# Solomon Islands Chamber of Commerce and Industry (SICCI)

#### **PRIF WEEK**

The Challenges and Opportunities of Local Contractors

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# Brief Background – SICCI Organisation

- Peak body representing the private sector in Solomon Islands
- SICCI has 200 plus members
- Advocate on issues affecting businesses to create an environment which they can thrive in.
- Has an MoU with SIG signed in 2017 and re-signed in 2020.



### Vision & Mission

 Vision: A vibrant private sector that leads to better lives

 Mission: Champions policies that influence policy change and providing value adding services to our members





## Strategic Approach

<u>Advocacy</u> – Policy dialogue with government on behalf of members

#### Value Adding Services –

- Facilitating trainings for SMEs,
- networking events for members,
- dissemination of information and;
- engaging with key stakeholders



### Post COVID 19 Focus



- Private Sector Led growth
- significant path is to maximise benefits to local economy through prioritizing local content within the huge infrastructure projects rolling out in the Solomon Islands;
- SICCI Infrastructure Symposium 2 days (21 and 22 October 2021)



# Background: Local Content Issues Paper

• SICCI has developed a Local Content Issues Paper which flags the issues raised by business in relation to the current policy settings and need for change to support greater local involvement in infrastructure to seize the opportunities that will come with the Solomon Islands infrastructure pipeline.



• Global Economic Landscape: External shocks historically prompt stronger consideration of localisation policies (GFC and Covid-19).

• Local Content: Needing to increase local content in infrastructure development is a longstanding issues in development – 20 years ago.



# Benefits of increased local content

Stages in the Project Cycle

Project identification, feasibility and initial planning

Appointment of consultants

Detailed design and specification

Procurement Strategy

Selection of Contractor

Contract agreement, monitoring and enforcement

Handover, operation and maintenance

Benefits

More employment in construction

Increased development of technical skills and expertise

Opportunities for local consultants

Increased work for local contractors

Industry knowledge, standards and capacity increases

Market openings for local suppliers of materials

Increased economy-wide benefits brough the supply of associated good and services

Contributions to

Development Outcomes

Inclusive Growth

Poverty Alleviation

Sustainable Infrastructure
Services



### Business Insights

SICCI's local content policy has been developed, the following are the results:

- Local content not explicitly considered in the design phase.
- Small and medium-sized building and construction businesses:
- Key issues identified by <u>larger building and construction</u> <u>businesses</u>:
- Skill barriers:
- Lack of <u>local procurement of building supplies</u>
- Greater opportunities for further <u>local procurement</u> of associated goods and services.
- Other policies constrain the competitiveness of local businesses



# Key Findings

- 1) Solomon Islands policy and regulatory settings currently do not explicitly consider the objective of enhancing local content in infrastructure development.
- 2) Now is a perfect time to be considering how Solomon Islands can maximise benefits from the large pipeline of infrastructure development planned in Solomon Islands.
- 3) Many broader policy setting constrain competitiveness: of the local private sector and reform should be prioritised.



# Key Findings

- 4) <u>Procurement:</u> Further work to assess appropriate procurement mechanisms to enhance local content should be explored:
- 5) <u>Capacity development</u> <u>initiatives</u> as a means to support local content should be supported, informed by analysis of the greatest return initiatives
- ► 6) National education and training policies to be examined against future skills demand to enhance local content.
- >7) <u>Transparency</u> to support a level playing field and support confidence in the procurement system.



#### Final thoughts

- Increasing local content where possible in infrastructure development is important for increasing the broader benefits of infrastructure construction to the local Solomon Islands economy.
- It is important for industry development and more sustainable infrastructure maintenance.
- Private Sector led role and partnership is key.



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