Improving the Planning Processes in Pacific Countries

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Presentation Structure

1. Key Messages and Starting Point – PRIF Assistance
2. Public investment management and focus of this session
   – National Investment Management and Planning Phase
   – Asset Management Frameworks and the Implementation Phase
3. PRIF Tools and practices
   – Asset Management Frameworks
4. Conclusion
Key Messages

Planning is crucial to the successful public investment management.
The foundation is to have a credible asset register.
PRIF developed building blocks with simple and flexible tools to assist countries in their planning process.

Starting Point

Knowledge Base
Stuff: simple asset inventories for your major infrastructure.
Way: realistic targets and affordable levels of service.
Process: simple quantitative methods to prioritise your investments.
# PRIF Working with PICS

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<thead>
<tr>
<th></th>
<th>Tonga</th>
<th>Nauru</th>
<th>Samoa</th>
<th>Tuvalu</th>
<th>Solomon Islands</th>
<th>Cook Islands</th>
<th>Vanuatu</th>
<th>FSM</th>
<th>RMI</th>
<th>Fiji</th>
<th>Palau</th>
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<td>NIIP Update</td>
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- National Infrastructure Investment Plan (NIIP)
  - * Developed with ADB support
  - ** Requested as GCF readiness program
NIIP and AMF

National infrastructure investment plans (NIIP) can assist countries in the planning phase to overcome the issue of plans which are not well costed or prioritized.

Asset management frameworks (AMF) and how they help countries in the implementing phase particularly in overcoming the problem of ignoring the existing capital stock.
Basic Principles Questions - Planning Phase

The NIIP process attempts to:

- understand national strategic priorities (what are the goals, objectives and level of service to be provided);
- look at investment proposals and ascertain alignment with national directions whether the proposed new asset is needed to provide the required service; and
- understand whether the project make optimal use of current infrastructure and how maintenance and operations will be funded.
NIIP – The Basic Process and Principles

- Analyse of current capital stock and demand trends. Establish limitations in the quality of infrastructure and bottlenecks that constrain economic growth.
- Develop project proposals (whole of life costs) for rehabilitation and new infrastructure to meet the demand at affordable levels of service;
- Develop screening criteria and indicators based on national strategic priorities;
- Develop a quantitative prioritisation process;
- Establish a pipeline of high priority projects that contribute to the national development strategies to achieve the outcomes and objectives of the nation.
Asset Management Frameworks

PRIF has developed tools to assist countries with the ongoing development of their asset registries. The AMF developed by PRIF provides for a:

• condition assessment;
• performance assessment; and a
• climate resilience assessment.
## A tool to assess asset condition

<table>
<thead>
<tr>
<th>#</th>
<th>Condition Criteria</th>
<th>Weight</th>
<th>Condition Ratings</th>
<th>Maximum Score</th>
<th>Actual Score</th>
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<tbody>
<tr>
<td>1</td>
<td>Physical Condition Index</td>
<td>5</td>
<td>5,4,3,2,1</td>
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<tr>
<td>2</td>
<td>Service Level Index</td>
<td>3</td>
<td>5,4,3,2,1</td>
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<td>3</td>
<td>Climate Resiliency Index</td>
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<td></td>
<td>Maximum Score</td>
<td></td>
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<td>50</td>
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</table>

Health Index = Actual Score / Maximum Score x 100

<table>
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<tr>
<th>Health Index</th>
<th>Interpretation</th>
<th>Required Action</th>
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<tbody>
<tr>
<td>0-25</td>
<td>Very Poor</td>
<td>Prepare a business case for asset replacement - Include the asset replacement project in Capital Investment Plan with high priority</td>
</tr>
<tr>
<td>26-45</td>
<td>Poor</td>
<td>Prepare a business case for asset replacement - Include the asset replacement project in Capital Investment Plan</td>
</tr>
<tr>
<td>46-60</td>
<td>Fair</td>
<td>Continue with recommended maintenance - assess the need for life extension and if required include the asset life extension project in investment plan</td>
</tr>
<tr>
<td>61-80</td>
<td>Good</td>
<td>Continue with recommended maintenance</td>
</tr>
<tr>
<td>81-100</td>
<td>Very Good</td>
<td>Continue with recommended maintenance</td>
</tr>
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</table>
Lessons Learned by PRIF

• While maintenance costs are significant, they are usually not included in project design stages;
• Some government agencies register their small assets (chairs, tables) yet, national records of significant assets such as ports, roads, etc. is lacking;
• Multi-criteria analysis has been a useful tool for the prioritization of projects in NIIPs and has received strong general support.
• The capacity of the maintenance workforce could be improved. This could be done by involving local contractors in the construction phase.
Conclusion

Public investment management is a process and planning is crucial to it’s success.

Asset registers are an ongoing critical requirement, not only for knowing what you have, but the condition of your infrastructure so you can properly maintain, dispose or replace.

PRIF developed building blocks with simple and flexible tools to assist countries in their planning process and asset management frameworks.
Thank you!