financial statement together with the associated auditor's report, should be adequately reviewed.

D. Stakeholder Communication Strategy

44. While conducting poverty, social and environmental assessments, the PDF consultants will undertake field visits and consultations/interactions with stakeholders using participatory approaches at the local, provincial and central level. Provincial coordinating committees will be used to engage provincial governments to community mobilizations and coordination activities. Relevant non-government organization particularly for category A (resettlement, environment or indigenous people) projects will be closely engaged. The PDF consultants will formulate, a communications strategy for the PDF.

¹⁶ ADB's Handbook on Social Analysis: A Working Document, is available at: <http://www.adb.org/Documents/Handbooks/social-analysis/default.asp>, *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp>, and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

¹⁷ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

X. ANTICORRUPTION POLICY

45. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the PDF.¹⁸ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the PDF.¹⁹

46. To support these efforts, relevant provisions are included in the grant agreement and the bidding documents for the project.

XI. ACCOUNTABILITY MECHANISM

47. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²⁰

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

48. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

¹⁸ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹⁹ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

²⁰ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

Selection Criteria for Subprojects under the Facility

1. Unless modified or amended in the grant agreements, the Project Development Facility (PDF) will utilize the following subproject selection criteria to be included.
2. A subproject will be eligible under the PDF if:
 - (i) It is consistent and prepared in accordance with the Governments' National Development Strategy/medium term development plan, National Transport Plan, or master plans;
 - (ii) It is *prima facie* economically and financially viable and sustainable;
 - (iii) It is environmentally and socially feasible; and
 - (iv) It is consistent with subsectors identified under ADB's Country Partnership Strategy.

Matrix of Responsibilities

Joint Consultant Recruitment with ADB

Project Name: Solomon Islands: Transport Sector Project development

Executing Agency: Ministry of Infrastructure Development

Name of Consulting Service: Feasibility Studies, Detailed Design and initial procurement and Safeguards Support Consultants

Purpose of this Matrix:

This matrix aims at clarifying roles and responsibilities of the executing agency (EA) and ADB in recruiting a consultant to be financed by grant financing when the executing agency requested ADB to assist recruiting a consultant. ADB's Consultant Management System (CMS) will be used. The matrix provides options for the EA for the level of involvement in the recruitment process at Step No. 4 (shortlisting of consultants) and No. 12 (technical evaluation). If the EA concurs with the matrix, the EA staff shall choose one option out of [4a, 4b, or 4c] and [12a, 12b, or 12c] and sign on the last page and send back all pages back to ADB.

No.	Stage	Activity	Responsibility
1	Pre-advertisement Procurement plan	Preparation of terms of reference, budget estimates, shortlisting criteria and recommendation of selection method choice	EA in coordination with ADB
2	Advertisement/ Consulting Services Recruitment Notice (CSRN)	Advertisement of consulting services assignment and collection of EOIs	ADB
3	Preparation of Long List	EOIs are received electronically through CMS and by email/ fax. Submitted EOIs will be shared with the EA.	ADB
For Step 4 below, please choose one of 4a, 4b, or 4c, and check only one box			
4a <input checked="" type="checkbox"/>	Shortlisting of consultants	ADB staff evaluates EOIs, prepare a shortlist, and seeks EA's concurrence.	ADB and EA
4b <input type="checkbox"/>		ADB staff and EA jointly evaluate EOIs and prepare a shortlist.	ADB and EA jointly
4c <input type="checkbox"/>		EA evaluates EOIs, prepare a shortlist and seeks ADB's concurrence.	EA and ADB
5	Preparation of Request for Proposal	Request for Proposal is prepared based on current understanding of the assignment scope, complexity and risks. Feedback received from consulting firms on adequacy of budget and adequacy of TOR, as advertised, is reviewed and incorporated, as applicable. If shortlist includes commercial and non-commercial entities, the selection method changes to QBS or FBS.	ADB prepares RFP
6	Approval of shortlist and RFP	ADB officially approves shortlist and RFP.	ADB
7	Issuance of RFP to the shortlisted firms	ADB issues RFP to the shortlisted firms through ADB's CMS.	ADB
8	Clarifications to the RFP	ADB responds to clarifications requests.	ADB

No.	Stage	Activity	Responsibility
		If required, ADB staff seeks clarifications from EA.	and EA, if applicable
9	Receipt of the proposals	Proposals are submitted through CMS.	ADB
10	Distribution of technical proposals	Technical proposals are distributed to the members of the consultant selection committee (CSC) (see 12 for CSC).	ADB
11	Copy of technical proposals shared with EA	ADB project officer shares electronic copies of technical proposals with the EA.	ADB
For Step 12 below, please choose one of 12a or 12b, and check only one box			
12a <input checked="" type="checkbox"/>	Technical evaluation	ADB staff form CSC and evaluate technical proposals and notifies the results to EA. EA may send ADB any concerns on technical proposals before ADB holds a CSC meeting.	ADB
12b <input type="checkbox"/>		ADB and EA jointly form CSC and evaluate technical proposals. CSC meeting may be organized as a face-to-face meeting or by teleconference or videoconference.	ADB and EA jointly
13	Electronic Approval of technical evaluation	ADB officially approves technical evaluation.	ADB
14	Confidential notification of total scores of evaluated technical proposals	ADB notifies EA of the total scores of evaluated technical proposals.	ADB
15	Electronic opening of financial proposals for.	< QCBS, FBS, LCS> CMS issues notifications of electronic opening of financial proposals to consulting firms whose technical proposals are evaluated above qualifying threshold of 750 points out of 1000. < QBS, CQS and SSS> CMS issues notification of electronic opening of the financial proposal to the first-ranked technically consulting firm and opens its financial proposal.	ADB
16	Financial evaluation and final ranking	ADB's OSFMD evaluates financial proposals and prepares final ranking. ADB consults with EA on the results of financial evaluation and final ranking. EA reviews and may point out any inconsistencies in the financial proposals that might need to be discussed during the negotiations with the first-ranked firm. If no issues are uncovered within 3 working days or no feedback is received within 3 working days, the final ranking will be finalized.	ADB
17	Notification of final ranking and recommendation of contract award	CMS notifies EA of the final ranking and recommendation of contract award to the first-ranked firm.	ADB
18	Contract negotiations	EA negotiates the contract with the first-ranked firm. ADB may assist negotiations, if required	EA and ADB (if requested)

No.	Stage	Activity	Responsibility
19	Publication of contract award	EA publishes the award on government website, if applicable. ADB publishes the award on CMS.	EA and ADB
20	Notice to Proceed	EA issues Notice to Proceed.	EA

ADB = Asian Development Bank; EA = executing agency; EOI = expression of interest; QCBS = quality-and cost-based selection; FBS = fixed-budget selection; QBS = quality-based selection; LCS = least-cost selection; SSS = single-source selection; RFP = request for proposal; TOR = terms of reference; CSC = consultant selection committee; CSRN = consulting services recruitment notices; OSFMD = Operations Services and Financial Management Department.

Conforme:

Signature

Name:

Printed name

Title:

Agency Name:

Date:

PROCUREMENT PLAN

Basic Data

Project Name: Transport Sector Project Development Facility	
Project Number: 51214	Approval Number: TBD
Country: Solomon Islands	Executing Agency: Ministry of Finance and Treasury
Project Procurement Classification: B	Implementing Agency: Ministry of Infrastructure Development
Procurement Risk: Low	
Project Financing Amount: \$6.96 million ADB Financing: \$6.00 million Non-ADB Financing: \$0.96 million	Project Closing Date: 30 June 2022
Date of First Procurement Plan {grant approval date):	Date of this Procurement Plan: 18/06/2018

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	90:10 Quality to Cost Share

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number ⁵	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
N.A.							

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
1	Feasibility Studies,	\$4.0 million	QCBS	Prior	Q2/2018	Full	90:10

	Detailed Design and initial procurement and safeguards support						
2.	Design review Consultants	\$0.5	CQS/ICS	Prior	Q3/2018	NA	
3.	Individual Consultants	\$0.6 million	ICS	Prior	Q3/2018	NA	
4.	Facility Coordinator	0.4 million	1	Prior	Q3/2018		

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number ⁵	General Description	Estimated Value	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
N.A.								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments

B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

SOLOMON ISLANDS
PROJECT DESIGN FACILITY FOR THE TRANSPORT SECTOR
DRAFT OUTLINE TERMS OF REFERENCE FOR CONSULTANCY SERVICES FOR
PROJECT PREPARATORY CONSULTANTS (PPC)

I. INTRODUCTION

1. The Solomon Islands Government (the Government) has requested the Asian Development Bank (ADB) to finance a Project Development Facility (PDF) to undertake preparatory works for transport sector projects under the Ministry of Infrastructure Development (MID), Ministry of Communication and Aviation (MCA) and the Solomon Islands Ports Authority (SIPA).

2. The Executing Agency (EA) for the PDF is the Ministry of Finance and Treasury (MOFT). The PDF Implementing Agencies (IAs) will be the MID through its Central Project Implementation Unit (CPIU) for road and maritime subsectors, SIPA for ports and any associated domestic wharves under its responsibility, and MCA for the aviation sub-sector.

3. A Facility Coordinating Committee (FCC) headed by the Permanent Secretary of the MID will be established to discuss, review and approve works done under the PDF, monitor progress and coordinate with the stakeholders. A consulting firm will be engaged to carry out the PDF terms of reference. The firm will be selected and negotiated by ADB in accordance with ADB Procurement Policy (2017), as amended from time to time and other arrangements acceptable to ADB. A firm will be engaged on an output-based terms of reference (this TOR) through Quality and Cost-based Selection (QCBS, 90:10) using full technical proposals (FTP). Interested firms will determine the number and the nature of experts they will require to deliver the outputs of the contract, in accordance with their proposed approach and methodology.

II. OBJECTIVES OF THE ASSIGNMENT

4. The purpose of this assignment is to undertake feasibility studies, detailed engineering designs for key investment projects in the transport sector in Solomon Islands and to provide support to IAs in procurement of works and services and ensuring safeguards due diligence activities prior to project approval.¹ The project preparatory consultant (PPC) will also finalize the due diligence documents and prepare all other relevant documents for follow-on investment projects for ADB financing. As prefeasibility/feasibility studies for some projects are ongoing and will be completed from ongoing technical assistances, the scope of works for this assignment is divided into two groups as explained below.

- (i) **Feasibility Studies and Detailed Engineering Designs:** For the projects listed in Table 1; undertake feasibility studies (including technical, economic and financial, social safeguards and gender, environmental, climate change and disaster risk management and mitigation) to determine the best investment option, carry out detailed engineering designs for the selected option, prepare bidding documents for works and services, and support IAs in the completion of procurement processes to contract awards and signing.

¹ Detailed engineering designs include necessary geotechnical investigations, surveys, bidding and construction stage design details and drawings, specifications, detailed bill of quantities, detailed cost estimates, bidding documents and procurement support to MID.

Table 1: List of Projects for Feasibility Studies and Detailed Engineering Designs

	Description	Scope
1	Upgrading and rehabilitation of the Hibiscus Avenue from Pt Cruz Hot Bread Kitchen roundabout to Town Ground including the Mud Alley Road	1.35 km
2	Upgrading and rehabilitation of the road from the Honiara City Council to Town Ground (section of the main road from the city center towards the West)	1.66 km
3	Port Access Roads – (3 road sections)	0.55 km
4	East –West inner bypass road (Holy Cross to Hibiscus Ave)	1.2 km
5	Reconstruction of 7 Domestic Wharves (Matagasi, Moli, Viru, KiraKira, Buala, Waisisi, Bellonna). ¹ Refer Attachment 1 for Map.	7 Numbers

Note:

1. The firm is expected to review and update the existing feasibility studies done for Waisisi, and Viru wharves under the Domestic Maritime Support Project.

- (ii) **Detailed Engineering Designs:** Undertake detailed engineering designs of the projects listed in Table 2 for the recommended option based on the findings from the ongoing feasibility studies under ADB's two Regional Technical Assistances (RETAs) (Notes 1 & 2). The firm is also expected to update the safeguards documents, climate resilient and disaster management features, and update the environment assessment reports prepared under the RETAs. The firm is expected to update/prepare necessary bidding documents and support IAs to complete the bidding processes up to contract signing of the contract packages of these projects listed in Table 2.

Table 2: List of Projects for Detailed Engineering Designs

	Description	Scope
1	Guadalcanal roads including two bridges ¹ (i) Town Ground to White River- Upgrade from two lanes to four lanes (existing sealed, urban) (ii) White River to Doma – Rehabilitate (existing sealed, rural) (iii) Tambea to Naro - Upgrade and sealing (existing unsealed, rural) - including the bridge at Kasao (iv) Naro to Lambi - rehabilitate (existing unsealed, rural) - including the bridge at Malachchi (v) Henderson to Mberande - Rehabilitate (existing sealed, rural)	3.1 km 23.0 km 9.0 km 14.0 km 31.0 km
2	Rehabilitation/expansion of the international wharf in Noro ² Firm is expected to establish the design criteria for seismic hazards at international wharves at Noro and Honiara.	Final Scope to be determined from Feasibility Study being conducted. The firms are expected to provide proposals provisionally to expand the current quay length from 60 meters to 150m, to serve purse seiners and

		container vessels of up to 2000 TEUs at Noro Port.
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Notes:

1. Feasibility Studies to be completed under RETA 9331: Strengthening Domestic Transport Connectivity in the Pacific for the Roads Sub-sector.

2. Feasibility studies to be conducted under RETA 8674: Trade and Transport Facilitation in the Pacific for the Maritime sub-sector

- (i) Prepare bankable documents to seek financing from ADB. The PPC will also finalize the due diligence documents and prepare all other relevant documents for follow-on investment projects for ADB financing. The modality (ex. Multi Financing Facility-MFF, Sector, or Project) and whether to prepare two separate projects for International Wharf and other components or single project will be discussed and agreed with MID and ADB during contract execution. This includes, but is not limited to, preparing Periodic Financing Request (PFR) for MFF lending mode.

III. THE SCOPE OF SERVICES

5. The scope of services of PPC includes, but not limited to the following²:

General

6. In consultation with the IAs, the EA and ADB, the PPC will re-confirm the scope of project preparation, and detailed engineering designs for the targeted investments. The selected priority transport sector investments should demonstrate suitability for potential development partner financing from a technical, economics, climate resilient and safeguards perspective with a significant contribution towards social and gender benefits, and poverty reduction in the region, and finance a time-slice of their national transport infrastructure strategies. **For the subprojects indicated in Table 1, the firm is expected review the existing surveys and investigations undertaken by the two Regional Technical Assistance, and undertake additional surveys as needed and update them where necessary.**

Feasibility and Engineering Designs

7. Undertake traffic, seismic, geotechnical, topographic, traffic, bathymetry, Cadastral survey hydrology, hydraulic, environmental and social surveys as required for each proposed transport sector investment project to prepare technical, financial and economic feasibility studies and due diligence documents. The firm is expected to determine the extent of the surveys (including the number of boreholes for geotechnical surveys) to ensure adequate seismic and geotechnical data is available for designs. Cadastral surveys should cover all roads, wharves and ports (international wharves) projects to finalize the inventory of lands, containing parcel-based information on the use of land, rights to the land, mode of holding the land (land tenure), area, encumbrances and restrictions, land value, the name of land owner and location to determine affected plots for construction of new alignments for road subprojects, new lands for domestic wharves and international wharves (ports) if any, using land inventory map developed under the engineering study. The consultants are expected to submit electronic versions of the cadastral survey results.

² The consultants are expected to use and update the feasibility studies undertaken by two RETAs for the scope listed in detailed designs in Table 2 above.

8. Propose technical options for improving sections of candidate roads, including consideration of geometric alignment, pavement strengthening, and rehabilitation and/or widening of bridges, climate and disaster features considering traffic forecasts and, wherever possible, seeking to avoid or minimize land acquisition and involuntary resettlement. The design criteria and features proposed from ongoing feasibility studies (footnotes 1 and 2 of Table 2) from RETAs for roads to be considered in determining options for new roads.

9. Domestic wharves: Establish design criteria suitable for internationally acceptable design standard including Australian and New Zealand. A reference must be given to the design criteria as well as lessons learnt from the ongoing Domestic Maritime Support Project to ensure the designs features to cater to conform to the wave and seismic design requirements, maintenance requirements, user friendliness and safety particularly for women and the elderly as well as fishermen, suitability for cargo handling, minimized erosion and siltation, minimized adverse impact on the environment, an access road to the wharf and ramp that a 2-ton truck can use, and other wharves facilities like resting and storage facility as deemed appropriate.³

10. Undertake detailed engineering designs and drawing for targeted investments with due consideration for improved climate resilience, safety, improved access for vulnerable users and non-motorized traffic in roads including women, environmental and social safeguards considerations, and all other necessary requirements for approval of ADB-financed projects. The final technical designs should provide accurate cost estimates with due consideration of market conditions, availability of labor and materials, and international competition in Solomon Islands.

Safeguards

11. Prepare safeguard's due diligence reports consistent with the ADB's Safeguards Policy Statement 2009 (SPS) and the Ministry of Infrastructure Development's Safeguards Procedure Manual (SPM) <https://www.adb.org/sites/default/files/linked-documents/46499-002-spmab.pdf>, for each proposed project as part of the feasibility studies.

12. For projects in Table 1, screen and categorize each project in accordance with the SPM and the Environment Act 1998 and Environment Regulations 2008. Coordinate with ADB for review of the screening and categorization and no objection to proceed to appropriate level of due diligence and assessment. Depending on the results of the screening, undertake an environmental assessment and prepare the relevant report of either the Preliminary Environment Report (PER) or Environmental Impact Assessment (EIA).⁴ If an EIA is required, prepare the draft terms of reference (TOR) for the EIA and consult the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECCDM) and ADB on the TOR, and revise the TOR as per suggestions from MECCDM and ADB.

13. Based on the detailed engineering design, update the safeguards due diligence assessments. Environment Management Plan will also be updated and incorporated into the bidding documents. The updated environmental assessment will be formatted to meet the requirements for application for development consent under the Environment Act. The output will include the preparation of the application for the development consent using the appropriate form.

³ ADB. 2008, *Proposed Grant and Administration of Asian development Fund Grant Solomon Islands: Domestic Maritime Support Sector Project*. Manila.

⁴ The PER is more or less equivalent to the initial environmental examination for category B projects as required by SPS. The PER will include additional requirements as necessary to fill any gaps between the requirements for PER and those for the Initial Environment Examination (IEE).

14. During pre-construction for Honiara and Noro International Wharves, an environmental management plan or environmental management guidelines to be derived to form a risk assessment is to be included in the contracts for the geotechnical investigations and Unexploded Ordinance (UXO) assessment and clearance, to avoid, mitigate and/or manage the anticipated environmental, health, and safety impacts. The consultants are expected to identify and propose risk avoidance and management measures for impacts associated with the UXO assessment and clearance (from land and marine areas of the existing cargo-handling facilities and proposed port development area) and activities associated with the geotechnical investigations. In addition to the requirements set out in the World Bank Group's Environmental, Health, and Safety Guidelines and the International Finance Corporation's performance standards, (https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES) this will include a review of the best practices for UXO assessment, clearance, and disposal in the region and any procedures implemented in the Solomon Islands. Examples may be derived from, among others, the Kiribati Road Rehabilitation Project, and Munda Airfield Extension Project (Solomon Islands).

15. Resettlement plan (RP) or due diligence report (DDR) and Indigenous Peoples (IP) Plan (if required)⁵ must be prepared during the feasibility study. A DDR will be for government land or existing government lease. Otherwise, if any private land is required to be acquired, restriction on land use or access will take place, assets on private land will be affected, or an easement created for any land-based infrastructure, an RP is to be prepared in accordance with the pertinent government laws (including MID's SPM) and ADB's SPS. Audit of existing facilities will also be undertaken, and corrective action plan prepared accordingly. These safeguards documents will be updated and finalized based on the detailed engineering design and cadastral survey. A detailed measurement survey/inventory of losses of all impacts to affected persons to be undertaken and included in the final RP. Meaningful consultations with all affected persons and relevant stakeholders will be ensured. Institutional arrangements and capacity building required to implement the social and environmental safeguards plans will be confirmed, and costing to implement them will be provided. Safeguards workshops will be carried out for government staff and local authorities on ADB's SPS and the investment project safeguards framework and plans.

Poverty and Social Assessment

16. Undertake and update poverty, social and gender assessments based on the outcome of the detailed design. Prepare and update the Summary Poverty Reduction and Social Strategy and Gender Action Plan (GAP) for each project based on the assessments' findings and in accordance with ADB's Handbook on Poverty and Social Analysis, and ADB's Gender Toolkit. <https://www.adb.org/sites/default/files/institutional-document/33763/files/handbook-poverty-social-analysis.pdf>. The GAP shall mirror the project's design and monitoring framework outputs. It should include gender-inclusive design features of the project, gender targets and indicators, timelines, assigned responsibilities and implementation arrangements. The cost estimate for GAP implementation and monitoring shall also be prepared, including required capacity building for the implementing agency if necessary. Conduct a stakeholder analysis, in coordination with the environmental and social safeguards, and prepare a stakeholder consultation and participation plan to ensure continuing stakeholder engagement during project implementation.

⁵ If IP's are the majority of project beneficiaries and when only positive impacts are identified, a separate IP plan is not required but the elements of an IP plan will be integrated in the overall project design. This also requires assisting the government to organize free, prior and informed consultations with the affected IP communities about the project and that there is broad community support for the proposed project if required.

Climate Change

17. Prepare or update the climate change vulnerability and disaster risk assessments for the target project areas. Provide cost estimates for each investment proposal for the incremental costs associated with Climate Change Adaptation and Disaster Risk Management (CCA/DRM) to ensure better resilience to impacts of anticipated climate change and natural disasters.

Economic Analysis

18. Prepare and update an economic analysis of the proposed road, international wharves (ports) and domestic wharves projects using any other applicable model individually and in combination; distribution analysis; and estimation of the poverty impact ratio following 2017 ADB's Guidelines for the Economic Analysis of Projects (<https://www.adb.org/documents/guidelines-economic-analysis-projects>). Calculate the Economic Internal Rate of Return (EIRR) individually for each subproject. The EIRR needs to be undertaken for each of the option analysis with and without the climate change and disaster risk management incremental costs.

19. Undertake sensitivity analysis on the risk factor considering likely financing limitations, to develop a recommended priority ranking and a recommended set of primary road improvements to be implemented under a follow-on project, considering economic rates of return, network considerations, findings of the initial social assessment, and expected poverty reduction and socioeconomic impacts.

Financial Assessment

20. Conduct and Update financial evaluation of project viability and financial analysis and sustainability of entities consistent with technical designs in accordance with ADB's Guidelines on Financial Management and Analysis of Projects (2005). <https://www.adb.org/documents/financial-management-and-analysis-projects> Conduct EA/IA Financial Management Assessments (FMA) for the proposed investment projects, including capacity assessments. Design fund-flow mechanisms in accordance with ADB's Loan Disbursement Handbooks (2015) with due consideration of FMA and the financial management capacity of the EAs and IAs. If FMA's have been conducted by ADB or other agencies in the recent past, review the results and ascertain whether these can be used as input. Assess capacity of the IAs for planning and budgeting, management and financial accounting, reporting, auditing, internal controls, and information systems. Review proposed disbursement and funds-flow arrangements, finalize the financial management risk rating and identify measures for addressing deficiencies.

Procurement

21. Assist the IAs in procurement activities including but not limited to preparing or updating procurement plans, setting out proposed civil works contract packages, consulting assignments, and appropriate modes of procurement. Finalize and update the procurement risk assessments undertaken through the RETAs of MID and SIPA in accordance with ADB's Procurement Guidelines. Prepare a project readiness plan for each investment project. Prepare and finalize bidding documents for civil works and TOR and Request for Proposals for the supervision consultancy in accordance with ADB's Procurement Guidelines. Support IAs in inviting bids, issuing documents, responding to queries, issuing addenda, managing site inspections and pre-bid meetings. Assist in evaluating the bids and preparation of bid evaluation reports.

Risk Assessment

22. Prepare and update the risk assessment and risk management plan covering risks identified in each due diligence assessment. Each risk should be rated based on their sensitivity as substantial, high, low or moderate.

Project Documents for follow on Projects

23. The firm is expected to recommend different options for a pipeline investment projects for ADB financing. Once agreed with ADB and the government, the firm is expected to prepare and update all necessary project documents including link documents for a pipeline project for ADB financing. In prepare design and monitoring frameworks should be in line with the ADB Guidelines for Design and Monitoring Framework, <https://www.adb.org/.../32509/guidelines-preparing-dmf.pdf> clearly indicating project impacts, outcomes, outputs and inputs, their risks, performance indicators, targets and baseline details, and data sources.

Project Management, Coordination, and Quality Assurance.

24. The PPC shall prepare detailed task schedule during inception and follow the schedule; follow-up on internal and external deliverables and approvals; closely monitor and coordinate survey & investigations if it is proposed to be conducted by an external firm. All design steps and deliverables should be subjected to firms in-house rigorous quality control and quality assurance systems. PPC is expected to employ a separate design reviewer in confirming detailed designs conducted by the firm and the outputs should be supported with an in-house quality assurance certificate.

25. In addition, the government will also engage independent design review consultants (IDRC) to verify the design approach, constructability, durability, cost effectiveness of the options selected by the PPC and specifications (Refer Section V), PPC is expected to work closely with the IDRC.

26. The PPC, in close consultation with CPIU, will prepare design standard manuals for road construction, considering internationally recognized standards as well as modern construction technologies applicable to Solomon Islands. The PPC will deliver training programs to CPIU staff regarding the design standards, construction supervision, quality assurance and control for road rehabilitation and maintenance.

IV. Deliverables

27. The consulting services will be implemented over 36 calendar months from the commencement date. The following reports, in the English language, will be submitted by the consultant to the government (3 copies) and ADB (2 copies), including CD-ROM.

Table 3: For Roads and Domestic Wharves

Outputs	Description	Due date from signing of the contract
1. Inception Report	Confirm: 1. TOR and proposed experts.	6 weeks

	2. The methodology and work program 3. Resources and deliverable schedule	
2. Draft Feasibility Study Report	This report contains components which are fundamental and precedent to initial approval on the project covering the roads and wharves listed in Table 1.	5 Months
3. Final Feasibility Study Report	Revised Feasibility Study report incorporating the comments to the draft Feasibility Study report for the Roads and wharves listed in Table 1.	6 Months
4. Draft Design Report	(i) for the roads listed in Table 2. (ii) for the roads and wharves listed in Table 1. Should include bidding stage design details and drawings, specifications, detailed bill of quantities, and detailed cost estimates	5 months 9 Months
5. Final design report	Revised final report incorporating the comments. (i) for the roads listed in Table 2. (ii) for the roads and wharves listed in Table 1.	6 Months 9 Months
6. Bidding documents	A full set of bidding documents following ADB's Procurement Guidelines and its standard bidding documents for using the international competitive bidding procedure. The final bidding documents should be suitable and ready for MID to issue both in hard copy and an electronic copy. The procurement packages and sizes will be decided during the feasibility and detailed designs stage and should cover a minimum of two sets of documents for Roads and Domestic Wharves separately. (i) Roads listed in Table 2 (ii) For the Roads listed in Table 1 (iii) For the Wharves listed in Table 1	7 months 10 Months 10 Months
7. Procurement and safeguards support	Monthly reports Assist CPIU for the safeguards and procurement activities from invitation to contract award for both supervision consultants and for civil works	Over 36 months' period (intermittent inputs after the detailed design phase)
8. Final safeguard documents	The following documents will be finalized to reflect the detailed designs: Environmental safeguards. The environmental safeguard documents such as the Initial Environmental Examination (IEE) shall be reviewed and finalized, taking full	

	<p>consideration of the detailed design of the project. The consultant shall also be required to deliver further assessments as required to obtain all necessary environmental clearances from the government for the project. The consultant will prepare an environmental management plan for the civil works to form a part of the bidding documents. Check and confirm whether the environmental categorization has changed; and if so, the consultant shall undertake all necessary measures to ensure ADB's safeguards policies are complied with.</p> <p>Social safeguards. The social safeguard documents – including the RP/DDR and Indigenous Peoples Plan (if required) shall be reviewed and finalized, taking full consideration of the detailed design of the project and government and ADB safeguards policy requirements. MID will submit to ADB the finalized safeguards documents, which ADB will post on its website. Summary Poverty Reduction and Social Strategy (SPRSS) and GAP will also be reviewed if there are further updates which need to be considered based on the detailed design.</p> <p>(i) for the roads listed in Table 2.</p> <p>(ii) for the roads and wharves listed in Table 1.</p>	<p>7 months</p> <p>9 Months</p>
9. Final Project Documents	All final documents related to follow on investment project for ADB financing. After consultation with ADB for final scope based on the funding availability lending modality	10 Months
10. Final Report		36 Months

Table 4: For Noro International Wharf

Outputs	Description	Due date from signing of the contract
1. Inception Report	<p>Confirm:</p> <ol style="list-style-type: none"> 1. TOR and proposed experts. 2. The methodology and work program 3. Resources and deliverable schedule 	6 weeks
2. Survey Reports	The Survey report shall document the surveys, investigations and tests which have been completed to undertake the detailed engineering design. All survey data will be submitted as digital data readable with most common computer software.	3 weeks after completing field Surveys.

3. Design Report	The consultant shall retain full responsibility for the suitability of the selected design standard, and in cases where standards from different countries used in combination. The design report shall summarize all analysis done for the design aspects including geotechnical, topographical, and hydrographic surveys, natural conditions, establishment of design criteria that is suitable for ANZ standards, structural and geo-technical design, design options considered, land use, environment, environmental management plans, quantity calculations, unit price analysis and cost estimates with supporting data and calculations. The consultant shall also submit a soils and materials report, including location maps.	4 months
4. Bidding documents	A full set of bidding documents following ADB's Procurement Guidelines and its standard bidding documents for small works using the international competitive bidding procedure in accordance with ADB Procurement Guidelines. These final bidding documents should be suitable and ready for SIPA to issue both in hard copy and an electronic copy.	5 months from signing of the contract
5. Procurement And Safeguards support	Monthly reports Assist SIPA for the safeguard's and procurement activities from invitation to contract award for both supervision consultants and for civil works,	Over 30 months' period (intermittent inputs)
6. Final safeguard documents	As in table 3 above.	As in table 3 above
7. Final Project Documents	All final documents related to follow on investment project for ADB financing. After consultation with ADB for final scope based on the funding availability lending modality	08 Months
8. Final Report		36 Months

Table 5: For the Honiara International Wharf

Outputs	Description	Due date
1. Seismic and Geotechnical survey and reports	At least, two boreholes will be drilled at each port facility site with a sufficient depth to determine the type and depth of foundation for the structures. Samples of soil will be collected, and N-value will be investigated at each layer. The consultant will carry out geotechnical survey to determine the type and depth of the foundation for the maritime infrastructure to construct. This will include soil sampling and testing at appropriate intervals, as necessary for foundation design and any other geo-technical and soils investigations and testing necessary for detailed design.	3 weeks after completing field Surveys.

V. Review and Acceptance of Outputs procedure

28. Each of the outputs of PPC will be reviewed by the government through MID's CPIU (for roads and domestic wharves), and Project Management Unit of SIPA (for Noro international wharf) supported by the IDRC. The design criteria as well as the draft/final designs subjected to the review by the IDRC. Therefore, the PPC is expected to share all the designs documents and communicate effectively with the IDRC throughout its engagement. The PDF Draft outputs shall be submitted to Project Directors of CPIU and SIPA in both hard and soft copies, and to ADB in soft copy. The PPC will incorporate the government's comments in finalizing the documents. Upon formal acceptance of the outputs by the government and ADB, the progress payments will be made per the payment schedule specified in the contract. Standard software usable on windows shall be used for preparing the reports. The outputs and tentative payment schedule are in Table 6.

Table 6: Indicative Schedule of Outputs and Payments

No	Milestones/Deliverables	Percentage of Total (Contract Amount excluding survey cost estimates expect for Item 3)
1	Mobilization	10%
2	Inception Report (submitted and accepted)	
	Roads and domestic Wharves	2.5%
	Ports	2.5%
3	Survey Reports	
	Roads	80% of the Survey Cost Estimates for Roads
	Domestic Wharves	80% of the Survey Cost Estimates for Domestic Wharves
	International Wharves at Noro and Honiara	80% of the Survey Cost Estimates for International Wharves
4	Feasibly Reports	
	Roads	10%
	Domestic Wharves	10%
5	Design Reports including a certificate from internal design reviewer and finalized safeguard documents submitted and accepted by the government and ADB	
	Roads	10%
	Wharves	10%
	Noro International Wharves	10%
6.	All documents related to follow on investments projects	
	Roads and Domestic Wharves	5%
	international wharves	5%
7.	Bidding Documents after accepted by the government and ADB	
	Roads	2%
	Wharves	2%

	Noro International Wharves	2%
8.	Technical bid evaluation reports submitted and accepted by the government and ADB	
	Roads	2%
	Wharves	2%
	Noro International Wharves	2%
9.	Financial bid evaluation reports submitted and accepted by the government and ADB	
	Roads	2%
	Wharves	2%
	Noro International Wharves	2%
10.	Safeguards Due Diligence Support	2% based on the actual inputs and as required
11.	Final Report	5% of the contract and balance 20% of the Survey Cost

VI. Consultant's Inputs

29. The consultant firm will field teams of key and non-key experts whose skills, experience, and expertise are appropriate to the specific requirements to deliver outputs supporting the objectives of the assignment in each subsector.

30. **Key Experts.** The firm is expected to mobilize two Co-Team Leaders, one looking after the Roads/Domestic Wharves component, and the other looking after the International Wharf Component. Both should preferably be full-time employees of either the lead firm or of a Joint Venture (JV) associated firm. The consultant will deploy two distinct teams of experts to work on; (i) the International Wharf component with the PMU established under SIPA and; (ii) the domestic wharves and roads components in collaboration with CPIU. As long as the consultant can demonstrate in its Workplan and Personnel Schedule that there is no conflict of scheduling, some experts may be deployed to work across the two teams. **The tentative facility implementation plan is attached, and the consultant will be expected to confirm this at the inception phase of the assignment.**

31. The Co-Team Leader/ Senior Highway Designs Engineer will possess a bachelor's degree in civil engineering and a postgraduate degree is preferred. He/she should have a minimum of 15 years of professional experience in leading multi-disciplinary teams of experts and should have experience in feasibility studies and detailed designs for projects funded by international financing institutions such as ADB. He/she should also have previous experiences in preparing transport sector investment projects for ADB finance.

32. The Co-Team Leader- Port Planner/Design Engineer will possess a bachelor's degree in civil engineering, and a postgraduate degree is preferred. He/she should have a minimum of 15 years of professional experiences in design, project management, and implementation of maritime projects. He/she should also possess extensive experience in leading multi-disciplinary teams of experts, and preferably have experience in implementing and preparing investment projects for ADB. As Port Design Engineer, the candidate will have extensive experience in designing, or managing, the design civil works and port ancillary works (including services). Experience in developing countries and working with development agencies is preferred.

33. It is expected that after the completion of the detailed designs phase and the submission of project documents for ADB financing, the consultant's inputs will be provided on an intermittent basis for the remainder of the assignment especially for continuous community consultations, support IAs in land acquisitions and compensations, procurement and preparation of project documents for ADB financing, and facility implementation.

34. The proposing firms must include in their technical proposal; in the personnel work plan and in their financial proposal, all other non-key experts and supporting staff required to achieve the objectives of the contract in accordance with their proposed approach and methodology. Firms are also encouraged to form a JV or association with specialized firms for different subsectors and with local firms to the extent possible. **Inputs after completion of the detailed designs phase are expected to be devoted primarily to preparing the project documents for the investment project for ADB financing, with intermittent inputs from the co-team leaders, and procurement and safeguards experts to support SIPA and CPIU on the follow-on projects. All experts, whether key or non-key experts, must be a citizen of one of the ADB member countries.**

VII. Preparation of Proposal

35. Interested firms are requested to prepare a detailed description of how they propose to deliver the outputs under their "Approach and Methodology". Provide details of staff that will comprise the project team. The proposing entity must also determine and propose a deliverable mechanism for the feasibility studies, detailed designs, documents for follow-on project/s and initial project implementation support for the investment project/s. Innovative proposals demonstrating approach to handle different subsectors of the assignment (roads, domestic wharves and international wharves/port) are encouraged.

36. Only one curriculum vitae (CV) must be submitted for each key and non-key expert included in the proposal. Only the CVs of the co team leaders will be scored as part of the technical evaluation of proposals, while the CVs of non-key experts will be evaluated on pass/fail basis against their functions outlined in the firm's proposed approach and methodology. All experts included in the proposal, both key and non-key experts, must be included and budgeted for in the financial proposal.

37. Firm is expected to include in the Workplan and price in their Financial proposal the following items.

- Geotechnical investigations;
- Topographic surveys;
- Hydrological surveys;
- Seismic surveys;
- Cadastral surveys;
- Unexploded Ordinance (UXO) assessment and clearance
- Socio-economic baseline data collection, and
- Drafting facilities for detailed engineering design

VIII. Implementation Arrangements

38. The firm shall be responsible to find its own office space. The relevant experts work for Internal wharf component will be work closely with the PMU established under SIPA. The experts working under domestic wharves and roads component will work closely with CPIU. The consultants shall also be required to work with other key government officials and stakeholders as and when needed.

39. The consultant contract will be administered by MID who will closely coordinate with the CPIU and SIPA. The consultants will mobilize promptly after signing the contract agreement, and will compile, prepare and submit all required reports within the timelines mentioned in the terms of reference. The consultant will respond promptly to all queries raised by ADB and the Government agencies.

Indicative Terms of Reference of the Independent Design Review Consultants (IDRC)

A. Background and Objective of the Assignment

1. The Solomon Islands Government (the Government) has requested Asian Development Bank (ADB) to finance a Project Development Facility (PDF) to undertake preparatory works for transport sector projects under Ministry of Infrastructure Development (MID), Ministry of Commerce and Civil Aviation (MCA) and Solomon Islands Ports Authority (SIPA). The project preparatory works includes feasibility studies, detailed designs and initial project implementation support for procurement and safeguard implementation.
2. The executing agency (EA) for PDF is the Ministry of Finance and Treasury (MOFT). The PDF implementing agencies (IAs) will be the Ministry of Infrastructure Development (MID) through its Central Project Implementation Unit (CPIU) for road and maritime subsectors, SIPA for ports and any associated domestic wharves under its responsibility, and MCA for the aviation sub-sector.
3. Initially the project preparatory consultants (PPC) that will be engaged under the PDF will undertake feasibility studies and detailed engineering designs of the recommended option from options identified during the feasibility stage.
4. As a separate activity, MID proposes to engage an independent design review consultancy firm (IDRC), this consultancy, from the inception of the PPC to undertake a third-party review of the designs undertaken by the PPC. IDRC is also expected to strengthen the design review capacity of CPIU. IDRC will be recruited following the ADB *Guidelines on the Use of Consultants (as amended from time to time)* and other arrangements acceptable to ADB and will use Consultant's Qualification Selection method on **a lump-sum contract for intermittent inputs for two years**. The contract will be signed between the government and the successful consulting firm.

B. Scope of the assignment

5. The IDRC is expected to undertake an independent designs review for the following subprojects:

	Description	Scope
1	Guadalcanal roads including two bridges	
	(i) Guadalcanal Town Grounds to White River	3.1 Km
	(ii) Guadalcanal White River to Doma	23 Km
	(iii) Tambea to Naro including the bridge at Kasao	9.0 Km
	(iv) Naro to Lambi including the bridge at Malachchi	14.0 Km
	(v) Henderson to Mberande	31.0 Km
	(vi) Upgrading and rehabilitation of road from Hibiscus Avenue (Pt Cruz Hot bread to Town Ground including Mud Alley Road)	1.35Km
	(vii) Upgrading and rehabilitation of road from Honiara City Council to Town Grounds (section of the main road from city center towards the West)	1.66Km
	(viii) Port Access Roads – (3 road sections Details)	0.55km

2	Domestic Wharves - 7 numbers	Matagasi, Moli, Viru, KiraKira, Buala, Waisisi, Takwa
3	Rehabilitation/expansion of international wharf in Noro	Expand the current quay length from 60 meters to 150m, to serve purse seiners and container vessels of up to 2000 TEUs at Noro Port.

6. The consulting firm will undertake an independent technical review including but not limited to the following key aspects of the design.

Roads and Bridges:

- (i) Detail of road pavement and road geometric alignment, including road widths, carriageway, shoulders, pedestrian walkways etc.;
- (ii) Associated road drawings for location and bridge centerline, if available;
- (iii) bridge design drawings and associated information, including high level independent analysis to check for order of magnitude compliance for basic structural elements including piles, headstocks, pier columns/walls, bridge girders and bridge deck;
- (iv) Comments on bridge design and/or design criteria report, including comment/checks on design and loading standards used, traffic volumes, design life, aspects of climate change, durability etc. which have been used as part of the design process, including noting any ambiguities;
- (v) Comment on material used for roads and bridges;
- (vi) Hydraulic/Hydrology Reports, including associated information, or comment on shortfall of information;
- (vii) Geotechnical information provided, or comment on shortfall of information;
- (viii) Review of appropriateness of the proposed specification documentation;
- (ix) Comments on suitability of design for ongoing maintenance requirements;
- (x) The above aspects to be reviewed in sufficient details to assess whether there are any deficiencies or concerns in the design details provided;
- (xi) Comments for value engineering, including buildability issues;
- (xii) Construction Cost Estimate

Ports:

- (i) Vessel design parameters and berthing requirements;
- (ii) Wave climate, design wave loads and met-ocean design criteria;
- (iii) Simulation modelling;
- (iv) Selected option against other options considered during detailed designs;
- (v) Geotechnical investigations;
- (vi) Bathymetry, topography and cadastral surveys;
- (vii) Unexploded ordnance;
- (viii) Logistics arrangements;
- (ix) Design approach for channel dredging, wharf, breakwater, port buildings, container yard and road pavement, fencing, surface water drainage, sewerage, electricity, fire, and other maritime requirements;
- (x) Construction Cost estimate;

Wharves:

- (i) Detailed wharves design drawings and associated information, including analysis to check for order of magnitude compliance for basic structural elements including columns, piles, headstocks, girders and deck;
 - (ii) Wave climate, design wave loads and met-ocean design criteria;
 - (iii) Bathymetry, topography and cadastral surveys;
 - (iv) Geotechnical information provided, or comment on shortfall of information;
 - (v) Comments on wharves design and/or design criteria report, including comment/checks on design and loading standards used, traffic volumes, design life, durability etc. which have been used as part of the design process, including noting any ambiguities;
 - (vi) Review of appropriateness of the proposed specification documentation;
 - (vii) The above aspects to be reviewed in sufficient details to assess whether there are any deficiencies or concerns in the design details provided;
 - (viii) Comments for value engineering, including buildability and ongoing maintenance issues;
 - (ix) Construction Cost Estimate
7. The above aspects will be reviewed in sufficient details to assess and confirm whether:
- (i) the proposed option is the most cost-effective option for each road, domestic wharves and Noro Port;
 - (ii) the design approach/criteria for of the elements as in above complies with international accepted design standards;
 - (iii) there are any deficiencies or concerns in the design details provided considering globally accepted roads, and maritime requirements and design standards;
 - (iv) Construction drawings, Specifications, Bills of Quantities will provide accurate information without any ambiguity allowing civil works contractor to proceed the works with due expedition.

C. Consultant's Inputs

8. The successful consulting firm is required to engage experienced and qualified individual experts in this review as necessary and proposed to undertake those reviews in parallel enabling completion of the entire review and submit draft final report within 4 weeks of each submission the design documents. Required experts and their inputs for the consulting service are estimated for budgeting and proposal evaluation purpose as indicated in Table 2.

Expert	No of Months	Qualifications
(i) Roads/highway Designs Engineer	1	Bachelor's degree in civil engineering, and masters in highway engineering. At least 12 years of experience in highway designs. Exposure to Australian standards should be preferable for this review
(ii) Bridge Designs Engineer	1	Bachelor's degree in civil engineering postgraduate degree preferred and possess at least 12 years of bridge design experience. Previous review experience preferred. Exposure to Australian standards should be preferable for this review

(iii) Hydraulics Engineer	1	Bachelor's degree in civil engineering postgraduate degree preferred and possess at least 10 years of bridge design experience. Previous review experience preferred.
(iv) Port/Maritime engineer	1	Bachelor's degree in civil engineering, postgraduate degree preferred. At least 15 years of bridge design experiences in design of ports.
(v) Maritime Structural Engineer	1	Bachelor's degree in civil engineering, postgraduate level is preferred 12 years of designs experiences in ports or wharves designs
(vi) Wave climate expert	0.5	Bachelor's degree in civil engineering specializing in Environmental Engineering Experience in similar transport project with climate change impacts and mitigation
(vii) Geotechnical expert	1	Bachelor's degree in civil engineering, or equivalent 10 years of professional experiences in geotechnical investigations for similar roads and maritime, and coastal projects in design of foundations and load bearing pavements, and the interpretation of such investigations.

9. The consultants shall also include in their technical proposal, in the personnel work plan and in their financial proposal all other key, non-key, and supporting staff to achieve the objectives of the contract, in accordance with their proposed approach and methodology. The consulting firm is expected to work closely with the design structural engineering team who have undertaken detailed engineering designs for necessary information of the current design.

10. There is no site inspection required and the review will be based on available documents to be provided by the government. The modifications recommended by the consulting firm and agreed by the government will be incorporated to the current design by PDF and updated drawings will be generated suitable for issue for tender. The review firm is required to use any international standard software tools for verification as well as to involve in discussion with original design team for any clarification before issuing the final report. The verification of the updated drawings is expected to be completed within 2 weeks.

D. Deliverables.

11. The duration of the review will be 3 weeks from the time of submission of each sets of design documents for the above subprojects. The draft final report on the review shall be submitted to the government with a copy to ADB at the end of 4 weeks and a final report shall be submitted within a week after receipt of comments by ADB, the government and other development partners and the stakeholders.

12. The deliverables for each of the roads, and maritime sector projects of the assignment are as below.

Deliverables	Estimated Submission Date
Inception Report (One report)	Within one week of the start of the assignment; <ol style="list-style-type: none"> 1. Confirm Terms of Reference 2. Confirm review approach; 3. Confirm resources, and deliverable schedule
Draft Final Design Review Report (Multiple reports)	Four weeks of the received of the designs; <ol style="list-style-type: none"> 1. Confirm para 6; 2. Recommendations; 3. Proposed amendments to the designs.
Final Designs Review Report (Multiple reports)	Within one week of receipt of the comments on the Draft Final Report; <ol style="list-style-type: none"> 1. Update draft final report accommodating comments 2. Initial updated design drawings enable issue for tender

Indicative Terms of Reference of the Facility Coordinator

A. The Facility Coordinator

1. **Objective.** The main objective is to assist Ministry of Infrastructure Development (MID) and Ministry of Communication and Aviation in smooth implementation of the Project Development Facility (PDF).

2. **Scope of services.** The scope of service will include: (i) provide necessary technical and overall coordination support for Central Project Implementation Unit and Solomon Islands Port Authority to implement and manage the facility; (ii) organize and convene facilitate steering committee and coordinating committee; (iii) and coordinate among Project Preparatory Consultants (PPC) and Independent Design Review Consultants (IDRC) to ensure smooth documentation flow and effectively and effectiveness project preparatory works .

3. **Indicative Tasks:** The facility coordinator will:

- (i) Review the summary implementation schedule and prepare a detailed implementation schedule for the PDF.
- (ii) Organize quarterly facility coordination meetings at MID and semi-annual facility steering Committee meetings at MOFT. Prepare minutes and take necessary follow-up actions to implement the agreed actions during the meetings.
- (iii) Review and improve the exiting feasibility, design and procurement document control system within the CPIU.
- (iv) Assist in CPIU director in administration of the consultancy firms and individual consultants that will be recruited under the PDF.
- (v) Formulate and implement a design review capacity development program for the CPIU engineering staff.
- (vi) Advice CPIU director and MID to formulate future interventions in transport sector considering the Sustainable Transport Infrastructure Investment program and Solomon Islands Government investment program for the transport sector.
- (vii) Coordinate the activities undertaken by the two ADB funded RETAs, and from the proposed STIIP consultancy firm.
- (viii) With the inputs of firm and other individual's consultancy inputs prepare and submit quarterly facility progress reports for the Director CPIU.
- (ix) Take proactive actions to address any social and environmental issues impacting the facility implementation by bringing to the CPIU director's attention and assisting to troubleshoot the issue.
- (x) Provide summary progress report for the CPIU director to NTF Board.

4. Outputs and Reporting Requirements

- (i) CPIU Director support strengthened on facility management.
- (ii) Feasibility studies, designs and procurement documents review capacity of CPIU strengthened;
- (iii) Firm and individual consultant's outputs are delivered and achieve contracted requirements;

- (iv) Effective subproject management, monitoring and reporting (on budget, on time, within scope and to the required quality), monitoring and reporting to meet government and ADB requirements;
- (v) DMF milestones achieved;
- (vi) Regular submission of QPRs and a PCR

5. **Minimum Qualification Requirements:** The facility coordinator will have a background appropriate to the tasks and output set out above, with at least 12-15 years successful experience in a leadership role in relevant transport infrastructure projects, a degree in transport engineering, civil engineering, or the equivalent from a recognized university, a comprehensive understanding of good management practice in developing countries. A previous experience in Pacific countries and/or project preparatory facility will be an added qualification.

Table 1: Project Design and Monitoring Framework

Impact(s) the Project is Aligned with^a			
All Solomon Islanders have access to essential services and productive resources and markets (National Development Strategy, 2016–2035). ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome			
Readiness of priority transport projects in MTTAP for funding improved	By 2022: a. At least 50% of the contracts are awarded within 1 year of loan and/or grant approval of the projects. 2018 Baseline: NA	a. Country portfolio review mission: background paper in 2021	Delayed financing for follow-on projects
Outputs			
1. Feasibility studies and detailed designs completed for selected priority projects.	By 2021: 1a. Detailed designs completed for at least two projects and feasibility studies for three projects with at least 40% women's participation during consultations. 1b. Gender assessment completed as part of all feasibility studies and at least two gender action plans prepared. 2018 Baseline: NA	1a. Quarterly consultant's reports 1b. Quarterly consultant's reports	Changes in government priorities because of change in leadership
2. Initial implementation for new transport projects is supported	By 2021: 2a. Bidding documents for at least two projects are ready before project approval. 2018 Baseline: NA 2b. All safeguards documents are completed before project fact-finding with at least 40% women participation during consultations 2018 Baseline: NA	2a. Quarterly consultant's reports 2b. Quarterly consultant's reports	
3. MID's capacity in designs review, contract supervision, and quality assurance strengthened	By 2019: 3a. The design review unit in the CPIU is operational. 2018 Baseline: 0 3b. 10 staff reporting increased knowledge on designs review and quality assurance 2018 Baseline: 0	3a. Quarterly consultant's reports 3b. Quarterly consultant's reports	

Key Activities with Milestones

1. Feasibility studies and detailed designs completed for selected priority projects

- 1.1 Select consultants by November 2018.
- 1.2 Undertake feasibility studies for one project by July 2019.
- 1.3 Prepare the detailed designs for two projects (Guadalcanal Roads and Noro Port projects) by September 2019.

2. Implementation support for the new transport projects is supported

- 2.1 Prepare bidding documents for two projects by August 2019.
- 2.2 Provide safeguards and procurement advice to the implementing agencies until December 2021.
- 2.3 Mobilize resources for community consultation and engagement until December 2021.

3. Ministry of Infrastructure Development's capacity in design review, contract supervision, and quality assurance strengthened

- 3.1 Strengthen the design review unit and documentation flow within the CPIU by June 2019.
- 3.2 Provide feasibility and design review support to the implementing agencies until December 2021.
- 3.3 Provide contract supervision and quality assurance support until December 2021.

Inputs

ADB: \$6.0 million (Asian Development Fund grant)
Government: \$0.96 million

ADB = Asian Development Bank, MID = Ministry of Infrastructure Development, MTTAP = Medium-Term Transport Action Plan, NA = not applicable.

^a Government of Solomon Islands. 2016. *National Development Strategy, 2016–2035*. Honiara.

Source: Asian Development Bank.