

Infrastructure Symposium
21th October 2021 – FFA Conference Room

Chairman's Welcome Remarks

Salutations

- Prime Minister of Solomon Islands, the Honorable Manasseh Damukana Sogavare.
- Honorable Ministers and Members of Parliament
- Permanent Secretaries and Senior Government officials and commissioners
- Your Excellency, Ambassadors, Heads of Missions and Representatives of the Diplomatic Corp to Solomon Islands
- Governor of Central Bank of Solomon Islands
- Executive and senior representatives of State-owned enterprises and businesses
- SICCI Board Members,
- Members of the SICCI
- Staff of the Forum Fisheries Agency
- Distinguished Guests, both joining us online and here, Ladies and Gentlemen,

It's an honour & privilege to welcome you all this morning and to say a few short remarks on this historical event.

Acknowledgment of SIG and Development Partners

Firstly, I wish to acknowledge our Hon Prime Minister for again demonstrating the Government's and your personal support to the Private Sector by attending the first ever infrastructure symposium hosted by SICCI in partnership with the

Solomon Islands Government and our Development partners. Your Attendance reaffirms your government's willingness to continue collaborating with the private sector and for that we are truly grateful. I would like to express my gratitude. To those who have accepted our invitation to present for us today and tomorrow.

I would also like acknowledge our partnership with the development partners over the years. Thank you for the support you have continued to render to SICCI: we will not be here today without your willingness to collaborate

Hon. Prime Minister, I would like to again take this opportunity to acknowledge and express the private sector's gratitude to your government's efforts and the hardworking law enforcement officers, Doctors, Nurses and front liners who are keeping Solomon Islands safe from COVID since the beginning the pandemic in early 2020.

Ladies and gentlemen I believe this Infrastructure Symposium is timely and relevant in the context of current events. It is timely as the world continuous to navigate through the most challenging health emergency of our generation. But as we protect our borders and our people, we must also start exploring strategies for robust economic recovery.

Acknowledge Current Pipeline of Infrastructures

Studies have shown that one of the most effective means for economic recovery is through infrastructure spending. Solomon Islands' unprecedented infrastructure pipeline will deliver development outcomes to the community and

business alike, improving their ability to produce and consume goods and services more efficiently. Infrastructure investment may also increase employment in the near and medium term.

On that note I would like to acknowledge the actions taken by the Government and our development partners for their commitment to increasing economic opportunities and improving productivity via infrastructure spending. It is my understanding that the total amount of infrastructure spending is around \$10 Billion SBD over the next 5 years and this is expected to increase.

I believe our presenters will share more information with us regarding their infrastructure plans.

However, As a small country with a small economy, such an injection of capital has to be carefully managed to ensure that Solomon Islands and Solomon Islanders maximize the full benefits over the coming years.

That is why we, on behalf of the private sector and the general public as a whole, would like to understand further how these opportunities will be realised.

1. Over the next day and a half we hope to gain a clearer picture of how much of the \$10 Billion being spent will be spilt over into the economy
2. How many jobs will be created?
3. What are the government policies in place to support local participation and job creation?

4. What are some of the Procurement processes set in place to increase local participation by our development partners and international financial institutions?

Ladies and gentlemen, I believe now is the time to ask these questions as we stand at the starting line of this boom of construction activity. We cannot fully maximize the benefits of these infrastructures unless there is local content or local participation. If we don't, then there is a risk that **Solomon Islanders will be spectators rather than active participants** in the nation's development.

To set the scene for today, we have asked for information from key stakeholders on their infrastructure development projects and programs. The key focus of this symposium is to discover together the elements of local content being implemented, planned or piloted in the many infrastructure projects that will support Solomon Islands economic recovery

Introduction to Local Content

You might ask what is local content?

Well local content has no specific definition however in this context it is referred to as local involvement, local participation or localization. Therefore local content in infrastructure development includes the involvement of local businesses, local labour and local expertise in the design, build and maintenance of infrastructure assets.

Increasing local content in infrastructure development is a major contribution to the local economy, more jobs, greater economic activity and increased positive flow-on effects to the broader economy, while supporting local industry development. However this can only be achieved if it is policy driven by the government and has to be requested by government to our developing partners.

For our long-standing or ‘traditional’ development partners, encouraging local content in your policies and procurement processes is part of the commitments you have made under The Paris Declaration and Accra Agenda for Action for Aid effectiveness. These commitments focus on 4 main areas for improvement which are;

1. Local ownership of development
2. Inclusive partnerships
3. Delivering Results
4. And Capacity Development- where development partners build the ability of countries to manage their own future.

We hope that our new partners can also take these on board

I strongly believe that by supporting local participation in the projects that you fund, you can definitely help us build our capacity to manage and deliver our own future – this is what development is all about.

Tomorrow we will introduce the local content paper that SICCI has been developing this year. A summary of the paper I believe most of you have received. This paper will be presented further tomorrow by the SICCI team.

The paper is a foundation, a working paper, to constructively build on the findings and recommendations from what will be discussed here today and tomorrow.

It sets a foundation for all of us, regardless of sector or role, to engage in effective dialogue to support our advocacy of local content - so that we can identify what needs to be done to build strong and sustainable frameworks to empower and strengthen local involvement.

It highlights the benefits of local content, and some of the issues hindering the implementation of local content in a small market like Solomon Islands and it also gives us an opportunity to look at what our neighboring countries are doing to promote local content.

For example, in Papua New Guinea the 2018 National Procurement Act instills the core objective of enhancing local content in government procurement by embedding procurement thresholds in legislation.

It States in the Act that any contract that is less than 10 Million Kina is reserved for national companies and citizens. Any Contract between 10 Million Kina and 30 Million Kina has to at least have 50% local participation. These are some of the ways we could encourage local content.

We know that the Government is a strong supporter of creating job opportunities for Solomon Islanders – we stand ready to work with you to identify ways of increasing local participation without compromising on quality or value.

Ladies and Gentlemen. Solomon Islands has one of the highest population growth rate, and Honiara the highest level of urban density in the Pacific but very few jobs on offer. This poses major risks to our security and stability. We need to provide more opportunities for our people, provide more jobs so that our people – particularly our youth – have a future to look forward to, and so that they stay away from participating in criminal activities.

Conclusion:

In conclusion ladies and gentlemen we are not discouraging competition, we are instead asking for a level playing field where Solomon Islanders are better placed to compete. We do not want to be spectators, but on the field as part of the team. This is the private sector's call to the government and Development partners.

Going forward, it is our hope that local participation in these upcoming projects will help train our people to not only maintain the infrastructure after they have been completed but also to build our capacity to prepare for future projects. So that one day it will be the norm, not the exception, for Solomon Islands infrastructure to be locally led and delivered.