

AUSAID SUPPORT TO THE SOLOMON ISLANDS EDUCATION SECTOR (2011-12)

DESIGN SUMMARY AND IMPLEMENTATION DOCUMENT (DSID)

SEPTEMBER 2010

Purpose of DSID

This package of documentation has been assembled to provide a basis for the formal appraisal of AusAID's proposed investment in an existing Education Sector Wide Approach (SWAp) in the Solomon Islands.

The existing Education SWAp, funded by New Zealand since 2004, does not operate on the basis of a separate discrete program design document (PDD) but relies on Solomon Islands Government (SIG/Partner Government) documentation.

The main Partner Government documentation comprises:

- The Education Strategic Framework (2007-15) (ESF)
- The National Education Action Plan (2010-2012) (NEAP)
- Annual Workplans of the Ministry of Education and Human Resource Development (MEHRD)

General Background

Key points on the proposed AusAID "investment" in the Solomon Islands Education Sector Program would include:

- The Education Sector Program has been implemented, mainly with European Union and New Zealand support, since 2004 and AusAID would therefore be joining an existing and well established program.
- Given that the program has been operating for a considerable period one of the challenges faced by the AusAID team was making judgements as to what material to incorporate into the DSID package given the substantial existing documentation.

Structure of DSID “Package”

The DSID package includes the following documents:

- 1. Australia-Solomon Islands Partnership for Development: Education Implementation Schedule**
- 2. Technical Note- AusAID support for improving learning outcomes through the current SWAP arrangements**
- 3. New Zealand Programme Documents**
- 4A. NEAP Action Plan 2010-12**
- 4B. NEAP 2010-12, Costing Report (MEHRD power point presentation)**
- 5. Draft AusAID Funding Agreement**
- 6. Selected Extracts from MEHRD Performance Assessment Framework**
- 7. AusAID Preliminary Fiduciary Risk Analysis**
- 8. AusAID Assessment of potential benefits**

Alignment of DSID Documentation to Peer Appraisal Criteria

Appraisal Criterion 2 and 3: Objectives and Relevance:

- The proposed support to the Solomon Islands Education sector is fully aligned with SIG priorities, plans and objectives as defined in the Education Sector Framework (ESF) and the current National Education Action Plan (2010-12).
- The Australia-SIG Partnership for Development (P4D) agreement previewed the inclusion of the Education sector within the existing “Service Delivery” Schedule. Assuming that both Australia and SIG mutually agree to the inclusion of Education as a priority area under the Partnership for Development framework, the proposed support will fully align with both Australian and SIG development priorities.
- The draft Implementation Schedule for the inclusion of the Education sector within the P4D is attached (Document 1).
 - The Implementation Schedule identifies the main activities that AusAID envisages supporting:
 - improving learning outcomes, especially in literacy and numeracy and especially for children in the early years (NEAP objectives);
 - increasing the number of Solomon Islanders who possess technical and vocational skills in areas of demand, both domestically and abroad;
 - increasing the capacity and performance of current and future leaders in the education and training sector.
- The AusAID funding agreement provides for a flexible approach to funding other MEHRD priorities that may emerge over the medium to long term.
- In terms of the approach (SWAp) AusAID will fully align with the current governance and management arrangements within which New Zealand has operated for several years. In addition, as an active SWAp partner with New Zealand and the Ministry (MEHRD) AusAID will harmonise its approach to the existing SWAp requirements including the use of partner financial systems through the use of earmarked budget support, MEHRD financial and performance monitoring systems.
 - Currently, NZ Development funds are specifically earmarked (following the annual budget discussions and agreement with MEHRD) for specific activities.
 - Each earmarked activity is assigned a separate “budget code” identifier against which the NZ funds are expended and accounted for.

- It is envisaged that AusAID funds would be earmarked in an identical manner.
- In the planning of the next “phase” of NEAP (2012-15) the potential transition from earmarked to full (un-earmarked) education sector budget support should be considered.
 - Early consideration would need to be given to undertaking “diagnostics” such as a Fiduciary Risk Assessment (FRA) of MEHRD PFM systems and controls to enable adequate consideration of such a transition.
- To maximise harmonisation and alignment AusAID has based its funding agreement (Document 5) on the existing New Zealand funding arrangements.
 - However, the AusAID funding agreement is sufficiently “broad” to enable AusAID to fund SIG sector priorities which may emerge during the duration of the funding agreement (to December 2012)
- The SWAp and associated NEAP and ESF also closely align with AusAID’s Pacific Education and Training Framework (PETF).

Appraisal Criterion 4: Analysis and Learning

- The SWAp has been subject to a number of reviews since its inception in 2004 and there is strong evidence from the reviews that lessons learned have been routinely incorporated.
- A situational analysis is provided in Document 3.
- The proposed AusAID assistance will be directly based on the MEHRD NEAP document and annual MEHRD work plans (which are also based on the NEAP).
- Extracts from the NEAP and its costing is attached as Document 4A and 4B.
 - A costed version of the NEAP has been drafted by MEHRD (with technical assistance from New Zealand).
 - The costed NEAP is an important development as it analyses sector funding up to 2012 based on two main scenarios (Basic funding including donor assistance and “Ideal” where additional funding is available).
 - Whilst not finalised as yet the costed NEAP will provide all partners with a good overview of sector funding in the medium term and identify potential funding gaps.
- Whilst not an “attribute” that has been (or can be) objectively measured, both New Zealand and AusAID agree that that MEHRD senior management has been

highly receptive and embracing of the overall direction of the sector and the SWAp

- Currently a “structural” review of MEHRD is being undertaken. Whilst the report has not yet been finalised it is expected to recommend that MEHRD realign its structure and resources to the school level (and possibly TVET level) in order to achieve improved learning outcomes and employment skills.
- MEHRD has strongly indicated that it regards improved learning outcomes as a major focus area whilst recognising that ongoing efforts will be required to consolidate and improve the improvements made to date in relation to accessibility to education and employment skills.
- Assuming that the new SIG government supports the current education policy framework and future policy directions to improve education quality, all SWAp partners will

Appraisal Criterion 5: Effectiveness

- In overall terms the Education objectives/outcomes as articulated in the ESF and NEAP are longer term objectives/outcomes.
- The major focus to date has been access to basic education and significant outcomes have been achieved although much remains to be done at other levels/sub sectors (secondary and TVET).
- International experience indicates that achieving improvement in “service quality” outcomes is generally more difficult and will take greater effort. Measuring education quality outcomes also requires a longer term perspective depending largely on the time interval (usually 3-4 years) for examination results.
- SWAp partners may want to consider defining “intermediate outcomes” with a set of appropriate “proxy” indicators as a way of measuring progress towards quality outcomes in the formulation of the next NEAP (2012-15).

Appraisal Criterion 6: Efficiency

- The risk management matrix for the SWAp is included in the documentation (Document 3) whilst a preliminary fiduciary risk analysis is attached as Document 7.
- Whilst significant risks are identified these are assessed as manageable although in some cases, for example strengthening the MEHRD internal audit function to reduce fiduciary risk, additional resources (MEHRD staff and/or external technical assistance).
- An assessment of potential benefits in supporting the SWAp are provided by Document 8.

- The financial analysis (Document 7) relates to MEHRD. In the event that AusAID funds are provided through MEHRD to the Solomon Islands College of Higher Education (SICHE) there may be a need to undertake a analysis of SICHE's financial systems and controls (assuming that this has not been done to date).

Technical Assistance:

- AusAID will set aside separate funding for anticipated TA needs mirroring the NZ TA mechanism.
 - At present no specific TA inputs have been fully identified for AusAID funding but it is considered likely that international TA inputs will be required for support to SICHE.
 - Irrespective of the outcome of the MEHRD budget bid for an Internal Audit position additional TA may be required for strengthening internal audit and accountability.
 - Depending on the outcome of the MEHRD structural review, TA may be required to support the transition to quality learning outcomes at the provincial and school level.
- At present NZ is providing one long term international TA input as a Senior Adviser to MEHRD and one other substantial international TA input as an Accountant.
- All additional TA inputs will be demand driven by SIG and decisions regarding TA will be considered in the overall SWAp context and management mechanism.

Appraisal Criterion 7: Monitoring and Evaluation

- MEHRD has established a strong Performance Assessment Framework (PAF). The PAF is underpinned by the Solomon Islands Education Management Information System (SIEMIS) which is an electronic warehouse for the collection of data on the sector.
- Details of the broader M&E framework are provided in Document 2 (Annex 3).
- Additional information on M&E is also contained in the NEAP Action Plan (Document 4: Chapter 11)
- An extract of the PAF 2006-2008 Report has also been provided (Document 5) which provides additional information on the range of indicators used as well as details of the survey completion results from which forms the basis of the system.
- The PAF is updated annually using the annual survey report from schools.

- Whilst there are a number of issues relating to the reliability of SIEMIS, including the rate of school survey returns, data quality and data entry and training of MEHRD staff, the overall system is seen as robust and comprehensive and provides a strong platform for the overall sector in terms of indicators and outcomes.

Appraisal Criterion 8: Sustainability

- AusAID has indicated in the Partnerships for Development Schedule (Document 1) that it envisages a long term (financial) commitment to the Education sector.
- The Solomon Islands Government (SIG) has also indicated its commitment to the sector including a financial commitment to maintain the sector's recurrent budget at a minimum of 22 per cent of the overall SIG budget: a level that has actually been exceeded in recent years.
- The overall economic outlook for the Solomon Islands is for lower economic growth in the short to medium term.
- A recent ABD report (2010) notes: "The global economic crisis has placed immediate pressure on the country's economy. Its impact on demand for timber exports in 2009, the deferment of gold mining, and the almost complete forest depletion will cause lower growth during 2009–2013 and place pressure on the government budget. The resulting fiscal crunch and emerging balance of payments pressures thus demand a coordinated macroeconomic policy response. In the short term, the policy mix of the Government of Solomon Islands should include recurrent expenditure restraint and prudent monetary policy."
- Given the above, ongoing donor assistance will be required in the immediate and medium term to consolidate gains made to date, including gains in the education sector.
- Sustainability in relation to the education sector can only be considered in the longer term (10-15 years) context and ultimately is likely to depend critically on improved macro economic conditions, in particular revenue growth, and also improved PFM at both the national and sector level.

Appraisal Criterion 9: Gender Equality

- The Solomon Islands' government has a Gender Equity and Women's Development Policy and has supported government wide initiatives to progress gender equity.
- It is recognised that there is inequity in access to education and employment opportunities for women and girls and that this increased awareness remains to be translated into changed attitudes and behaviours.

- MEHRD is committed to building the organisational capacity of institutions to create fairer environments and deliver better development outcomes for women and girls and students with disabilities:
 - NEAP (2010-12) (Page 12) Outcome 1 (Access and equity): “All children in the Solomon Islands regardless of gender, ethnicity, religion, location or disability, have access to Basic Education”
 - NEAP Objective : Access: (Page 14) “ To improve equal access to all levels of education for girls and boys by improving the quality of basic education and decreasing drop-out rates”: and
 - “To improve equal access to all levels of education for students and people with special needs”.
 - NEAP Transformation Outputs (page 17): “Provision of education for people with special needs” (if donor support available).

Appraisal Criterion 10: Environment

- The main potential areas where environmental issues could arise is in the provision of new educational facilities such as water and sanitation, classrooms and dormitories.
- In the period of the current NEAP (2010-12) activities will mainly involve refurbishment of existing education facilities rather than new construction
- Disaster Risk Reduction, Climate Change and Environment Issues will be incorporated in planning, monitoring and evaluation and performance reporting in relevant areas to ensure they are addressed.
- MEHRD is currently establishing a set of standards for school construction and development and this work will incorporate attention to DRR, CC and E.

Appraisal Criterion 11: Child Protection

- The AusAID child protection policy would be actioned through the (routine) inclusion of the policy in any separate contractual arrangements that may be entered into between AusAID and contractors and individual consultants to provide support to the SWAp.
- New Zealand Development applies similar child protection policy to AusAID.

**DOCUMENT 1: AUSTRALIA-SOLOMON ISLANDS PARTNERSHIP FOR DEVELOPMENT:
EDUCATION IMPLEMENTATION SCHEDULE -DRAFT-**

Solomon Island-Australia Partnership for Development

Implementation Strategy for Partnership Priority Outcome One – Service Delivery Part (B) Education and Training -DRAFT-

The Solomon Islands-Australia Partnership for Development was formalised by Prime Ministers Sikua and Rudd in Port Moresby on 27 January 2009. The Partnership for Development initiative represents a new era of cooperation between Australia and Solomon Islands and other Pacific Island nations. The initiative provides the guiding and practical framework for the implementation of the Port Moresby Declaration announced by Prime Minister Rudd on 6 March 2008.

The Solomon Islands-Australia Partnership for Development (PPD) is founded on the principles of mutual understanding, mutual respect and mutual responsibility for improved development outcomes. The Partnership reflects the shared vision of the two Governments to work together in close cooperation to meet our common challenges and to achieve improved development outcomes and sustainable improvements in the quality of life of all Solomon Islanders.

Priority outcome one: Service Delivery, whilst focused on health notes that Australia “...will also investigate options for provision of new Australian assistance to the education sector.” Part B- Education, reflects the joint priorities for Solomon Islands and Australia with regards to education

(i) Aim of the Partnership

Policy Alignment

The Solomon Island Government (SIG) **National Education Action Plan (NEAP) 2010-12** under the Education Strategic Framework 2007-2015, has three strategic goals:

- to achieve equitable access to education for all people in the Solomon Islands
- to improve the quality of education in the Solomon Islands; and
- to manage resources efficiently and effectively.

To further develop education and training in the Solomon Islands, the Government of Solomon Islands and the Government of Australia have agreed to jointly support **three Focus Areas**:

1. improving learning outcomes, especially in literacy and numeracy and especially for children in the early years (NEAP objectives);
2. increasing the number of Solomon Islanders who possess technical and vocational skills in areas of demand, both domestically and abroad;
3. increasing the capacity and performance of current and future leaders in the education and training sector.

Solomon Islands Government's Commitment

The Government of Solomon Islands is committed to improving access to and the quality of schooling. While the primary net enrolment rate is moving towards the MDG target of 100% (it is currently 94%, without consideration of the impact of the recent introduction of a “fee-

free” policy through year 9)¹, the primary completion rate has declined to 76% (2008).² At the junior and senior secondary levels enrolments are also low, 31% and 19%, respectively. Literacy rates are low: only a third of primary school completers and a half of secondary graduates are literate. SIG recognises that without a concentrated effort to increase schools’ capacity to retain primary students, and to attract and retain secondary students it is unlikely that the school system will be able to adequately contribute to economic development and community wellbeing. Policies are in place or are being developed to address access and quality of schooling issues and to lower the costs of schooling to families.

In its National Education Action Plan, 2010-2012, the Ministry has formulated a set of comprehensive activities to improve the quality of education and to improve completion rates. It is preparing curriculum for the training of ‘unqualified’ teachers by distance mode, in order that 800 unqualified teachers in Guadalcanal and Malaita can be supported to attain the Certificate of Primary Teaching in the coming two years. The distance mode will soon make this programme available to more teachers in the whole country. Selected head teachers and principals will continue to participate in specific education management training and leadership training organised by the Ministry in cooperation with USP. In the near future the Ministry seeks cooperation from development partners such as New Zealand and Australia to review existing or co-develop new courses for education management and leadership at different levels. The Ministry will continue to develop a more relevant outcome based national school curriculum for Basic Education and the first textbooks and teacher guides have been already published in partnership with Pearson Australia. The national assessment system will undergo a fundamental review by developing a National Learners’ Assessment Policy that will promote regular learners’ assessment, in particular in the early years of Primary Education and phasing out of the end of primary school formal examination. Also the review of the Inspectorate will continue which will focus on the improvement of learning processes and self assessment by teachers. Furthermore the Ministry has started to implement a detailed ‘Barriers to Education’-study to identify the main factors for school drop out and low completion rates. The outcomes of the study are expected to assist with better strategies to increase access to, enrolment in and quality of education.

It is recognised that young people need improved skills for greater employability. Although job `creation has not kept up with population growth, the Solomon Islands large youth population³ has been particularly disadvantaged: of the estimated 7,500 young people entering the workforce each year, only one in six will find paid employment - young women are disadvantaged further as only 15% of formal sector workers are female.⁴ Clearly, acquiring skills necessary for employment is a serious concern for many in the population. SIG

¹ The Coalition Government for National Unity and Rural Advancement (CNURA) introduced Fee Free Basic Education for All since the beginning of 2009. No public or Church school is allowed to charge school fees from Year 1 up to Year 9. Several surveys indicated that the enrolment (including for girls) to schools compared to 2008 has indeed increased (e.g in Honiara with 9.6% more children for primary and 6.7%¹ for secondary schools, 13% growth in enrolment for primary schools and secondary schools in Guadalcanal and 9.22% for primary schools in Central province and 23% more children for secondary, of which the mayor share is a girl). In: 2010 Trade Directory, 31st Edition, June 2010, page 28

² Between 2006-2008 primary completion declined from 83% to 76%. *Performance Assessment Framework (PAF) 2006-2008*, July 2009. Ministry of Education and Human Resources Development.

³ 44% of Solomon Islands population is under 15

⁴ 1999 Solomon Island Census

has developed policies on rural technical and vocational training and tertiary education, supports tertiary students through scholarships, and has identified the need for significant support to the Solomon Islands College of Higher Education.

There is a commitment towards greater efficiency, and to developing a cadre of future leaders for the education sector. Although the sector is only modestly funded it receives only a small portion of ODA: in 2009 the education budget was SBD500 million⁵ (25% of the SIG recurrent budget) of which 57% went to payroll⁶ and ODA per capita was \$552⁷. At the current level of funding, additional resources will be required if the National Education Action Plan (NEAP) 2010-2012⁸ is to be fully funded. The Ministry of Education and Human Resource Development (MEHRD) recognize that need to operate more efficiently. A recent expenditure review has identified policy and operational areas through which savings and cost efficiencies can be realized. Evidence of SIG's commitments to greater efficiency is already apparent in their tackling of teacher payroll management, moves to identify gaps in service delivery, a commitment to maintain at least 22% of the SIG recurrent budget to education and their intention to develop a cost-efficient medium term expenditure framework to guide sector financing.

SIG is aware of the need to have in place sector management that is committed to good policy, good fiscal management and to results. This is articulated in different (semi)-annual reports and the Human Resources Development Plans which the Ministry have recently published. Performance management and result oriented reporting have been frequently discussed in the Institutional and Organisational Assessment (IOA) which was initiated in the Ministry from 2007 onwards. This resulted in the production of HRD-annual plans. Recently the Ministry has started an open appraisal process of staff where staff will be appraised bi-annually against agreed job descriptions. Two new staff at the higher level positions (Financial Controller and Chief Accountant) have just been recruited in the account division and the Ministry continues to negotiate with the Ministry of Public Service its prioritisation of integrating accountants in different provincial education authorities in the establishment planning for 2011. A financial advisor has also been added to the Account division to assist with improved financial management. The Ministry has a well established Education sector review process in which all key stakeholders are involved (including school and student level representation). The purpose of this sector review is to identify on the basis of research evidence, where and how education services at national, provincial and school level can be best improved. The final report for 2009-10 (expected in September) will be soon shared with all stakeholders. The Ministry in all these initiatives works closely together with the Ministry of Public Service and its Public Service Improvement Programme (PSIP).

Australia's Commitment

Australia has supported education in the Solomon Islands since the early 1980s. Current Australian support to the sector has been through: scholarships provision (\$3mil/yr); a Global

⁵ SIG/World Bank, Education Public Expenditure Review (PER), 2009. Note: 2009 Budget was SBD500 mil (recurrent budget: SBD365mil + development budget: SBD135mil)

⁶ PER, 2009

⁷ USD497 / 0.9 = AUD552

⁸ NEAP basic level costing scenario indicates gaps of: SBD 29.4mil (2010), SBD 78.3mil (2011), SBD 87.2mil (2012), and ideal scenarios are much bigger- SBD 160mil (2012)

Economic Crisis in 2009 response initiative to increasing employment through school infrastructure development (\$1mil); and a performance linked aid incentive payment to the Ministry of Finance and Treasury (MOFT) for economic reforms who directed the funding (\$3mil) to the education budget to support the 'fee free' policy.

The education service delivery priority outcome described here is wholly consistent with Australia's own Pacific Education and Training Framework (PETF).⁹ Alignment with the PETF is demonstrated in a number of areas:

- It wholly reflects SIG's program priorities (as expressed in the NEAP).
- It addresses the quality of teaching and learning in basic education.
- It acknowledges and addresses the skills gap for employment and the need to strengthen technical and vocational education provision.
- It takes a long-term view and commits to at least a 10 year horizon.
- It is not overly complex.
- Its investments will be evidence-based and will benefit boys and girls and will support service delivery to marginalized populations including those with disability.
- It will gradually employ incentive structures to encourage and reward consistently high performance by government.
- It will embrace the ongoing SIG-led SWAp and align with the efforts of development partners.

Australia's indicative commitment to the sector over the next four financial years is \$32 million, as indicated in the table below. Funding will increase annually premised on achievements of agreed performance targets.

Table 2
Education and Training Indicative Resourcing Allocation from Australia

| Year, FY | | Learning Outcomes | Skills for Employability | HR leadership support |
|--------------|----------------|--------------------------|---------------------------------|------------------------------|
| 10/11 | \$5mil | 1.5 mil | 3 mil ¹⁰ | 0.5 mil |
| 11/12 | \$7mil | 2.5 mil | 4 mil | 0.5 mil |
| 12/13 | \$9mil | 5 mil | 3.5 mil | 0.5 mil |
| 13/14 | \$11mil | 7 mil | 3.5 mil | 0.5 mil |
| Total | \$32mil | 17 mil | 15 mil | 2 mil |

(ii) Measurement

Based on an agreed implementation plan and on a high level monitoring framework, see Performance Framework attached, MEHRD will, with Australian assistance, track program implementation and the meeting of time-based performance targets. Progress will then be

⁹ Australia's **Pacific Education and Training Framework** guides Australia's education program in the region focusing on *improving learning outcomes* and *increasing employability*. The framework also provides guidance on interventions and strategies to deliver on priorities including the importance of partnerships and strengthening accountability for outcomes.

¹⁰ An initial focus on the high costs associated with improving the TVET sector including SICHE, with a move to ramp up support to the learning outcomes needs including future support to secondary education.

reported to Australia (and to other donors) as part of existing sector program progress reporting at the Annual Joint Review and annual partnership talks.

In respect to the high-level indicators (numbered 1 to 5 in Table 1, annex) SIG and Australia will annually assess program progress against the three-year NEAP cycle as part of the Annual Joint Review of MEHRD's sector program. This process will allow progress to be assessed against long term targets and provide the opportunity for SIG and Australia to agree on program modifications, and adjustments of targets based on the past-year's performance. Assessing progress against a three-year rolling plan will also allow SIG and Australia to better plan program resourcing against trends and realistic performance referenced targets. Both SIG and Australia realize that this will require that a robust monitoring process to be developed and agreed to over the course of the program's first year.

The baseline information for each of the seven high level indicators will be confirmed by early 2011. Recent primary completion rates suggest a that there is a fairly consistent pattern of high drop and subsequent low completion. As the SIG's Fee Free Policy and its efforts to improve the relevance and appeal of in-class activity together with Australia's support for improved teacher capacity are expected to positively influence schools' ability to attract and retain children, it will be important to reassess the appropriateness of current targets as these interventions mature.

Current data suggests that learning in the early grades is unsatisfactory, especially in terms of literacy and numeracy. Grade 4 and grade 6 assessment data reveals from the SISTA (Solomon Islands Standardised Test of Achievements) in 2005 and 2006 for literacy and numeracy in Year 4 and Year 6 of selected schools were worrying, in particular for literacy the majority of the students did underachieve. The majority scored higher for numeracy, but still large numbers did not match the standards in both years, in particular in Year 6. Australia's efforts to strengthen early grade teaching and learning processes will gradually and consistently influence literacy and numeracy rates.

Performance in the TVET sector will be strongly influenced by the approach taken by SIG and its partners to establish an integrated approach to skills development and to supporting the necessary quality assurance mechanisms to ensure that qualifications offered in the Solomon Islands gain currency locally and become a recognized standard of quality training.

In advance of each Annual Joint Review, Canberra based education advisors will provide input on progress against the agreed targets. Additionally, periodic (every two years) independent assessments of progress against investments may be (if required) carried out with MEHRD and partners.

(iii) Implementation Approach

Implementation of this priority outcome is based on partnership principles of joint responsibility and donor coordination as reflected in the Cairns Compact (2009). It will be integrated into the Solomon Islands Governments existing Education Sector Wide Approach (SWAp) and Australia will work closely with other development partners and stakeholders to achieve SWAp objectives and to meet the partnership principles of the SWAp.

Focus Area 1: Improving Learning Outcomes

Initial support will focus on improving learning outcomes in the early grades in order to ensure that all students have the skills foundation for further learning and economic activity. To achieve this Australia will support MEHRD's strategy and action plans for the improved early grade education and learning outcomes. Emphasis will be placed on the early acquisition of literacy and numeracy, utilising diagnostic early grade learning assessments, early grade teacher development and supporting best practice in language policy implementation.

Recognising the importance of competent and motivated teachers in the classroom, support will focus on schools and the Provincial Authorities to better support the staff in schools. This will bring together previous and ongoing efforts at the central level to teacher training, assessments and testing, curriculum, and inspectors. Australia will also support the dissemination of good practice in early grade language instruction and language policy.

As robust assessment systems are essential to monitoring and improving the quality and relevance of schooling, Australia will support both MEHRD's use of early grade learning assessment tools and the analysis, publication and application of the results of those assessments to improve classroom learning and to track progress in achieving improved learning outcomes. Australia will collaborate with other donors to support MEHRD's capacity in this area.

Focus Area 2: Skills Development for Employability

While the improvement of the quality and relevance of skills training for both women and men is the primary focus of this area of support, MEHRD's TVET framework *Haus Blong TVET*, will guide how Australia's resources under this priority outcome are allocated to skills development. The framework encompasses the current program of support to Rural Training Centres, the strengthening of the Solomon Islands College of Higher Education (SICHE), and will acknowledge the role of regional programs such as the Australia Pacific Technical College (APTC).

Australia will support full sector development from quality Rural Training Centres (RTCs) through to SICHE certification and beyond (via APTC, for example). This will require work on development of national competency standards, training curriculum, registration of providers, accreditation of courses, national trades testing and training and assessment approaches that are competency based. An early priority will be the completion of the National Qualifications Framework¹¹. An agreed qualifications framework and associated quality assurance mechanisms¹² will be completed in consultation with all stakeholders.

As SICHE is the primary provider of tertiary level qualifications through its 6 schools (in the technical fields of marine, industry, agriculture, business and the professional fields of nursing and teacher training), Australia will pay particular attention to assisting the SIG to ensure that the full range of technical, facility, administrative, management and governance weaknesses of

¹¹ These advantages include setting standards for all Providers to ensure they have the capability to deliver what they promise; setting standards for the design, delivery and assessment of all programs and their components; facilitation of portability of learning and mobility of learners and workers (either within Solomon Islands or the region).

¹² provider registration, program accreditation and quality audits

the college are addressed in well designed and properly sequenced manner. This process will be guided via a strategic planning process managed by the SICHE Council.

Key to the success of Australia's support for the TVET subsector will be the extent to which (i) trainers in RTCs, Technical Institutes and SICHE can be professionally up-graded and (ii) demand-led skills development and greater linkages with local industry¹³ can be established. Australia will focus resources on these areas and will carefully monitor progress to ensure that a holistic approach to TVET development results in well qualified trainers, with relevant work experience, are delivering competency-based training and that training provision is closely aligned with employer needs.

Focus Area 3: HR capacity support to MEHRD

MEHRD has identified staff capacity shortfalls throughout its structure. Australia is keen to help SIG address these shortfalls and is supportive of government's efforts to create and develop a well-prepared cadre of male and female leaders in the sector. Options to be explored include a mentoring program to build the capacity via placements in education training programs or through twinning arrangements with appropriate education ministries and departments and short term placements. Capacity development will place emphasis on public financial management and developing evidence based policy. It will also foster regional networking. The primary outcome of these efforts will be a cadre of middle and upper management staff in MEHRD with demonstrated leadership skills and established networks capable of achieving and leading reforms and ensuring a better quality of education for all throughout the Solomon Islands.

Cross Cutting Drivers

SIG is committed to improving access to all levels of education for those with special needs (NEAP objective 3) and will develop a plan for special education in 2012. Australia and SIG recognizes that all children must benefit from educational opportunity and that unless the **needs of people with disability** are met, it will not be possible for SIG to meet its MDG goals. Australia has committed, through, *Development for All – Towards a Disability-Inclusive Australian Aid Program 2009-14*, to increase access to education of people with disability, and will work with SIG to support an increase in access to schools and training centres for people with disability. It will also ensure that interventions to support people with disability are informed by sound analysis and engagement with local disabled peoples' organisations.

Girls' education and training remains a major priority for both SIG and Australia's development assistance program, including the implementation of MDG3. The NEAP objectives 4 and 5 commit to improving access, reducing drop out rates of girls and maintaining an appropriate gender balance to all levels of education. Australia and SIG will support the reduction of gender disparities in education systems and is committed to ensuring that inequalities do not develop in the future, at all levels of the education system.¹⁴

¹³ Solomon Islands Chamber of Commerce is a potential partner who receive some support from the EU

¹⁴ Gender concerns will be taken into account including universal access to basic education for girls and boys; skills development opportunities for both male and female teachers; leadership opportunities for women within the Ministry and as school principles; support for equal participation rates of females in the TVET sector and expanding the ability through training and industry links for women to move into the formal employment sector. Increasing girl secondary school participation rates might be addressed through cash incentive/scholarships mechanisms.

Financial Arrangements

SIG currently commits approximately 25% of its recurrent budget to education and training. Current indications are that this level of funding will more-or-less be maintained. Realising that the SIG national budget is subject to serious pressures from a number of sectors and external demands, and that its commitment to education and training may vary, SIG agree that any declines in government funding will be discussed with development partners well in advance of budget preparations and approvals.

Funding allocation is based on the principle of predictable aid to SIG in their budget planning cycle. Australia will as much as possible align any support to SIG budget cycle processes in collaboration with other donor partners in the SWAP. The funding mechanism will follow the NZ Development Programme in the Solomon Islands mechanism in the SWAP. Funding support to Skills for Employability may include supporting stakeholders other than MEHRD and may require a different funding arrangement initially, however it is intended that once the Skills (TVET) Framework establishes priorities, the funding mechanism will be aligned.

The use of **Performance Linked Aid (PLA)** will be considered by Australia for future years (the next NEAP cycle beyond 2012) of funding the sector as performance targets and management processes allow for full budget support. Performance Linked Aid would be additional funds provided to SIG on achievement of agreed performance and or reform targets in a given year.

Commitments

Solomon Islands and Australia are committed to the successful implementation of the education SWAp, as a means of achieving improvements in learning outcomes and skills development.

This Implementation Schedule intends a long term commitment to the sector (10-15yrs). The program of support will be designed with this in mind including relevant annual performance targets, in 3-4 year phases aligned with the NEAP cycle. Future phases will consider expansion into the secondary education sector. The initial phase, following the SIG financial year will run from January 2011 to December 2014.

Australia's engagement will limit the use of additional expatriate technical advisors and seek to ensure SIG ownership.

SOLOMON ISLANDS – AUSTRALIA PARTNERSHIP FOR DEVELOPMENT
SUMMARY PERFORMANCE ASSESSMENT FRAMEWORK FOR EDUCATION SECTOR

NOTE- WORDS IN *ITALICS* ARE IN ADDITIONAL INSERTS TO THE NEAP PAF TEXT.

| PRIORITY OUTCOME 1 – Improved Service Delivery, Part B - Education Focus Area 1 (FA1): Improve learning outcomes, especially in literacy and numeracy and especially for children in the early grades Focus Area 2 (FA2): Increase the employability of Solomon Islander women and men Focus Area 3 (FA3): Increased HR leadership capacity in MEHRD and the education sector | | | |
|---|---|---|--|
| Goals and outcomes of the National Education Action Plan (NEAP), 2010-2012 | NEAP Performance Assessment Indicators related to Focus Areas | Progress Indicators | 2011 -2012 Milestones |
| Strategic Goal 1: to achieve equitable access to education for all people in the Solomon Islands; <u>Outcome 1:</u> all children in the Solomon Islands regardless of gender ethnicity religion location or disability have access to basic education <u>Outcome 2:</u> People in the Solomon Islands regardless of gender, ethnicity, religion, location or disability have improved access to relevant, demand-oriented community, technical, vocational or tertiary education | 1. <i>Increased</i> Net enrolment rate (by education level and gender. (FA1) 2. Increased primary education completion rates for boys and girls. (FA1) 3. <i>Increased</i> Number of courses developed which integrate employability skills (FA2) | Impact assessment of Fee Free Basic Education Policy in 2011 National survey of TVET infrastructure status and demands completed Plan developed to increase access for <i>females</i> and students with disabilities in 2012 Strategic Action Plan for SICHE implemented in 2011 | The targets for specific years to be discussed later during TWG-monitoring as the Ministry has set general targets for 2015 for the existing PAF-indicators <i>Improved net enrolment rate and retention rate in basic education-</i> <i>Increased student access to courses integrating employability skills</i> <i>Increased enrolment rates for students with disabilities</i> |
| Strategic Goal 2: to improve the quality of education in the Solomon Islands <u>Outcome 3:</u> All levels and dimensions of the Solomon Islands education system consistently demonstrate standards of excellence and deliver a quality education | 4. Increased achievement in early years literacy and numeracy, <i>at yr4</i> . (FA1) | <i>SISTA-results distributed and evaluated and a baseline established to monitor performance improvements</i> <i>EGRA piloted in 2012</i> <i>Assessment tools and skills integrated in the pre-service training for teachers in 2012</i> | <i>Improved literacy and numeracy results in the early years of schooling</i> |

| | | | |
|---|---|---|---|
| | 5. Increased number of Solomon Islanders with locally and internationally valued qualifications (FA1 & 2) | <p>National survey of TVET infrastructure status and demands completed end 2011</p> <p>Strategic Action Plan for SICHE implemented in 2011 National Qualifications Framework finalised in 2011</p> <p>NHRDTC in place with active involvement of SICCI or industries in TVET in 2012</p> <p>Plan for prioritised curriculum development in TVET produced in 2012</p> <p>National Training and Development for TVET trainers/instructors developed in 2012</p> | <p><i>Improvements in targeting of study support (including scholarship) aligned with identified National Human Resource Development priorities</i></p> <p><i>Increased access to TVET curriculum for students and instructors</i></p> <p><i>Increase in the number of TVET trainers/instructors accessing training and development</i></p> |
| <p>Strategic Goal 3: to manage and monitor resources efficiently and effectively.</p> <p><u>Outcome 4:</u> The management of the Solomon Islands education system is effective and efficient</p> | 6. Increase number of staff <i>in the Ministry, Province and Schools</i> that undergo practical and professional training in education leadership and/or education management (FA3) | <p>Specialised leadership training scheme(s) developed for staff which include internships and practical assignments</p> <p>Partnership agreements signed between MEHRD and professional/technical and/or academic education providers</p> | <p><i>First 6 education and training staff participating in Education Leadership programmes in 2011 increasing to 12 in 2012</i></p> |

DOCUMENT 2: TECHNICAL NOTE- AUSAID SUPPORT FOR IMPROVING LEARNING OUTCOMES THROUGH THE CURRENT SWAP ARRANGMENTS

The following technical note was provided by Audrey Aarons (Contracted Education Advisor to AusAID Pacific Branch), after an in-country visit in August 2010. The note outlines areas of engagement and recommends specific approaches for AusAID support.

This note is intended to be the first of 3 such notes on each of the Focus Areas in the Implementation Schedule. Future technical notes will be drafted for HR leadership development in the sector, and skills for employability (which will draw on the up coming MEHRD TVET Framework).

SOLOMON ISLANDS - EDUCATION

Technical Note:

***AusAID support for improving learning outcomes through the current SWap arrangements.
August 2010***

Executive Summary.

This technical note is in support of AusAID's entry into the current Sector Wide Approach (SWap) arrangements for implementation of the Solomon Islands National Education Action Plan 2010-2012. The contents of this note are based on document review¹⁵ and discussion with the Ministry of Education and Human Resource Development (MEHRD) and development partners at the time of an AusAID mission to the Solomon Islands 23-27 August, 2010.

AusAID is entering into the government's SWap arrangements at the end of the first year of implementation of the current three-year National Education Action Plan (NEAP). Several other partners have already earmarked resources for specific activities in this program with New Zealand in particular making a substantial technical and financial contribution.

It is recommended that, within AusAID's agreements with the Solomon Islands government and current SWap arrangements with development partners, AusAID will, in the short term (2010-2012), focus on the following NEAP activities and the organizational unit within MEHRD that is responsible for implementation of the activities¹⁶. Focusing on this particular set of activities in the current NEAP/SWap will not preclude AusAID's support for the wider sector program. Each of the activities below is linked to the objective of improving learning outcomes, especially for literacy and numeracy in the early grades.

- *National Examinations and Standards Unit (NESU)*. Ensuring technical and budgetary support¹⁷ for (a) the delivery of national assessments of literacy and numeracy at years 4 and 6; (b) the conduct of assessment of reading skills of children in the early grades, and for (c) the analysis and follow-up research into teaching and learning in classrooms based on analysis and reports of test results.
- *Planning, Coordination and Research Unit (PCRU)*. Ensuring technical and budgetary support for PCRU, with NESU, to develop strategic action programs for early grade teaching and learning that arise from results of reading skills and literacy and numeracy tests and classroom research.
- *Provincial education authorities*. Ensuring technical and budgetary support to provincial education teams to enable them to provide appropriate teacher professional development

¹⁵ A list of documents reviewed is attached as Annex 1.

¹⁶ A summary overview of AusAID's focus in the current NEAP implementation is shown in matrix form in Annex2

¹⁷ 'Ensuring technical and budgetary support' is used specifically to convey a budget support principle of SWap that AusAID is committed to following, although it is recognized that under the current SWap some funds are already 'earmarked'. The joint annual work plan and budget review processes would provide AusAID the opportunity to ensure that adequate support is available for program implementation; and the joint monitoring and reporting processes would indicate to AusAID the progress being made against agreed performance indicators.

programs at school and cluster level to improve teaching and learning in the early grades of primary.

- *Solomon Islands College of Higher Education (SICHE)*. Ensuring technical and budgetary support to SICHE in its strategic planning and development of a quality multi-discipline institution, (including teacher education and technical and vocational faculty) that uses human and physical resources efficiently.

By focusing on these areas, and the institutional location of responsibility, AusAID will also be focusing on the longer term, that is, AusAID's contribution to the next three year planning cycle (2013-2015) and beyond.

In the medium term (NEAP period 2013-2015), AusAID would continue to focus on improving teaching and learning in early grades, especially in regard to language development, literacy development and improved learning outcomes. As policies are finalized on Vernacular Languages, there will need to be support for ensuing changes to curriculum and materials, teacher training and assessments. Outcomes of the study of education structures, the review of the role of the inspectorate and the role of provincial education authorities, and developments in school management will all provide opportunities to integrate strategies for improving learning outcomes in primary schools. In addition, AusAID would explore with partners, the possibility of establishing a block grant mechanism to provide budgetary resources to provinces for development plans that are intended to improve teaching and learning especially in the core skills of language, literacy and numeracy through programs of teacher professional development and school improvement.

In addition, AusAID could engage with the secondary education sector, especially focusing on strategies to increase girls' participation and leading into support for secondary school curriculum and assessment, teacher training and professional development, and school management.

The next section of the technical note expands on this summary and provides the background and rationale for the recommendations.

AusAID's participation in the Solomon Islands Education Sector.

This note does these things:

- provides the framework for AusAID engagement in the Solomon Islands Education Sector,
- presents a brief overview of the current Solomon Islands education plan,
- sets out the rationale and background for the recommended focus areas of AusAID under the current SWap arrangements supporting the NEAP 2010-2012
- proposes areas of AusAID focus over the longer term.

1. The framework of AusAID engagement in the Solomon Islands education sector.

The framework of AusAID engagement in the education sector is described in the Solomon Islands-Australia Partnership for Development and attached Implementation Schedule. The objectives of the partnership are extrapolated in Box 1 below. This technical note gives particular attention to an AusAID focus on the first Focus Area: **improving learning outcomes, especially in literacy and numeracy and especially for children in the early grades.**

Box 1.

"To further develop education and training in the Solomon Islands, the Government of Solomon Islands and the Government of Australia have agreed to jointly support. three objectives:

- Improving learning outcomes, especially in literacy and numeracy and especially for children in the early grades;
- Increasing the number of Solomon Islanders who possess technical and vocational skills in areas of demand, both domestically and abroad;
- Increasing the capacity and performance of current and future leaders in the education and training sector."

Source: Solomon Islands-Australia Partnership for Development. Implementation Strategy for Partnership Priority Outcome One: Service Delivery Part (B) Education and Training.

2. The Solomon Islands Education Strategic Framework 2007-2015

The Education Strategic Framework 2007-2015 sets out goals for a reform agenda and provides the strategic framework for each three-year planning cycle. The Ministry of Education and Human Resource Development (MEHRD) is currently implementing the National Education Plan 2010-2012. This forms the basis of the Sector Wide Approach (SWap) arrangements that have been put in place with development partners supporting the sector. Currently, these include the New Zealand government, Unicef, EU, JICA and the World Bank.

The reform program begun in 2007 has established SWap arrangements for planning, budgeting and priority setting and system performance monitoring; and is continuing to build the overall policy framework for different aspects of basic education. Much has been achieved so far:

- curriculum and materials are completed for primary schools and underway for junior secondary,
- a national assessment policy is being developed,

- the curriculum of pre-service teacher education has been upgraded from certificate to diploma levels and a distance learning program is being put in place to address the qualification needs of those teachers who have no formal teaching qualification,
- school management is being strengthened and grants to schools in lieu of school fees has been introduced,
- the role of the school inspectorate is being reviewed,
- education structures are under review, including those at the provincial and school levels ,
- a vernacular language policy is being developed; and
- early childhood education and literacy programs are being established

A priority in the first plan cycle (2007-2009) was to increase school participation and strengthen central level institutions. In the current planning cycle (2010-2012) there is an increasing focus on raising school quality and strengthening service delivery at the school and provincial levels.

3. AusAID focus within current SWap arrangements for NEAP 2010-2012.

AusAID will work within the current SWap arrangements agreed between development partners and the Solomon Islands Government. Development partners are contributing to NEAP implementation through a variety of modalities ranging across budget support, 'earmarked' funding and provision of technical assistance. Within the overall program support, AusAID will focus in the remaining two years of this plan period on ensuring support for activities related to two interlinked areas in the NEAP program: (i) improving learning outcomes, especially in the early grades, and (ii) strengthening school and provincial systems of support to teachers and schools. AusAID will also continue to support (iii) the strategic planning and institutional development of the Solomon Islands College of Higher Education, the multi-discipline institution which includes the School of Education and the Technical and Vocational Colleges.

4. Background and rationale for AusAID focus areas of support.

To bring about '*improved learning outcomes, especially in literacy and numeracy and especially for children in the early grades*' relies on a wide range of policy areas and their effective translation into classroom practices at school level. These include policies relating to (i) the use of national and international languages in education, (ii) teacher education and professional development that addresses the needs of teachers working with children in the early grades in multilingual contexts, (iii) curriculum and materials design that reflects sound pedagogies for language development and the introduction and development of literacy skills; and, (iv) outcome-oriented school management and national assessments of learning achievement that provide feedback for system improvements.

(a) Assessments of learning achievements in the early grades¹⁸ of primary school. In 2005, MEHRD administered, with SPEBA assistance, the Solomon Islands Standardised Tests of Achievement (SISTA) in literacy and numeracy at the year 4 and year 6 levels. The test results provide the baseline assessment of system performance against which future periodic assessments can measure system progress. In 2010-2011, MEHRD with support of the South Pacific Board of Education Assessment (SPBEA), will administer the SISTA in literacy and numeracy at years 4 and 6.

¹⁸ 'Early grades' is used here to include year 1-4 of the primary school cycle

SISTA test items are based on curriculum content. Student scores are calculated as percentages based on the number of test items a student answers correctly. The student's total score on the test is then matched to one of five levels of competency, Level 5 being the highest level. Performance at levels 0 and 1 indicate 'critical underachievement as matched against curriculum learning outcomes', whilst performance at levels 3-5 indicate 'partial yet satisfactory progress towards the learning outcomes (level 3) to 'full mastery of curriculum content' (level 5).

Baseline 2005 results from the year 4 *literacy* tests indicate that nationally fewer than one in four (23%) of students were at level 3 and above; with results across the ten provinces ranging from 14% (Central) to 34% (Honiara). Results from the year 4 *numeracy* tests indicated that nationally 47% of students were at level 3 and above, whilst across the ten provinces numeracy results ranged from 37% (Malaita) to 60% Rennell-Bellona.

The pattern of results at this grade level, and the seemingly low levels of learning achieved, is not unusual in multilingual societies where English is introduced simultaneously as a language, as the medium of instruction and as the language of initial literacy in the early grades of schooling.

There is a large body of research on such aspects as the links between children's language development, language learning and literacy development. Much of this research has been carried out in the African context (of anglophone, francophone and lusophone countries) as well as in other countries worldwide. The evidence suggests that additional analysis of test results in the Solomon Islands, and follow-up investigations in a variety of contexts in which teaching and learning takes place, will contribute to better understanding of what the test results actually tell us about teaching, learning, curriculum content, language use and language teaching, the pedagogies around initial literacy and language instruction. Such work is about to begin in Tonga and the Solomon Islands might learn from that experience.

In the current plan period MEHRD, through its National Examinations and Standards Unit, will conduct a second round of SISTA in literacy and numeracy at primary years 4 and 6. One area of AusAID focus in the remaining two years of the current plan period would be to

- ***Support the National Examinations and Standards Unit (NESU) as it works with the SPBEA to carry out the next round of SISTA.*** These activities are planned to take place in November 2010 (at year 4) and in early 2011 (at year 6). AusAID's experience of working with SPBEA, its support of additional test item analysis in Tonga, and support for the USP Institute of Education classroom research activity (in Tonga) will add value to its partnership in the Solomon Islands.

In addition to support for the SISTA, its analysis and follow up activities, It is recommended that AusAID would

- ***Support NESU in carrying out early grade reading assessments*** that are planned for 2011 with World Bank assistance. These tests are diagnostic in design and are delivered through interview testing approaches. Results reveal understandings about what literacy skills children have acquired and analysis of results helps identify appropriate pedagogies for introducing and developing early literacy in primary schools.

Results from both the national assessments of literacy and numeracy and the diagnostics of early reading skills will provide a strong evidence approach to developing specific strategies that will increase students reading and writing skills. It is recommended that AusAID would

- **Support NESU and the Planning, Coordination and Research Unit (PCRU)** as they identify areas of additional classroom action research based on test results; and as they use the test and research findings to plan specific, targeted areas of professional support for early grade teachers on-site in their schools. The findings from analysis of SISTA results and from diagnostic reading assessments may well impact on the content of teacher education, professional development and support systems at school and provincial levels, on curriculum content and materials, on language use in teaching and learning, and the design and use of tests of achievement.

(b) **Strengthening teacher professional support systems at school and provincial levels.** The strengthening of professional support systems at school and provincial level would be an important contribution to improving learning outcomes at school level. Models of school-based professional support are being developed in Isabel province within the Unicef supported child-friendly school program, and in Guadalcanal and Malaita within the SICHE/School of Education distance and flexible learning program for unqualified teachers. Lessons from these models of school-based teacher support can be used more widely across the Solomon Islands and linked to provincial education plans to improve school quality generally, and specifically to improve learning outcomes in early grades. To this end, it is recommended that AusAID would

- **Support programs at provincial level that provide professional support to schools and teachers focusing on improving learning in early grades.** MEHRD recognizes that a focus on provincial level service delivery is the next major step in bringing reforms together at the school level for better learning outcomes. It is reviewing capacities of provincial education authorities and is exploring ways to provide support to schools communities and to teachers to enable them to implement new programs and adapt them to the diverse environments in which schools operate.

In the medium term, AusAID could explore with MEHRD/PCRU and the provinces, the **possibility of introducing a block grant to provinces who prepared a development plan** of professional support to schools for school quality improvement, such as programs to improve learning in years 1-4. This would provide local incentives to follow up on lessons learnt from the analysis of test results (SISTA, EGRA and subsequent action research in classrooms).

5. AusAID will continue to support the strategic planning and development exercises of the Solomon Islands College of Higher Education (SICHE).

SICHE is the multi-purpose institute that comprises the School of Education and technical and vocational colleges. It has carried out an initial phase of discussions around strategic plans for the future development of the institution and there are obviously areas where efficiencies in use of resources (human and physical) would be explored: such areas would be at least in terms of language teaching specialists and their deployment across faculty, the installation and use of IT facilities etc. The School of Education has benefited most recently in terms of program upgrades and staff development programs with considerable support of New Zealand. In the longer term, results of SISTA and EGRA and other

research into learning in the early grades may also impact on both staffing requirements (early grade specialists, language specialists) and program design in teacher education.

6. In the medium term, AusAID would consider support for secondary schools, especially strategies to increase girls' participation.

MEHRD is currently carrying out a study of 'barriers to education'. The report from the study (due end of 2010) is expected to provide insight into education participation generally and specifically factors affecting girls' participation. In 2008, girls represented 47 percent of primary enrolments, 46 percent of junior secondary enrolments and 38 percent of senior secondary enrolments. The distribution of female teachers as a share of total teachers is 80 percent female teachers at primary, 39 percent female teachers at junior secondary and 47 percent female teachers in TVET. Female participation rates are shown in the TABLES in Annex 3. These also show the distribution of girls' participation across provinces for all levels of the school system. A recent international review of strategies that led to an increase girls' participation in education identified five strategic directions for education (see Box 2. Below). AusAID would support investigation into strategies to improve girls' participation in secondary education in the Solomon Islands and its pathways to employment; and would support programs to increase girls' participation at all levels.

Box 2. Five strategic directions for future education interventions that will enhance gender equality in education:

- Improve the **quality** of education and **learning outcomes** at all levels.
- Focus on **hard to reach, disadvantaged, vulnerable, and excluded groups**, especially girls.
- Invest in **post-primary education** for girls, particularly at the **secondary level**.
- Increase **research** and analysis on links between gender, poverty reduction, and growth, and improve the presentation of **data disaggregated by sex**, which will adequately inform policy and decision making.
- Strengthen **partnerships** with development agencies, non-profit organizations, the private sector, and community organizations to effectively implement sector programs for the achievement of gender equality in education.

Source: *Girls' Education in the 21st Century: Gender Equality, Empowerment and Economic Growth*. World Bank, Washington D.C.

Summary:

AusAID focus within current SWap arrangements (2010-2012)

(a) ***In the short term.*** If AusAID funding support for the Solomon Islands education sector is available as from January 2011, there would remain two calendar years of implementation of the current National Education Action Plan. This plan has strong budgetary and technical support already from New Zealand. In addition to the focus on technical and vocational education, there are two areas within MEHRD's current program that AusAID, in line with its partnership agreements, might focus on in the short term.

These are

(i) capacity building at the National Standards and Examination Unit and the Planning, Coordination and Research Unit in system performance monitoring (quantitative and qualitative) in line with discussions above in this technical note; and

(ii) school level implementation of centrally designed reforms (school management, curriculum and materials, teacher training, and use of results from national assessments of learning to inform improved practice) through capacity building and development of professional support systems at the school and education authority levels that strengthen the enabling environment for teachers to get better learning results for their students.

(iii) (Ongoing) support for strategic planning at Solomon Islands College of Higher Education, as a multi-discipline institution that includes the School of Education teacher training programs. Efficiency in deployment of qualified staff (e.g. TESL, some technical subjects that are included in the junior secondary school curriculum), and maximising use of campus facilities.

(b) ***In the medium and longer term.*** AusAID could begin discussions with MEHRD and development partners on strategies to improve girls participation in secondary schooling, especially years 7-9 of the basic education cycle. The social and economic benefits of girls' education are well documented. Programs that encourage families to retain their girls in the basic education cycle (9 years) and beyond could be examined – there are a number of examples internationally that could inform discussions about appropriate strategies for the Solomon Island context. The focus on girls' education would also provide opportunities to re-examine curriculum content and opportunities for girls to continue their education through alternative pathways.

Annex 1: Source material

Solomon Islands Government, Ministry of Education and Human Resource Development

Certificate in Teaching Primary by Distance Education Programme Document. August 2009

Costing of the National Education Action Plan. Summary Note. World Bank, August 14, 2010

Expenditure Review 2009. Main Recommendations and follow up. Undated

Independent Review of the Solomon Islands Curriculum Review & Reform Programme a component of the Education Sector Investment and Reform Programme (ESIIRP), Phase II. Prepared by Coxon, E. for the Solomon Islands Ministry of Education and Human Resource Development and Development Partners, NZAID & EU. September 3, 2008

National Education Action Plan 2010-2012

National Education Action Plan 2010-2010 Costing Report. May 2010

National Education Action Plan 2010-2012. Summary table of goals, outcomes, output/services.

National Teacher Education and Development Plan 2007-2009. November 2007

Performance Assessment Framework 2006-2008. Planning, Coordination, Research Unit.

Policy Statement and Guidelines for Basic Education in Solomon Islands. May 2009

Primary Teacher Certificate Programme Development Schedule 2009-2010

Primary Teachers Certificate Programme Specification. Dated August 6, 2009

Setting Literacy and Numeracy Baseline Standards in the Solomon Islands. A report on the monitoring of literacy and numeracy achievements at the end of Year 4. The SISTA 1 Report Graphs and Tables. August 2006. South Pacific Board for Education Assessment(?)

Setting Literacy and Numeracy Baseline Standards in the Solomon Islands. A report on the monitoring of literacy and numeracy achievements at the end of Year 4. The SISTA 1 Report. October 2006. South Pacific Board for Education Assessment(?)

Teacher Demand, Supply and Deployment. Final report plus Annexes prepared by Rawlinson, R and Roland Sikua for MEHRD. November 2009

Teacher Education and Development. Policy Statement. October 30, 2007

Teachers in Training Programme (Certificate in Teaching Primary) First Quarterly Report March-June 2010. Teacher Training and Development Division. Draft June 2010 Honiara

Teacher Tracking Study and Action Plan. Price Waterhouse Coopers for SIG. April 2004

Work Programme 2010. Division Waimapuru NSS

Pacific Education Strategic Analysis. AusAID Education Resource Facility September 2009
Solomon Islands Education Sector Support. Concept Note. June 2010
Solomon Islands-Australia Partnership for Development. Implementation Strategy for Partnership Priority Outcome x – Service Delivery (B) Education and Training. Undated

Studies, reports

Author? *Solomon Islands College of Higher Education. Strategic Planning Assessment Phase Report*. Draft July 30, 2010. Not for circulation.

Author (?) *Review of the Structure of the Solomon Islands Education Sector. Getting to the Heart of the Matter. Options for Change*. July 2010

Author(?). *Review of the Administrative Structure of the Solomon Islands Education Sector*.
Clarke, D. *Solomon Islands Education Sector Review*. Draft undated

Coxon, E and E. Pedersen. *Review of the Solomon Islands Education Sector Wide Approach Arrangement*. September 2009

FEDMM Appendix B (of what document?). *Teacher Performance Indicators*. Not for circulation.

Hall, C. *Fiduciary Assessment. Literature review relating to financial management practices within the Solomon Islands education sector*. Draft dated January 21, 2010

Male, A. *National Human Resources Development and Training Plan. Inception Report*. June 2010

McCulloch, L. *Solomon Islands: AusAID support to Basic Education*. Working note dated July 19, 2010

Report of Visit to Solomon Islands 11-15 August 2009. Author?

Report of Visit to Solomon Islands 12-20 October 2009. Author (Ana R.)

South Pacific Board for Education Assessment. *Additional component developed with information acquired via the Assessment Stocktake activities in the Solomon Islands*. Appendix. Undated.

Annex 2: Summary of AusAID focus in NEAP 2010-2012 within current SWAP arrangements, Focus Area 1: Improving Learning Outcomes

| <i>Institution</i> | <i>Activity NEAP 2010-2012</i> | <i>AusAID focus</i> | <i>Output</i> | <i>Outcome/linkage</i> |
|--|---|---|---|--|
| National Examinations and Standards Unit, NESU/MEHRD | 2010/2011 a) With the South Pacific Board for Education Assessment conduct the second round of Solomon Islands Standardised Tests of Achievement (SISTA) in literacy and numeracy at years 4 and 6 of primary schooling. b) With World Bank support conduct an assessment of reading skills in early grades of primary. | Ensure support for NESU in carrying out extensive analysis of results of SISTA, focusing on results at year 4. Ensure support for NESU and PCRU in designing and carrying out classroom research into teaching and learning based on findings from the analysis of SISTA results. | a) SISTA literacy and numeracy tests completed at year 4 and year 6 and reports on results completed and reviewed by NESU/MEHRD. Additional item analysis completed for year 4 literacy and numeracy results and learning issues identified. Classroom research carried out based on learning issues identified from item analysis. Strategies identified to improve learning at years 1-4 based on evidence from tests and research. b)EGRA completed and reports of results completed and reviewed by NESU/MEHRD Strategies identified to improve early grade reading (pedagogies, materials, language) | Results of tests and classroom research used to improve teaching and learning in early grades, especially in literacy. There will be linkages with language policies (e.g. Vernacular Language policy being developed), teacher education and training (new Diploma and DFL courses), and for professional development systems at school and province levels. |
| Planning, Coordination and Research Unit, PCRU/MEHRD | | Ensure support for PCRU and NESU in identifying issues in teaching and learning identified from analysis of SISTA and EGRA and classroom research. Ensure support for PCRU in proposing strategic actions to improve learning based on evidence from the tests and research. | | System performance monitoring will address both quantitative and qualitative aspects of education and be able to track these against system performance indicators over the longer term. Research and test results will feed into strategic planning for central and provincial |

| | | | | |
|---|--|--|--|--|
| | | | | (and school) institutions to improve school quality. |
| Provincial education, MEHRD | <p>2010/11</p> <p>a) Review of role of inspectorate (MEHRD staff based at province)</p> <p>b) Review of education structures and organization</p> <p>c) Piloting improvements in education management in two provinces.</p> | <p>Ensure support for provincial education authorities to establish effective professional support systems to address teachers and school needs.</p> <p>Ensure support for provincial education authority capacities to plan professional support activities to improve teaching and learning in the early grades, especially in language and literacy, based on results of tests and research.</p> | | <p>Teacher professional support systems will be able to identify specific actions to improve teaching and learning in the early grades, especially language and literacy development.</p> <p>Linkages to DFL modalities for teacher support, to content of teacher education programs, and to school management and school development planning.</p> |
| Solomon Islands College of Higher Education (SICHE) | <p>2010/2011</p> <p>a) SICHE strategic planning exercise: review of phase I, conduct of activities for phase II – to cost options for strategies to increase efficiency in use of resources human and physical to strengthen institutional capacities and to upgrade physical infrastructure.</p> <p>b) Implementation of teacher education programs, including the newly implemented Distance and Flexible Learning (DFL) teacher certification program</p> | <p>Ensure support for the strategic planning exercises from a ‘whole of institution’ perspective; for example, efficiencies in use of physical facilities across faculties, efficiencies in deployment of staff skills such as Teaching English as a Second Language (TESL) across faculties and programs.</p> <p>Ensure support for integration of feedback/evidence from results of SISTA and EGRA and follow-up research into teacher education programs.</p> | | |

Annex 3: TABLES

Data in tables extrapolated from MEHRD Performance Assessment Framework 2006-2008, Planning, Coordination and Research Unit.

Table 1. Girls as percentage of total enrolments primary, junior secondary, senior secondary 2006, 2007, 2008

| <i>School level</i> | <i>2006</i> | <i>2007</i> | <i>2008</i> |
|---------------------|-------------|-------------|-------------|
| Primary | 47.29 | 47.20 | 47.53 |
| Junior Secondary | 44.78 | 45.22 | 45.84 |
| Senior Secondary | 36.98 | 36.08 | 38.43 |

- The pattern of girls' participation is the same across all three years of data: that is, girls as % of total enrolment is highest at *primary* and lowest (by far) at *senior secondary*
- There is not much difference in girls' participation rates at each school level over the three year period: the increase at primary is 0.24%, at junior secondary is 1.06% and at senior secondary is 1.45%.
- The increase in girls' participation, although slight, is highest at the senior secondary level in these three years.

Table 2. Girls as percentage of total enrolments in each province at primary, junior secondary, senior secondary -2008 only

| <i>Province</i> | <i>Primary</i> | <i>Junior Secondary</i> | <i>Senior Secondary</i> |
|---------------------|----------------|-------------------------|-------------------------|
| Central | 45.91 | 45.66 | 45.06 |
| Choiseul | 49.33 | 50.49 | 37.24 |
| Guadalcanal | 48.25 | 44.40 | 35.90 |
| Honiara | 48.76 | 46.91 | 40.07 |
| Isabel | 47.07 | 47.81 | 47.55 |
| Makira and Ulawa | 46.94 | 42.43 | 37.10 |
| Malaita | 46.76 | 44.09 | 34.26 |
| Rennell and Bellona | 48.26 | 42.58 | 28.57 |
| Temotu | 46.60 | 48.23 | 43.06 |
| Western | 48.25 | 48.55 | 39.92 |

1. Distribution of girls as % of total enrolments in each province
 - At primary, ranges from lowest 45.91 (Central) to highest 49.33 (Choiseul)
 - At junior secondary, ranges from lowest 42.58 (Rennell and Bellona) to highest 50.49 (Choiseul)
 - At senior secondary, ranges lowest 34.26 (Malaita) to highest 47.55 (Isabel)
2. Girls as % of total enrolments in each province declines between each school level (that is, from primary to junior secondary to senior secondary) in 5 of the ten provinces (Guadalcanal, Honiara, Makira and Ulawa, Malaita, Rennell and Bellona).

Table 3. Females as percentage of total teachers, by school level, by year 2006, 2007, 2008*

| <i>School level</i> | <i>2006</i> | <i>2007</i> | <i>2008</i> |
|---------------------|-------------|-------------|-------------|
| Primary | 73.11 | 75.77 | 79.71 |
| Secondary | 34.53 | 34.09 | 39.04 |
| TVET | 26.88 | 46.23 | 46.61 |

*Early childhood education data are not included in this or tables above. Unsurprisingly, the share of female teachers as a percentage of total teachers is largest (by far) at the ECE level.

DOCUMENT 3: NEW ZEALAND PROGRAMME DOCUMENTS

**SUPPORT FOR ACHIEVING
UNIVERSAL QUALITY BASIC EDUCATION
IN SOLOMON ISLANDS**

NZAID PROGRAMME DOCUMENTS

FINAL VERSION: 11 January 2010

TABLE OF CONTENTS

| | |
|--|----|
| Section 1:NZAID Support to Solomon Islands Education Sector..... | 3 |
| Introduction..... | 3 |
| Background..... | 3 |
| Achievements To Date..... | 5 |
| Challenges In The Education Sector; Proposed Ways To Address These.. | 9 |
| New Zealand Support 2010–2012..... | 13 |
| Donor Coordination..... | 16 |
| NZAID Funding Mechanism..... | 17 |
| Updated Letter of Arrangement..... | 17 |
| Section 2: Processing of NZAID Education Sector Budget Support Funds.. | 19 |
| Section 3:Sector Management Reporting and Monitoring..... | 23 |
| Section 4:Risk Matrix NZAID Education Sector Budget Support..... | 26 |
| Section 5:Social Analysis..... | 32 |
| Section 6:Economic Analysis..... | 34 |
| Annex 1 Budget Support Options Discussion paper..... | 40 |
| Annex 2 Monitoring and Evaluation Discussion paper..... | 55 |
| Annex 3List of Acronyms..... | 64 |

Section 1: NZAID Support to Solomon Islands Education Sector

Introduction

This paper describes New Zealand's support to the Solomon Islands education sector during the first two phases of the sector-wide approach (SWAp), 2004-2006 and 2007-2009. It outlines progress made, both in the areas New Zealand has funded and the wider sector. It outlines the challenges that still exist and some of the proposed solutions. The final sections describe New Zealand's support in the next phase, 2010-2012.

.....

The rest of this document can be provided as a separate attachment.

DOCUMENT 4A: NATIONAL EDUCATION ACTION PLAN (NEAP) 2010-12

The full NEAP 2010-2012 can be provided in full (130 pages). Pasted here is just the Framework from the NEAP document.

Framework for the National Education Action Plan (2010-2012)

| Strategic Goals | Strategies | Outcomes | Objectives |
|--|---|---|---|
| <p>Strategic Goal 1: To achieve equitable access to education for all people in the Solomon Islands</p> | <p>(Policy Development) To develop appropriate policies for the education sector in the Solomon Islands</p> <p>(Basic Education) To place priority on access to good quality Basic Education for all children in the Solomon Islands</p> <p>(TVET) To strengthen technical and vocational education and training at all levels and ensure it is linked to labour demand in the work force and/or life skills for the rural areas;</p> <p>(School Grants) To maintain and implement an improved grants system to support school operations at all levels of education, in particular by implementing the Fee Free Education Policy for Basic Education ;</p> <p>(Infrastructure) To develop and implement an improved infrastructure programme for all levels of education, but with priority for Basic Education.</p> <p>(School and Community Engagement) To strengthen community participation, school leadership and the role of school communities and boards, as well as improving awareness of parents and members of the public about why education is important</p> | <p>Outcome 1 (Access and Equity): All children in the Solomon Islands, regardless of gender, ethnicity, religion, location or disability have access to Basic Education, which includes primary and secondary junior secondary schooling till Form 3, and all children, adolescents and adults will be encouraged to participate in other levels of education (ECE, Senior Secondary, TVET, Community/non-formal, and Tertiary Education), achieved through an adequate number of schools, classrooms, desks, dormitories, tolls and equipment and other infrastructure, and financial support from government and other stakeholders.</p> | <ol style="list-style-type: none"> 1. To increase access to all levels of education by provision of an adequate number of schools or centres and other school infrastructure, guided by school infrastructure programmes which include provision of an adequate number of classrooms, desks, dormitories, ad other infrastructure; 2. To increase access to all levels of education by provision of financial support (grants and other specific financial support) from government and other stakeholders; 3. To improve equal access to all levels of education for students and people with special needs; 4. To improve equal access to all levels of education for girls and boys by improving the quality of basic education and decreasing drop-outs, in particular for those in isolated locations; 5. To maintain an appropriate gender balance in all levels and types of education; |

| Strategic Goals | Strategies | Outcomes | Objectives |
|--|--|--|--|
| 2. Strategic Goal 2: to improve the quality of education in the Solomon Islands | <p>(Policy Development) To develop appropriate policies for the education sector in the Solomon Islands</p> <p>(Basic Education) To place priority on access to good quality Basic Education for all children in the Solomon Islands</p> <p>(TVET) To strengthen technical and vocational education and training at all levels and ensure it is linked to labour demand in the work force and/or life skills in the rural areas;</p> <p>(HRD) To develop and implement a programme of Human Resource Development and capacity building for teachers and other education staff at all levels (Ministry, Education Authorities, Provinces and Schools/communities;</p> <p>(School Grants) To maintain and implement an improved grants system to support school operations at all levels of education, in particular by implementing the Fee-Free Education Policy for Basic Education;</p> <p>(Infrastructure) To develop and implement an improved infrastructure programme for all levels of education, but with priority for Basic Education;</p> <p>(School and Community Engagement) To strengthen community participation, school leadership and the role of school committees and boards, as well as improving awareness of parents and members of the public about why education is important.</p> | <p>Outcome 2 (Quality): All levels and dimensions of the Solomon Islands education system consistently demonstrate standards of excellence and deliver a quality education, which means a high quality of learning achieved through provision of an adequate number of qualified teachers and other workers in the education sector, a relevant national school curriculum and local curricula, an adequate number of modern, relevant teaching and learning materials or facilities, and sound standards of student literacy and numeracy.</p> | <ol style="list-style-type: none"> 6. To develop, revise or finalise appropriate policies for the different sub sectors or cross cutting areas by continuing the work of the technical working groups on policy; 7. To improve quality at all levels of education by provision of an adequate number of qualified teachers and other workers in the education sector, preferably through distance and flexible learning modes; 8. To improve quality at all levels of education by developing, distributing and using relevant, high quality and modern national and local school curricula; 9. To improve quality at all levels of education by provision of an adequate number of modern, relevant teaching and learning materials, facilities, and equipment 10. To provide ongoing professional development for all education staff, ideally through distance and flexible learning; 11. To monitor and assess standards of student literacy, numeracy and progress in other subjects; 12. To continue with the revision of the inspectorate framework and approach 13. To strengthen community participation in education, community awareness on school committees and boards, and the formulation and implementation of whole school development plans; |

| Strategic Goals | Strategies | Outcomes | Objectives |
|--|---|--|---|
| 3. Strategic Goal 3: to manage resources efficiently and effectively. | <p>(Planning, Co-ordination and Management) To strengthen the planning, management, co-ordination and monitoring of the sector-wide approach to education, at all levels (national, provincial and community) and in particular of <u>NEAP (2010-2012)</u>;</p> <p>(HRD) To develop and implement a programme of Human Resource Development and capacity building for teachers and other education staff at all levels (Ministry, Education Authorities, Provinces and Schools/communities) ;</p> | <p>Outcome 3 (Management): The management of the Solomon Islands education system is effective and efficient, including effective education policy development, planning and budgeting, effective management of human and financial resources at all levels, a sound system of monitoring and evaluation, and effective development of appropriate skills and competencies in the education work force.</p> | <p>14. To manage the sector-wide approach to education the basis for provision of adequate technical and financial support to the NEAP, with the aim of improving service delivery at all levels, harmonising support, and actively involving an increased number of stakeholders (National, Provincial, Government, Education Authorities, Development Partners, and NGOs);</p> <p>15. To develop coherent and outcome oriented annual budgeting, planning and reporting, in a timely way;</p> <p>16. To develop a 3-year, outcome-oriented Medium Term Expenditure Framework (MTEF)</p> <p>17. To develop a Monitoring and Evaluation Framework that includes a strengthened use of SIEMIS and a Performance Assessment Framework;</p> <p>18. To strengthen the role of Provincial Government and Education Authorities in planning, implementing, monitoring and reporting on the <u>National Education Action Plan 2010-2012</u> and <u>Provincial Education Action Plans 2010-2012</u>;</p> <p>19. To continue the development and implementation of a programme of Human Resource Development and capacity building; and</p> <p>20. To develop an improved teacher management system and more efficient teacher management processes.</p> |

DOCUMENT 4B: NEAP 2010-12, COSTING REPORT (SUMMARY)

This document is taken from a power point presentation on the NEAP Costing Report, main findings to which MEHRD provided a response during the July 2010 Annual Joint Review.

Costing report

NEAP 2010 – 12

May 2010

Aim of Costing

- ☐ Help MEHRD decide on its priorities in the sector;
- ☐ Consider possible efficiency and savings measures;
- ☐ Provide information to donor partners who are interested in (filling) financial gaps;
- ☐ Improve capability of MEHRD staff to prepare cost estimates and longer term budgets.

Large Items of Expenditure (opportunities for increased efficiency/savings)

- ☐ Cost of teachers (192 mill.) and other education staff (8 mill.)
- ☐ Grants and school operations (93.6 mill)
- ☐ Infrastructure
- ☐ Curriculum development
- ☐ Printing and distribution of text books
- ☐ Assessment (SISTA, ARRTle & exams)
- ☐ Tertiary scholarships (172.4 mill. now -12.6 million)

Analysis of education budget, table 3 (recurrent and development)

| STRATEGIC GOAL | 2010 Other Charges | 2010 Payroll | Total 2010 Costs |
|--|--------------------|--------------------|--------------------|
| Strategic Goal 1: To provide equitable access to education for all people in the Solomon Islands | 151,811,347 | 95,006,576 | 246,817,923 |
| Strategic Goal 2: To improve the quality of education in the Solomon Islands | 66,443,401 | 99,310,635 | 165,754,037 |
| Strategic Goal 3: To manage resources efficiently and effectively. | 163,483,767 | 5,991,934 | 169,475,701 |
| TOTAL | 381,738,515 | 200,309,145 | 582,047,660 |

Costs for improving learning outcomes

| | 2010 Basic | 2010 Ideal | 2011 Basic | 2011 Ideal | 2012 Basic | 2010 Ideal |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Annual Cost | 25,202,910 | 29,382,910 | 29,035,679 | 43,574,886 | 29,257,452 | 41,460,819 |
| Increase on 2010 Basic | 0 | 4,180,000 | 3,832,769 | 18,371,976 | 4,054,542 | 16,257,909 |

- ☐ Child Friendly Schools
- ☐ Provision of Tools and Equipment
- ☐ Preparation of Curriculum and Syllabuses
- ☐ Teacher upgrading through Distance Flexible Learning (DFL)
- ☐ Pilot Projects Such as the Vernacular Language Project and Other Research
- ☐ Improvements in the Inspectorate
- ☐ Teacher Monitoring, Assessment and Attendance
- ☐ Strengthening School Boards/Committees

Summary report

- ☐ Total allocation for 2010: 582 million (recurrent and development budget)
- ☐ 18 Million-32 million off budget support (total)
- ☐ Yet, 42 million gap (now 29.4 million) in 2010, 86 million (now 78.3 million) in 2011 and 92 million SBD (now 87.2 million) for basic scenario, based on 1% increase of recurrent budget and secured development budget funding per year.
- ☐ See for which areas gaps are existing, summary (general) and page 17 (specific)
- ☐ Gaps for ideal scenarios is bigger (59 mill. in 2010, 160 mill. in 2012)

Gaps 2010

- ☐ Scholarships (31.3 million now 18.7 million)
- ☐ Teacher salaries (14 million)
- ☐ Refund tertiary fees for SoE (3.1 million)
- ☐ Reprinting (4 million)
- ☐ However, school grants “over budgeted” with 10 million.

Gaps 2011

- ☐ Scholarships (35.5 now 29.3 million)
- ☐ Reprinting (3.6 million)
- ☐ ECE infrastructure (2.5 million)
- ☐ Primary school infrastructure (23.5 mill.)
- ☐ Secondary school infrastructure (15.8 mill.)
- ☐ Teacher travel (1 mill.)
- ☐ Assumption; adequate payroll for all teachers, updated data available

Gaps 2012

- ☐ Scholarships (42 million now 40.8)
- ☐ Reprinting (1.7)
- ☐ ECE infrastructure (2.5 million)
- ☐ Primary school infrastructure (23.5 mill.)

- ☐ Secondary school infrastructure (15.8 mill)
- ☐ Teacher travel (1 mill.)
- ☐ Assumption; adequate payroll for all teachers, updated data available

Options for cost savings and increased efficiency –Major cost drivers

- ☐ Teacher numbers (over staffing); give EA's block grants for teaching staff and TA, make them responsible for control payroll (see 100 etc.)
- ☐ Reduce teacher staff at CHS; prepare multi-disciplinary teachers, share subject specialists among small schools
- ☐ Reduce teacher travel (see 116 etc.)
- ☐ Control costs in tertiary education (scholarships), implement tertiary policy (see 110 etc.)

Options for cost savings and increased efficiency (part II, suggestions)

- ☐ Check effectiveness of super numerary staff arrangements
- ☐ Reduce funding for NSS and PSS and align to normal CHS-funding arrangements
- ☐ Check consistency in housing allowances
- ☐ Check effectiveness teacher training and focus on attendance of teachers/students

Follow up needed

- ☐ Improve data management (SIEMIS, teacher data, enrolment etc.) to enable informed decision making.
- ☐ See above. More research and analysis. To what extent the NEAP leads to improved learning outcomes? (e.g. student and teacher attendance)
- ☐ Updating plans and cost implications (also for policies)
- ☐ Align AWP's closer to NEAP expected outcomes
- ☐ Develop output oriented budgets in collaboration with MoFT
- ☐ Train selected staff in costing, modelling
- ☐ Use education sector structure reform to make reforms

Lessons learnt

- ☐ More staff from accounts and planning division need to be actively involved in the costing, updates of costing and research
- ☐ Realistic planning includes cost estimations to avoid 'wish lists' or non implementable ideas (or policies)
- ☐ Change structure of education budget and align to outcomes of NEAP (see annex 11)
- ☐ More research is needed-more expenditure or which expenditure leads to better learning outcomes? For all students (equity-question)
- ☐ Recruit and concentrate TA on research, data collection and analysis

DOCUMENT 5: DRAFT AUSAID FUNDING AGREEMENT

Direct Funding Agreement

between

the Government of Australia as represented by the Australian Agency for International Development

and

the Government of the Solomon Islands as represented by the Ministry of Education and Human Resources Development

In relation to

Support for the National Education Action Plan (NEAP)

Table of Contents

| | |
|---|----|
| Definitions | 3 |
| Background | 5 |
| Preamble | 6 |
| The Goals | 6 |
| The Contributions | 6 |
| SIG's Contributions | 6 |
| AusAID's Contributions | 7 |
| Participants' Responsibilities | 8 |
| SIG's Responsibilities | 8 |
| AusAID's Responsibilities | 10 |
| Sector Management, Reporting and Monitoring | 10 |
| Auditing | 12 |
| Duration | 13 |
| Amendments | 13 |
| Settlement of Differences | 13 |
| Early Termination | 14 |
| Notices | 14 |
| Extraordinary Events | 15 |
| Anti-Corruption | 15 |
| Anti-Terrorism | 16 |
| Relationship between the Participants | 16 |
| Execution | 17 |
| Annex 1: New Zealand's Support to the Solomon Islands Education Sector | 18 |
| Annex 2: Processing of AusAID Education Sector Budget Support Funds | 24 |
| Annex 3: Solomon Islands Education Sector Statement of Partnership Principles | 27 |
| Annex 4: List of Acronyms | 32 |

DEFINITIONS

An **Annual Joint Review (AJR)** means an annual meeting of all key stakeholders in the education sector held in July of each year and led by the Ministry of Education and Human Resources Development (MEHRD). The purpose of the AJR is to provide the opportunity to appraise progress in the education sector, based on an agreed performance assessment framework, and to consult on future priorities, plans and resource availability within the framework of the Solomon Islands Government (SIG) planning and budgeting process

The Education Sector Budget Support Deposit Account

The **Education Development Partners Coordination Group (EDPCG)** provides a mechanism for the coordination and harmonisation of Development Partner support to the education sector, facilitating interaction with MEHRD and assisting MEHRD in its coordination of Development Partners. Additionally it is a forum for policy dialogue, information sharing and discussion on issues of aid effectiveness in the education sector.

The **Coordinating Development Partner (CDP)** serves as a focal point for communications between MEHRD and the EDPCG, and facilitates information sharing and collaboration amongst Development Partners and between Development Partners and MEHRD. The CDP acts only as directed by MEHRD and the EDPCG, and all actions taken are to be fully consulted with the relevant party first. The role does not preclude independent relationships between Development Partners and MEHRD.

The **Education Sector Coordination Committee (ESCC)** is chaired by the Permanent Secretary of MEHRD or his/her nominee. It organises 2 meetings per year in July and November which involve wide stakeholder representation. The July meeting will be the AJR. This committee provides an opportunity for two-way learning between MEHRD and key education stakeholders on progress and achievements in the education sector, emerging developments, issues and future plans.

The **Education Sector Governance Committee (ESGC)** is chaired by the Permanent Secretary of MEHRD or his/her nominee. It organises 2 meetings per year which involve Permanent Secretaries (or their nominees) of key SIG Ministries and two representatives of the EDPCG. This committee monitors and reviews progress against agreed objectives, performance indicators and responsibilities/accountabilities in the education sector, and decides necessary action.

The **Education Sector Investment and Reform Programme (ESIRP)** was the name given to the sector-wide programme developed by MEHRD, SIG, New Zealand Agency for International Development (NZAID) and the European Commission (EC) in 2003, as a mechanism for donor support to MEHRD to achieve its education sector goals. ESIRP described the framework for the governance, implementation, monitoring and review of the sector-wide approach, and the broad nature of SIG, EC and NZAID inputs

into the sector. The first phase of ESIRP was from 2004-2006, and the second phase was 2007-2009, guided respectively by the Education Strategic Plan 2004-2006 and the National Education Action Plan (NEAP) 2007-2009. As the sector-wide approach and its associated mechanisms and structures have become more embedded, a separate 'programme' is no longer needed. Therefore from 2010 New Zealand Development will support the NEAP and no separate programme document will be developed for this Letter of Arrangement.

The **Education Strategic Plan (ESP) 2004-2006** means the Solomon Islands Education Strategic Plan which was approved by Cabinet in June 2004. This was replaced by the NEAP 2007-2009 and more recently the NEAP 2010-2012.

The **Solomon Islands Education Sector Statement of Partnership Principles (SoPP)** between the Solomon Islands Government and Development Partners is a general statement on the principles of partnership which provide all Development Partners and SIG with an overall framework for their support to the education sector. It is not associated specifically with this, or previous, Arrangements.

The **Education Strategic Framework (ESF) 2007-2015** means the Solomon Islands Education Strategic Framework dated June 2007.

The **National Education Action Plan (NEAP) 2010-2012** means the Solomon Islands National Education Action Plan 2010-2012, which replaces the previous NEAP 2007-2009.

The **Performance Assessment Framework (PAF)** is a SIG owned framework for measuring progress in the education sector. It contains a core set of indicators related to the expected outputs, outcomes and objectives of the sector programme (as articulated in the NEAP and ESF) and is key part of MEHRD's monitoring and evaluation framework.

Provincial Education Action Plans (PEAPs) 2010-2012. In the second phase of ESIRP the MEHRD took the initiative to also develop Provincial Education Action Plans 2007-2009 in close consultation with the provincial, private and church authorities in the nine different provinces and Honiara City Council. The provincial planning aims to get the Provincial Government actively involved in the management, implementation and monitoring of the sector education programme. The PEAP is a tool to decentralize responsibilities to more stakeholders at the provincial level. These were updated in 2009 and now cover 2010-2012.

The **Technical Working Groups (TWG)** are working groups that support the MEHRD and the ESGC with policy development and approaches to help achieve the sector objectives.

BACKGROUND

In 2003, the Solomon Islands Government (SIG) developed a national Education Strategic Plan (ESP) 2004-2006, based on the establishment of a sector-wide approach to the education sector. The sector-wide approach involved a partnership of SIG, through the Ministry of Education and Human Resources Development (MEHRD), the European Commission (EC) and the Government of New Zealand via its Agency for International Development (NZAID). This partnership was named the Education Sector Investment and Reform Programme (ESIRP I). ESIRP I and its associated Memorandum of Understanding provided the framework for the governance, implementation, monitoring and review of the sector-wide approach, and described the broad nature of SIG, EC and NZAID inputs for the implementation of the ESP 2004-2006.

The second phase of the sector-wide programme, the Education Sector Investment and Reform Programme, 2007-2009 (ESIRP II) was signed by SIG, EC and NZAID in early 2007. This was based on the National Education Action Plan 2007-2009 (which replaced the former ESP 2004-2006), and the newly produced Education Strategic Framework (ESF) 2007-2015. ESIRP II, and the associated Arrangement 2007-2009 expired at the end of 2009.

MEHRD has produced a National Education Action Plan (NEAP) and Provincial Education Action Plans (PEAPs) 2010-2012 which, together with the ESF 2007-2015, represent the strategic planning frameworks for the education sector in Solomon Islands. NZAID is continuing to provide funding for this third phase (2010-2012) of the sector wide approach the period 2010-201. The NZAID support for this third phase is based on these SIG owned planning and activity frameworks: that is, there is no separate discrete programme document for the third phase.

This Arrangement 2010-2012 is based on the NEAP and PEAPs 2010-2012 and ESF 2007-2015 and has been jointly developed to cement in writing the shared understandings, arrangements, terms and conditions of the partnership between SIG and NZAID.

PREAMBLE

WHEREAS SIG and MEHRD have overall management responsibility for the development, implementation and monitoring of the NEAP and PEAPs 2010-2012 and the ESF 2007-2015; and

WHEREAS the government of Australia as represented by the Australian Agency for International Development, hereafter referred to as AusAID, will provide up to AUD xx million over the period 2010 to 2012 in support of SIG education priorities that are consistent with NEAP and PEAP and ESF (2007-2015) objectives and as agreed between AusAID and MEHRD through the mechanisms as detailed in this Agreement.

NOW THEREFORE, in a spirit of partnership, SIG and AusAID (together the Participants) have reached the following understandings on the development, implementation and monitoring of the NEAP and PEAPs 2010-2012 and ESF 2007-2015 in the manner and under the terms and conditions set out below and in accompanying Annexes.

PARAGRAPH 1: THE GOALS

- 1.1 The goals of both Participants to this Arrangement 2010-2012 are identical to those of the NEAP and PEAPs 2010-2012, namely:
 - a. To achieve equitable access to education for all people in Solomon Islands.
 - b. To improve the quality of education in Solomon Islands.
 - c. To manage resources efficiently and effectively.

PARAGRAPH 2: THE CONTRIBUTIONS

- 2.1 SIG and AusAID's contributions will be used to support programmes and activities articulated in the NEAP and PEAPs 2010-2012, the ESF 2007-2015 and annual MEHRD work plans.
- 2.2 With the written agreement of AusAID, contributions may also be used to support preparatory activities in support of new NEAP priorities which may arise but were not included in the agreed annual workplan.

SIG's Contributions

- 2.3 SIG will provide funds in the recurrent and development budgets for activities specified in the NEAP and PEAPs 2010-2012 and the ESF 2007-2015 and will implement approved education policies, as well as fully fund the payroll for teachers and public servants.
- 2.4 SIG will make all reasonable effort to facilitate the successful implementation of the NEAP and PEAPs 2010-2012 and ESF 2007-2015, and with the support of AusAID and other Development Partners, will meet the following key targets:
 - a. Maintain education's share of the SIG recurrent budget at a minimum of 22% (excluding donor contributions to the recurrent budget);

- b. Maintain the responsibility to eliminate compulsory school fees for Basic Education (Year 1 to Year 9) by ensuring sufficient funding for the provision of school operating grants at an adequate level to all registered schools, as per the SIG Policy Statement and Guidelines for Basic Education October 2009 and Policy Statement and Guidelines for Grants to Schools October 2008. Further, to ensure an effective mechanism for monitoring and measuring the effectiveness of school operating grants as a means of eliminating school fees is established during 2010;
- c. Ensure adherence to the principles expressed in the SIG Policy Statement and Guidelines for Tertiary Education October 2009 including the emphasis on Universal Basic Education as the first priority of SIG, and of ensuring efficiency and sustainability in the provision of tertiary education including the introduction of cost sharing and improved selection and management of government funded scholarships; and
- d. Develop a 3-year costing of the NEAP 2010-2012 and use this as a basis for clearly defined prioritisation of NEAP activities.

AusAID's Contributions

- 2.5 AusAID will contribute up to AUD[insert amount] million as sector budget support over the period 2010-2012, divided equally over the three years (up to SBD (OR AUD) [insert amount] million per year) in accordance with the processes detailed in Annex 2.
- 2.6 AusAID funds will be allocated against activities as identified in MEHRD annual work plans and agreed with MEHRD or in the case of preparatory activities that may arise outside the agreed annual work plan as detailed in Clause 2.2 above.
- 2.7 AusAID will make four quarterly payments per year by releasing funds at the beginning of each quarter into the Education Sector Budget Support Deposit Account held at the Central Bank of Solomon Islands (CBSI) managed by the Ministry of Finance and Treasury (MoFT). The full amount of AusAID funds will then be transferred immediately by MoFT into a bank account managed by MoFT known as the Donor Education Support Account that is used only for AusAID and NZ Development education support funds. This allows AusAID funds to be represented on the SIG recurrent budget while also ensuring that funds are earmarked for the education sector in common with the procedures as followed by New Zealand Development.
- 2.8 Provided the steps in Annex 2 paragraph 5 have been completed, the first three quarterly payments will be made according to the table below with no further conditionality. (*see foot note¹⁹*) The fourth quarter payment will be a maximum of SBD (OR AUD) X²⁰ million, depending on funds remaining in the AusAID

¹⁹ This is a draft funding agreement, and details on tranche amounts will have to be further discussed with MEHRD based on the outcomes of the TVET framework including the SICHE Strategic Plan.

²⁰ See above.

Education Support Account and projected expenditure to the end of the year. This is to ensure that no build up of unspent funds occurs. The higher amounts in the first and third quarters allow for the payment of school operating grants in these quarters.

| DATE | AMOUNT AUD |
|-------------|------------------------------|
| January | SBD (OR AUD) X million |
| April | SBD (OR AUD) X million |
| July | SBD (OR AUD) X million |
| October | Up to SBD (OR AUD) X million |

Refer to Annex 2 for details on the process of payments

- 2.9 AusAID shall provide additional funds for Technical Assistance (TA). These funds will be held by AusAID and can be utilised on agreement by AusAID to a formal by MEHRD in consultation with the assigned AusAID staff member based in the Australian High Commission, Honiara. AusAID and MEHRD will work together to strengthen MEHRD's contract management capability so that gradually MEHRD will take greater responsibility for managing this TA fund.
- 2.10 AusAID funding will be concentrated on activities that are a priority for MEHRD for reform and improvement as detailed in Schedule of the AusAID-Solomon Islands Partnerships for Development. AusAID funds will not be used for recurrent operational costs, such as salaries of permanent staff, housing allowances and office costs. This will help to ensure the sustainability of the education sector budget.
- 2.11 AusAID will focus its support on specific areas identified as priorities by MEHRD within the ESF 2007-2015, NEAP and PEAPs 2010-2012. In response to MEHRD's request,

PARAGRAPH 3: PARTICIPANTS' RESPONSIBILITIES

- 3.1 The Participants will adhere to the signed Solomon Islands Education Sector Statement of Partnership Principles (SoPP) between SIG and Development Partners, attached as Annex 3, and respect and strengthen the role of the Coordinating Development Partner.

SIG's Responsibilities

- 3.2 SIG, through MEHRD, MoFT and the Ministry of Development Planning and Aid Coordination (MDPAC), will make all reasonable efforts to facilitate the successful implementation of the NEAP and PEAPs 2010-2012 and ESF 2007-2015 and to fulfil jointly determined arrangements, and will:
 - a. Defray any customs duties, Value Added Tax and other taxes, fees and levies on all services, equipment, international technical assistance and

contractors, materials and supplies financed by the funds from AusAID and purchased or hired for the benefit of the education sector;

- b. Grant all necessary permits (including work and immigration permits for consultants), import licenses and foreign exchange permissions that may be required in connection with the implementation of this Arrangement 2010-2012;
- c. Not under any circumstances, except with written permission from AusAID, transfer funds in the AusAID Education Support Account to another account, nor use them for any purpose, other than that requested by MEHRD through normal procedures;
- d. Manage and process funds from the AusAID Education Support Account in the same manner as other SIG funding, ensuring adherence to SIG Financial Instructions and MoFT standards for service;
- e. Establish and successfully implement a plan to address the recommendations of the education sector Public Expenditure Review carried out in 2009 and to follow up on the recommendations of all audits carried out since 2008, and all future audits;
- f. Include all contributions and activities in the education sector within MEHRD's annual work plans and budget, and within the NEAP and PEAPs 2010-2012 and associated three-year costing;
- g. Implement a review and capacity assessment of the education sector organisational and institutional structure, and address the recommendations over the 2010-2012 period;
- h. Develop in good collaboration with the Ministry of Public Service (MPS), an appraisal system for all public service staff in the education sector and implement by 2011;
- i. Communicate its vision of a sector-wide approach in education to all stakeholders and institutionalise this within the sector;
- j. Take a lead role in discussions with any development partners and in any subsequent project or programme preparation stages, to ensure donor funded activities are consistent with the ESF 2007-2015, the NEAP and PEAPs 2010-2012, SIG defined priorities and the SoPP between SIG and Development Partners (Annex 3);
- k. Raise funds from all Development Partners through a transparent approach including an open discussion process, as per the SoPP between SIG and Development Partners (Annex 3); and
- l. Promptly inform AusAID of any suspected incidents of accidental or deliberate misuse of AusAID funds or corruption, investigate any cases and take appropriate action. This may include recovery of any lost money or property, disciplining or dismissing the individual(s) concerned in a manner consistent with SIG's own policies, and referral to the authorities. SIG will

also examine investigation reports to identify and implement measures to reduce the risk of similar frauds occurring in the future. SIG will inform AusAID of the action it proposes to take and provide regular updates at agreed intervals throughout the follow up proceedings.

AusAID's Responsibilities

- 3.3 AusAID, *in common with other Development Partners*, will make all reasonable efforts to facilitate the successful implementation of the NEAP and PEAPs 2010-2012 and ESF 2007-2015 and to fulfil jointly determined arrangements and will:
- a. Make all available effort to ensure funds are provided in a timely and predictable manner, minimising year-to-year fluctuations of the pledged contribution;
 - b. Support SIG to enhance its capacity and self-reliance by ensuring all technical inputs contribute, directly or indirectly, to capacity building of the education sector and that any external technical assistance or advice is provided in response to requests from MEHRD, is in line with MEHRD priorities and absorptive capacity, and is complementary to and develops national and/or regional expertise;
 - c. Ensure sufficient human resources exist within AusAID to fully support the commitments made by AusAID in this Arrangement 2010-2012;
 - d. Fully and actively participate in governance meetings as laid out in subparagraph 4.4; and
 - e. Ensure consideration is given to gender equality, pro-poor initiatives, conflict prevention and environmental impact during any AusAID-assisted mission, study or related activity.

PARAGRAPH 4: SECTOR MANAGEMENT, REPORTING AND MONITORING

- 4.1 Under the sector-wide approach *AusAID, in common with New Zealand Development*, will utilise MEHRD's existing management, planning, budgeting, monitoring, reporting and governance mechanisms, as described in subparagraphs 4.3 to 4.6.
- 4.2 Overall supervision and management of MEHRD and the Arrangement 2010-2012 will be carried out by the Permanent Secretary, MEHRD and his/her senior management team.
- 4.3 Monitoring and reporting of progress against achievement of the ESF 2007-2015, NEAP and PEAPs 2010-2012 and annual MEHRD work plans will be carried out via:
 - a. The Performance Assessment Framework (PAF), with a core set of indicators and targets that will measure achievement towards the objectives of the NEAP 2010-2012/ESF 2007-2015. This will be produced annually and shared for comment and discussion at the Annual Joint Review (AJR);
 - b. Regular joint monitoring (quarterly or semi annual) visits to selected areas in order to follow up on identified problem areas, obtain supplementary information and cross check data received from other sources. A comprehensive report will be produced after each visit;
 - c. Semi-annual and annual reports where each of MEHRD's divisions report on progress against activities and objectives in the NEAP, PEAPs and annual work plans; and
 - d. Research and reviews in specific areas to better inform policy decisions and responses (e.g. curriculum review, infrastructure review, drop out rates, teacher supply/demand, barriers to education).
- 4.4 Governance of the education sector will be via:
 - a. The Education Sector Governance Committee (ESGC), which will meet twice a year. It will be chaired by the Permanent Secretary, MEHRD or his/her nominee. It will involve Permanent Secretaries (or their nominees) of key SIG Ministries (especially MoFT, MDPAC, MPS and Ministry of Provincial Government and Institutional Strengthening (MPGIS)) and representatives of the Development Partners. This committee will monitor and review progress against approved objectives, performance indicators and accountabilities in the education sector programme, and jointly determine necessary action;
 - b. The Education Sector Coordination Committee (ESCC), which will meet twice a year. One of the ESSC meetings will be the AJR (refer to subparagraph 4.4c.). It will be chaired by the Permanent Secretary of MEHRD or his/her nominee and will involve wide stakeholder representation. This committee will provide an opportunity for two-way learning between MEHRD and key education stakeholders on progress and achievements in

the education sector, emerging developments and issues and future plans. This committee, in consultation with the Minister of Education, will set the agenda for discussion on policy items, discuss general progress in the sector and make policy recommendations to the National Education Board and onwards to the Minister of Education for decision making. The second ESCC of each year will mainly focus on the planning and budgeting for the following year; and

- c. An AJR of progress which is linked to a jointly determined set of planned processes, results and targets (which are expressed in an Aide Memoire (not exactly sure what AM is being referred to here)), involves all stakeholders and is informed by the semi-annual reports prepared by MEHRD. The AJR will take place in July of each year and provides the opportunity to appraise progress in the education sector, based on an agreed performance assessment framework, and to consult on future priorities, plans and resource availability within the framework of the SIG planning and budgeting process. Each AJR will include the following:
 - an assessment of financial commitments and releases to the education sector (as a percentage of total government expenditure) and a break down of expenditure on each sub sector (primary, secondary and tertiary);
 - the reports of audits completed in the previous fiscal year and the steps MEHRD has taken to implement the recommendations;
 - a discussion of outcome, output and process indicators as presented in the PAF and on the completion of a specific piece of sector work (eg., a curriculum and assessment review cycle);
 - a discussion of the education policies, priorities and work plans informing the next budget preparation cycle; and
 - a discussion of and joint decisions on likely financing gaps and the initial provision of funds from development partners for the next financial year.
- 4.5 Technical Working Groups (TWG) will be established as required to support the Ministry and the ESGC with policy development and approaches to help achieve the sector objectives.
- 4.6 AusAID consents to continue to support MEHRD to strengthen its management, monitoring and reporting processes.
- 4.7 MEHRD, with technical and financial support from *AusAID and other Development Partners* as appropriate, will continue to strengthen the Solomon Islands Education Management and Information System (SIEMIS) as the primary system for the collection and provision of education data used by MEHRD for reporting, monitoring, analysis and decision-making. MEHRD will strengthen systems for quality assurance of the data collected and entered in SIEMIS, and strengthen utilisation of the data for reporting, monitoring and decision making by MEHRD staff.

- 4.8 MEHRD will strengthen the management of the annual school survey process, to ensure all schools return their survey forms promptly and that they are entered into SIEMIS in a timely and accurate way.

PARAGRAPH 5: AUDITING

- 5.1 The Accountant General of Solomon Islands oversees the AusAID Education Support Account. The Accountant General is responsible for maintaining the accounting records, ledgers and preparing the financial statements pertaining to the account.
- 5.2 AusAID funds held in the AusAID Education Support Account will be subject to SIG's existing and statutory accounting and audit procedures including the Auditor General's annual audit of SIG financial statements.
- 5.3 After this annual audit the Solomon Islands' Auditor General provides a management report to all Permanent Secretaries commenting on control weaknesses and recommendations within their respective ministries. Permanent Secretary MEHRD consents to share this report with AusAID, and any other audit reports carried out on MEHRD by the Auditor General, and to discuss ways in which AusAID can assist in addressing identified weaknesses.
- 5.4 *Additionally the Minister of Finance and Treasury will direct the Accountant General to annually request the Auditor General to carry out a performance audit of the use of the AusAID and New Zealand Development funds in the Donor Education Support Account in the previous calendar year. The scope of any performance audit that is carried out as a result of such a request from the Accountant General to the Auditor General will be determined by the Auditor General in consultation with AusAID and New Zealand Development. The Accountant General accepts that the Auditor General will consult with AusAID and New Zealand Development in determining the scope of the audit.*

- 5.5 Where the Auditor General has issued a final audit report that comments on the expenditure and/or performance of funds from the Donor Education Support Account, the Accountant General accepts that copies of this report may be passed directly to AusAID and New Zealand Development without requiring further permission from the Accountant General or MEHRD.
- 5.6 AusAID reserves the option to initiate independent audits of the use of its funds whenever it sees a need for such audits to be conducted and MoFT and MEHRD will cooperate fully with these audits. AusAID will consult with the Accountant General, Permanent Secretary, MEHRD and the Auditor General with regard to the timing and scope of such audits but this consultation will in no way compromise AusAID's option to have the audit carried out.
- 5.7 MEHRD will discuss all audits with AusAID and New Zealand Development in order that a joint plan for implementing recommendations can be put in place.

PARAGRAPH 6: DURATION

- 6.1 This Agreement will come into effect upon signature.
- 6.2 Unless otherwise earlier jointly determined by the Participants, this Agreement will cease on 31 December 2012.

PARAGRAPH 7: AMENDMENTS

- 7.1 Any variation, modification or amendment to the provisions of this Agreement 2010-2012 will only be effective if accepted in writing by the Participants. Any such variation, modification or amendment will become an integral part of the Agreement 2010-2012.
- 7.2 ~~The Agreement 2010-2012 may be extended to include other Development Partners in writing, signed by the Participants, and the signing of an addendum outlining the new Development partner's contribution to and support for the sectoral objectives and sector management arrangements set out in the Agreement 2010-2012.~~

PARAGRAPH 8: SETTLEMENT OF DIFFERENCES

- 8.1 If any difference arises between the Participants as to the interpretation, application or performance of this Agreement 2010-2012, the Participants will consult with one another in order to reach an amicable solution.

PARAGRAPH 9: EARLY TERMINATION

- 9.1 Each Participant reserves the option to withdraw/terminate its support to this Agreement 2010-2012. If either of the Participants intends to withdraw from/terminate its support to this Agreement 2010-2012, they will call for a meeting to inform the other Participant to the Agreement 2010-2012 on its decision and to consult on the consequences for the Agreement 2010-2012. Only after consultations have taken place between all signatories to the Arrangement 2010-2012 and provided that the payments already received are, together with other funds available to the programme, sufficient to meet all responsibilities and liabilities incurred in the implementation of the programme up to the date of termination, may this Agreement be terminated by either Participant.
- 9.2 Subject to sub-paragraph 9.1, this Agreement 2010-2012 will cease to be in effect 30 calendar days after either of the Participants has given notice in writing to the other Participant of their decision to terminate the Agreement 2010-2012.
- 9.3 Notwithstanding termination of this Agreement 2010-2012, SIG will continue to hold unutilised payments until all jointly determined duties and liabilities incurred in implementation of the Agreement 2010-2012 up to the date of termination have been satisfied and programme activities brought to an orderly conclusion.
- 9.4 Any AusAID payments that remain unexpended after such responsibilities and liabilities have been satisfied will be disposed of by SIG in consultation with AusAID.
- 9.5 In the case where corrupt, fraudulent, collusive or coercive practices are discovered, termination may be immediate, in accordance with sub-paragraph 12.2.

PARAGRAPH 10: NOTICES

- 10.1 Unless otherwise specified in this Agreement 2010-2012, all formal communications and notices (Notices) to be given under this Agreement 2010-2012 must be in writing and sent by post or personal delivery to the addressee at the postal address or physical address, and marked for the attention of the office holder, set out in sub-paragraph 10.2. No Notice will be effective until received. A Notice is deemed to be received:
- a. in the case of posting, on the third working day following the date of posting; and
 - b. in the case of personal delivery, when received by an employee of the Participant,
- provided that any Notice personally delivered after 5 pm on a working day or on any day that is not a working day will be deemed to have been received on the next working day.

10.2 **Notices to AusAID**

for mail:

Education Program Manager
Australian Agency for International
Development
Australian High Commission

Honiara
Solomon Islands

Notices to SIG

for mail:

Permanent Secretary
Ministry of Education and Human
Resources Development
PO Box G28
Honiara
Solomon Islands

for deliveries:

Education Program Manager
Australian Agency for International
Development
Australian High Commission

Honiara
Solomon Islands

for deliveries:

Permanent Secretary
Ministry of Education and Human
Resources Development
Level 2, Tongs Building
Hibiscus Avenue
Honiara
Solomon Islands

PARAGRAPH 11: EXTRAORDINARY EVENTS

- 11.1 Neither Participant will be liable for any failure to perform nor any delay in performing their responsibilities under this Agreement 2010-2012 where the cause of such failure or delay is beyond that Participant's reasonable control, (*force majeure*). The Participant claiming suspension of its responsibilities for this reason must immediately give written Notice to the other Participant.

PARAGRAPH 12: ANTI-CORRUPTION

- 12.1 Consistent with each Participant's responsibility to good governance, accountability, and transparency, each Participant reserves the option to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Agreement 2010-2012 or its funding.
- 12.2 SIG warrants that AusAID funds will not be used for any illegal, corrupt or unethical practice, including but not limited to receiving benefits of any kind as an inducement or reward for the receipt of AusAID funds or any administration or award of contracting services carried out in the implementation of the Agreement 2010-2012. Any such conduct will be grounds for immediate termination of this Agreement 2010-2012, or the taking of such corrective action as is reasonably appropriate in the circumstances.

PARAGRAPH 13: ANTI-TERRORISM

- 13.1 SIG will use its best endeavours to ensure that funds provided under this Agreement 2010-2012 do not provide direct or indirect support or resources to organisations and/or individuals associated with terrorism. If, during the term of this Agreement 2010-2012, SIG discovers any link whatsoever with any organisation or individual associated with terrorism it will promptly inform AusAID.

PARAGRAPH 14: RELATIONSHIP BETWEEN THE PARTICIPANTS

- 14.1 This Agreement 2010-2012 cannot be construed as creating an international treaty between the respective Governments of the Participants or a relationship of employer and employee.
- 14.2 Neither Participant will under any circumstances during or after the course of this Agreement 2010-2012 make any commitments on behalf of the other's respective government relating to the expenditure of official development assistance or any other official funds, other than the extent to which AusAID has consented to the Contribution under this Agreement 2010-2012.

EXECUTION

Signatures

For the Australian Agency for International Development

Name _____
(Print)
S44 Delegate
Australian Agency for International Development

Signed at [PLACE] on [DATE]

For the Government of Solomon Islands

Honourable [insert], MP
Minister of Education, (for MEHRD)

Signed at [PLACE] on [DATE]

Honourable [insert], MP
Minister of Finance and
Treasury, (for MoFT)

Signed at [PLACE] on [DATE]

Honourable [insert, MP
Minister of Development Planning and
Aid Coordination, (for MDPAC)

Signed at [PLACE] on [DATE]

Annex 1: New Zealand's Support to the Solomon Islands Education Sector

This information is provided in the NZ Programme Documents- separate attachment

Annex 2: Processing of AusAID (and New Zealand Development) Education Sector Support Funds

This Annex outlines the funding mechanism to be used for the processing of AusAID and New Zealand Development funds into the Solomon Islands education sector during the three years 2010-2012.

- 1 AusAID (and New Zealand Development) funding modalities will support key principles of Solomon Islands Government (SIG) ownership and sustainability, aid coordination and aid effectiveness. This financing mechanism is centred on frequent and transparent communication between AusAID, New Zealand Development and SIG.
- 2 AusAID will contribute up to SBD (OR AUD) [*insert amount*] million as sector budget support over the period 2011-2012, divided equally over the two years (up to SBD (OR AUD) [*insert amount*] million per year).
- 3 AusAID will release funds at the beginning of each quarter into the AusAID Budget Support Deposit Account (0060-035) held at the Central Bank of Solomon Islands (CBSI) managed by the Ministry of Finance and Treasury (MoFT) (need to check for AusAID: Post to advise). The full amount of AusAID funds will then be transferred immediately by MoFT into an ANZ bank account managed by MoFT known as the Donor Education Support Account that is used only for AusAID and New Zealand Development education support funds. This allows the funds to be represented on the SIG recurrent budget while also ensuring that funds are earmarked for the education sector.
- 4 SIG under no circumstances, except with written permission from AusAID, is to use the funds in either the CBSI AusAID Budget Support Deposit Account or the Donor Education Support Account for any purposes other than to pay vouchers that Ministry of Education and Human Resources Development (MEHRD) submits coded to this ledger.
- 5 Prior to AusAID transferring any funds into the CBSI AusAID Budget Support Deposit Account for the education sector, the following must occur each year:
 - a. The satisfactory completion of a joint (SIG and Development Partners) annual review of progress for the previous year, including completion of a monitoring framework and accompanying report;
 - b. The written approval by AusAID and New Zealand Development of the allocation of AusAID and New Zealand Development funds in MEHRD's annual budget; and
 - c. Satisfactory consultation with AusAID and New Zealand Development by MEHRD in the development of the annual MEHRD work plans and approval of the annual work plans by the Minister of Education.

- 6 Provided the steps in paragraph 5 have been completed, AusAID will make four quarterly payments per year. The first three payments are not subject to further conditionality and will be paid according to the following table:

| DATE | AMOUNT |
|---------|---------------------------------------|
| January | SBD (OR AUD) [<i>insert amount</i>] |
| April | SBD (OR AUD) [<i>insert amount</i>] |
| July | SBD (OR AUD) [<i>insert amount</i>] |

The higher amounts in the first and third quarters allow for the payment of school operating grants in these quarters. AusAID will inform the Accountant General in writing (with copies to the Permanent Secretary - MoFT, Director Budget Unit - MoFT, Permanent Secretary - MEHRD and Financial Controller - MEHRD) when the funds have been released.

- 7 MoFT will provide AusAID and New Zealand Development with the following reports from the Donor Education Support Account, by the 20th of each month, although as per paragraph 6, receipt will not be a condition for the first three quarterly payments:
- A Funds Available report (year-to-date) to the end of the preceding month;
 - An Actual Expenditure vs. Budget report (year-to-date) to the end of the preceding month; and
 - A Bank Reconciliation Statement (year-to-date) to the end of the preceding month.

These will be provided by the Accountant General to AusAID and New Zealand Development, in email or hard copy.

- 8 **Payment process for the fourth quarter.** The fourth quarter payment will be a maximum of SBD (OR AUD) [*insert amount*], depending on funds remaining in the Donor Education Support Account and projected expenditure to the end of the year.

| DATE | AMOUNT |
|---------|---|
| October | Up to SBD (OR AUD) <i>insert amount</i> |

For the fourth quarter payment (October), the Permanent Secretary, MEHRD will advise the Accountant General of budgeted expenditure for the final four months of the year (September to December) by September 15. The Accountant General will advise New Zealand Development in writing of the amount required for the fourth quarter payment by the 20th of September, taking into account any monies remaining in the Donor Education Support Account, and likely expenditure in the final four months of the year. The Accountant General will provide MEHRD's projected expenditure for the final four months of the

year and the reports listed in paragraph 7 (up to the end of August) with the request for funds. AusAID will then release the requested funds to the CBSI AusAID Budget Support Deposit Account. This payment acts as a 'wash up' payment and ensures that large amounts of funds are not remaining unused in the Donor Education Support Account at the end of the SIG financial year.

- 9 If, at any time, there is projected to be insufficient funds in the Donor New Zealand Development Education Support Account, then the Accountant General can request that AusAID and/or New Zealand Development releases early the next quarterly tranche payment, or any funds that were not paid in the previous year(s) fourth quarter wash up payment. This request will be in writing from the Accountant General to AusAID and New Zealand Development, attaching the most recent reports as specified in paragraph 7.
- 10 Any funding left in the Donor Education Support Account at the end of the SIG financial year will remain in the account, and is rolled into the next financial year.
- 11 All efforts are to be made to ensure all funds dispersed under this Arrangement 2010-2012 will be expended by 31 December 2012. Subject to discussion between SIG and AusAID and New Zealand Development and written confirmation as to alternative use(s) for underspends in relation to AusAID and New Zealand Development funds; SIG will refund to New Zealand Development and AusAID any funds which remain unspent at the end of the term of this Arrangement 2010-2012.
- 12 Virements of AusAID and New Zealand Development funding can be done only at the beginning of the third and fourth quarters. In order for this to occur, the Permanent Secretary - MEHRD must send a letter to New Zealand Development outlining the reason for the changes and attaching a copy of the revised budget and must receive written approval from AusAID and New Zealand Development. MEHRD must then provide a copy of these letters to MoFT and request endorsement by the Minister of Finance and Treasury for the virement (as per the SIG process for virements). MoFT will not make any changes to the budget of the Donor Education Support Account without a letter of approval from AusAID and/or New Zealand Development, and subsequent endorsement by the Minister of Finance and Treasury.
- 13 MoFT will:
 - a. Immediately transfer funds that AusAID deposits into the CBSI Budget Support Deposit Account for the education sector, in full, into the New Zealand Development Education Support Account at the ANZ bank;
 - b. Ensure correct acquittal of imprest advances from the Donor Education Support Account;
 - c. Ensure MEHRD, AusAID and New Zealand Development are informed promptly if significant problems are encountered or irregularities are discovered; and

- d. Provide MEHRD with monthly general ledger reports from both the MEHRD and Donor Education Support Account ledgers. MEHRD will provide copies to AusAID and New Zealand Development. However these reports are not required to release money from AusAID or New Zealand Development.
- 14 Quarterly financial statements will be made available by the Accountant General and the Permanent Secretary, MEHRD to the Education Sector Coordination Committee ESCC and the Annual Joint Review (AJR). MEHRD, with assistance from MoFT, will provide reporting on total education expenditure from all funding sources.
- 15 **Review of the Funding Mechanism**

AusAID and New Zealand Development, in consultation with SIG, will review the existing funding mechanism in June 1(prior to the AJR) and in December 2011, to ensure it is meeting the requirements of the Participants. Any amendments approved by the Participants must be incorporated into this Agreement in accordance with Clause 7.1 of the body of this Agreement.

Annex 3: Copy of Solomon Islands Education Sector Statement of Partnership Principles between Solomon Islands Government and Development Partners (Note: Australia (AusAID) is a signatory to the Statement of Partnership Principles)



Solomon Islands Education Sector Statement of Partnership Principles between Solomon Islands Government and Development Partners

1. Background

The Solomon Islands Government Ministry of Education and Human Resources Development (MEHRD) has formulated both a Vision and a Mission Statement, and key goals for the sector:

Vision Statement

"Our vision is that all Solomon Islanders will develop as individuals and possess knowledge, skills and attitudes needed to earn a living and to live in harmony with others and their environment. We envisage a united and progressive society in which all can live in peace and harmony with fair and equitable opportunities for a better life. We envision an education and training system that is responsive to its clients and efficiently managed by its stakeholders."

Mission statement

"To promote, develop and facilitate Education and Human Resource needs of the country within the framework of the government policies and priorities as reflected in the *Policy Translation and Implementation Framework (2007-2009)* of the Coalition for National Unity and Rural Advancement (CNURA) Government and the *Education Sector Investment and Reform Programme (ESIRP) phase II, National Education Action Plan (NEAP) 2007 – 2009*, as well as the *Education Strategic Framework (ESF) 2007 – 2015*."

Key Goals

- **Strategic Goal 1:** to provide equitable access to quality basic education (up to Form 3) for all children in the Solomon Islands
- **Strategic Goal 2:** to provide access to community, technical, vocational and tertiary education that will meet individual, regional and national needs for a knowledgeable, skilled, competent, and complete people; and
- **Strategic Goal 3:** to manage resources in an efficient, effective and transparent manner

These statements above and goals provide development partners with an overall framework for their support for education in Solomon Islands.

2. The Education Sector Investment and Reform Programme

The first phase of the ESIRP was developed in 2004 by MEHRD, the New Zealand Agency of International Development (NZAID) and the European Commission (EC) to implement the Education Strategic Plan (ESP) 2004 - 2006.

ESIRP I provided the framework for the governance, implementation, monitoring and review of the sector-wide approach to education, and described the broad nature of Solomon Islands Government (SIG), EC and NZAID inputs for the implementation of the ESP 2004 - 2006. SIG, EC and NZAID signed a Memorandum of Understanding (MOU) for the period 2004-2006 to cement in writing the shared understandings, terms and conditions of ESIRP I.

The ESP and the MOU expired at the end of 2006 and were replaced by ESIRP phase II, covering the period 2007-2009, based on the newly developed ESF 2007 – 2015, and NEAP 2007– 2009.

There are several other Development Partners who play a valued role in the education sector. During the period of the NEAP 2007-2009, SIG and Development Partners consented to deepening and widening the engagement of all active development partners in the sector-wide programme. This has been achieved through establishing an education sector donor coordination group (now called the Education Development Partners Coordination Group (EDPCG)), and the development of this document, to which any development partner working in the education sector in Solomon Islands is encouraged to sign up, to demonstrate support for shared working principles and objectives.

3. Purpose of this Statement

This statement outlines the principles which SIG and Development Partners (and other partners¹) jointly accept to follow in their engagement in the education sector in Solomon Islands. It reaffirms the Development Partners' commitments to the Paris Declaration on Aid Effectiveness (2005) as well as the Pacific Principles on Aid Effectiveness (2006) and the Accra Agenda for Action (2008). The statement presents a shared intention between Solomon Islands Government and Development Partners. It is not a legally binding document.

4. Principles of Partnership

1. SIG and Development Partners jointly decide to make all reasonable efforts to support and facilitate MEHRD in its successful implementation of the ESF and the NEAP, and are committed to long term engagement in the education sector.

¹ 'Other partners' may include Civil Society, Churches, NGOs, Regional organizations and initiatives, and other non-donor organizations working within the sector programme approach in Solomon Islands

2. Development Partners will encourage other stakeholders to accept this Statement of Principles in support of the ESF and the NEAP, and to contribute to the development of the education sector.
3. The partnership between Development Partners and MEHRD will be based on and developed by annual joint reviews and lessons learnt from education SWAps practices in the region and elsewhere.
4. MEHRD and Development Partners will follow the five Principles of Paris Declaration of Aid Effectiveness, namely :
 - a) Country ownership and leadership of development policy
 - i. MEHRD will provide clear leadership and guidance of the development of the education sector.
 - ii. Development Partners will support MEHRD in education sector policy development and implementation.
 - iii. Development Partners will assist and encourage MEHRD to develop its capacity for leadership, both of the sector and the Development Partners' contributions.
 - iv. SIG and Development Partners will work to increase the predictability of funding to the sector and will provide each other with timely and adequate information on planned sector contributions, thereby minimising year-to-year fluctuations.
 - b) Alignment with national development strategies
 - i. MEHRD will update national development plans for the education sector as necessary, in consultation with Development Partners and other stakeholders.
 - ii. Development Partners will move towards ensuring that all financial and technical contributions to the education sector are based on consultation with or are in response to requests from MEHRD and are in line with the Medium Term Development Strategy and associated documents, the ESF and the NEAP.
 - iii. Development Partners will ensure that technical assistance or advice is complementary to, and supportive of, the development of national expertise.
 - iv. Development Partners will use existing SIG systems for financial management, procurement, auditing and accounting *wherever appropriate and possible*.
 - v. MEHRD will improve its management and financial systems in line with internationally accepted standards, with support from Development Partners, and will provide regular and adequate reporting.

c) Harmonisation among Development Partners

- i. MEHRD and Development Partners will work within the new Governance Structure (2008) for the education sector programme.
- ii. Development Partners will participate in the EDPCG, established as a platform to discuss key issues for feedback to MEHRD, settling any disputes within the group.
- iii. MEHRD and Development Partners will respect the role and responsibilities of the Coordinating Development Partner for the sector, while acknowledging the specific areas of expertise of individual Development Partners.
- iv. Development Partners will minimise individual calls on Ministry officials' time, making any proposals for new initiatives, studies, reviews and evaluations through the processes of discussion and communication of the EDPCG.
- v. Development Partners will attempt to align their agencies monitoring and reporting requirements with the framework used by MEHRD.

d) Managing for results

- i. MEHRD and Development Partners will take a long-term approach to achieving outcomes in the education sector, recognising the need for progressive improvement.
- ii. MEHRD will continue development of the NEAP and the Performance Assessment Framework (PAF) to ensure realistic targets and measurable indicators exist, and that there is a comprehensive results reporting framework in the education sector.
- iii. MEHRD and Development Partners will increasingly use the PAF as the key mechanism for monitoring and reporting on results.
- iv. MEHRD and Development Partners may supplement monitoring via the PAF with periodic evaluations and reviews where appropriate, in consultation with each other.

e) Mutual accountability for development results

- i. MEHRD and Development Partners will participate in governance meetings, and where possible aim to carry out joint appraisal, analysis, monitoring, reporting and evaluation of the Sector Wide Education Sector programme to minimise work load for the Ministry and increase quality by collecting views and reactions from all Development Partners.
- ii. Development Partners will participate in stakeholder consultations held by MEHRD on sectoral issues.
- iii. Development Partners and MEHRD will provide each other with all reports on funding and technical contributions to the maximum extent in a timely manner, and be transparent and accountable in their intended support.

Annex 4: Acronyms

| | |
|-----------------------|---|
| AJR | Annual Joint Review |
| CDP | Coordinating Development Partner |
| EDPCG | Education Development Partners Coordination Group |
| ESCC | Education Sector Coordinating Committee |
| ESGC | Education Sector Governance Committee |
| ESF 2007-2015 | Education Strategic Framework 2007-2015 |
| ESIRP | Education Sector Investment and Reform Programme |
| ESP 2004-2006 | Education Strategic Plan 2004-2006 |
| EC | European Commission |
| MEHRD | Solomon Islands Ministry of Education and Human Resources Development |
| MDPAC | Solomon Islands Ministry of Development Planning and Aid Co-ordination |
| MoFT | Solomon Islands Ministry of Finance and Treasury |
| MPGIS | Solomon Islands Ministry of Provincial Government and Institutional Strengthening |
| MPS | Solomon Islands Ministry of Public Service |
| MTEF | Medium Term Expenditure Framework |
| NEAP | National Education Action Plan |
| NZ Development | New Zealand Agency for International Development |
| OAG | Office of the Auditor General |
| PAF | Performance Assessment Framework |
| PEAP | Provincial Education Action Plan |
| PER | Public Expenditure Review |
| SBD (OR AUD) | Solomon Islands Dollar |
| SICHE | Solomon Islands College of Higher Education |
| SIEMIS | Solomon Islands Education Management Information System |
| SIG | Solomon Islands Government |
| SoPP | Solomon Islands Education Sector Statement of Partnership Principles |
| TA | Technical Assistance |
| TWG | Technical Working Groups |

**DOCUMENT 6: *SELECTED* EXTRACTS FROM MEHRD PERFORMANCE ASSESSMENT
FRAMEWORK**



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PERFORMANCE ASSESSMENT FRAMEWORK (PAF)

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Table of Contents

Not Available- See original Document

List of Tables

Not Available- See original Document

List of Figures

Not Available- See original Document

Acknowledgement

The Performance Assessment Framework (PAF) is based on data provided by the Solomon Islands Education Management Information System (SIEMIS). The SIEMIS is the fundamental electronic warehouse that keeps all the data of each education sub sector within the Ministry of Education and Human Resources Development. The SIEMIS is annually updated by a huge national data collection process which takes place at schools and Education Authorities (EA's). All schools and EA's fill in SIEMIS-formats that are distributed by the Ministry. We would like to express our sincere gratitude to our Partners NZAid for their financial and technical assistance and UNESCO for using its documents for reference in producing this document and the many workshops on monitoring and evaluation in the education sector.

The Performance Assessment Framework is based on a participatory process of involving many staff in the selection of main indicators for the education sector, in the determination of targets and minimum standards. The PAF aims to give a 'quick scan' of the education sector and to indicate the progress towards the three main goals of the National Education Action Plan 2007-2009; improved access, quality and management of education. We realise that the PAF can be still improved on accuracy, completeness and timeliness, but we hope that the PAF will be used by all Ministry staff and other stakeholders to measure general progress. We hope that it will encourage staff to utilise data for more result oriented reporting and planning.

We also realise that the PAF (as a summary of data) and SIEMIS (capturing all data) are not sufficient to understand the progress and challenges in the education sector. For more qualitative analysis about causes, factors which determine the progress additional research, monitoring tours (*'seeing is believing, better understanding'*) and observation in classrooms would be needed to get an in-depth insight and understanding about the developments in the education sector. The Ministry is conscious about this and already implement this mix of monitoring tools, but would like to do more research in the near future.

Special thanks are given to Peter Potter, the Ministry of Education Sector Advisor for his continuous assistance and advice on the process of producing and improving the PAF. Also Peter Braun, the Technical Adviser to the Infrastructure Co-ordination Unit in the Ministry, assisted with providing and verifying the minimum standards for the PAF infrastructure indicators.

This publication was prepared under the supervision of the Monitoring Sub-committee and the Technical Working group for Monitoring. Their contribution has enlightened the direction into producing the PAF for the first time this year. Many thanks are expressed towards their willingness to attend to the regular meetings.

The School Head Teachers, Principals and Education Authority are given credit for their effort in the process of returning the SIEMIS-forms to the Ministry of Education.

Thanks also go to the SIEMIS team in the Planning, Coordination and Research Unit for their daily input of the information collected from the SIEMIS-forms. The preparation of the data presented in this document was the responsibility of the SIEMIS team.

Introduction

The Performance Assessment Framework was developed to facilitate the monitoring of the general progress of the Sector Wide Approach which has been implemented through the National Education Action Plan and the Provincial Education Action Plan in relation to the National Education Strategic Framework 2007-2015 and the Pacific Education Development Framework. It was developed with a comprehensive set of indicators related to all the main expected outputs and outcomes in the education sector. The overarching goal is to measure the progress of the education sector against the sets of ambitious targets into achieving the EFA and the Millennium goals as integrated into the national three strategic goals by 2015; improved access/infrastructure, quality and management.

The indicators cover access, infrastructure, equity and efficient management of resources. It captures all sub sector levels: Early Care and Childhood Education (ECCE), Primary Education, Junior Secondary Education, Senior Secondary Education and Technical and Vocational Education and Training (TVET), although this sub sector is not complete yet. PCRU has just designed some new formats for both TVET and Tertiary Education, so we hope next year to also publish complete data for TVET and Tertiary Education in Solomon Islands.

PAF also includes a monitoring and evaluation system, which determines and clearly explains the responsibilities for collection, processing, analyzing, presentation and distribution of data.

The progress within the Education Sector has been measured against the data available in The Solomon Islands Education Management Information System (SIEMIS). There are different survey forms developed and used for the education sub-sectors (SIEMIS-forms). These survey forms are to be completed by Head Teachers, Principals and Directors of schools and institutions. It is the responsibility of the Head Teachers, Principals and Directors to ensure that all the information requested in the questionnaire is correctly and accurately recorded. The survey forms for the current year should reach the Ministry of Education by 31st March.

The survey forms have four sections that details out all the information required for the PAF. The first section collects general information about school, the second section collects statistical data about student enrolment and classes, including data about repeaters, drop outs, transfers and grade progression. The third section collects information about teacher and teacher training and finally the fourth section collects statistical data about school and classroom facilities and educational resources.

When assessing data quality there are many facets that we have to consider. High quality statistics must be timely and accessible. Evidence based good decision making and policy making is very much based on reliable and complete data. Therefore the Monitoring Sub Committee and Technical Working Group Monitoring are working hard to produce national and international comparable data that we can monitor and use for benchmarking of the progress in the education sector towards achieving the MDG- and EFA goals. National and international comparable data are valuable resources for countries to learn from each other and they support policy and decision makers to make informed decisions in areas as policy making, education planning, review and reform.

Access Indicators

Key Findings:

- Girls are accessing school at lower rates than boys, particularly from Junior Secondary onwards.
- In 2008 69% of the total amount of students is in Primary Schools, 13% in Junior Secondary schools, 11% in ECE and 7% in Senior Secondary schools. More students now enroll in junior secondary compared to 2006 (12%). Although more students than in 2006 also now enter senior secondary school, the percentage of the total students at senior secondary school has not increased and is still the same; only 7% of the total students.
- Enrolment for ECE compared to 2007 only increased in Guadalcanal, but went down for all other provinces. Lower gross enrolment rates (GER) compared to 2006 and 2007 may also indicate that the age group 3-5 years in the ECE is now better represented and the number of over-aged children in ECE is gradually decreasing.
- Western Province and Renbel has less enrolment to primary schools compared to 2007; in all other provinces enrolment to primary schools increased.
- Enrolment to junior secondary grew in most provinces compared to 2007 except in Central, Choiseul, Malaita and Isabel province.
- The net enrolment rate (NER) for Primary Education has increased from 92% in 2006 to 94% in 2008 and also Junior Secondary Education shows an upward trend from 30% in 2006 to 31% in 2008 and seems to slightly decrease for ECE and Senior Secondary Education compared to 2006.
- One of the MDG's is gender balance. Indeed gender balance has slightly improved from 47.3 % of girls in 2006 to 47.5 % of girls of the total primary school population, but 50% or more girls have not yet been achieved. Gender balance show greater gaps in junior (45.8% girls in 2008) and secondary senior school (38.4% girls in 2008), although over the three years 2006-2008 the rates develop positively with increasing proportion of girls at these levels.
- However, after improvements in 2007, drop out rates in 2008 have clearly increased at all school levels. In particular in senior secondary where more than half of the students (63%) drop out.
- Only a very small proportion of children with disabilities are attending school (2% Primary, 1% Junior Secondary and less than 1% in Senior Secondary).
- Increasing drop out rates at higher levels of education (13% at primary school, but 47% at senior secondary schools). Relatively high drop out rates in Central Province at Secondary school level.
- Attendance rates have improved slightly within the three years period 2006-2008, but in particular Guadalcanal province shows a relatively high non-attendance rate and also Temotu has not improved. In junior and senior secondary schools the same trend can be seen with relatively higher non-attendance in Guadalcanal and Temotu for junior secondary schools.
- Failure by Secondary Schools (especially NSS e.g. King George VI) to return SIEMIS survey data is resulting in unreliable results for this sub sector.

Number of Pupils Enrolled by Province, Education Level and Gender

No. of Pupils Enrolled in Primary Education by Province and Gender, Error! Unknown document property name..

No. of Pupils Enrolled in Junior Secondary Education by Province and Gender, Error! Unknown document property name..

National Summary of Enrolment Numbers by Education Level, Error! Unknown document property name..

Chart of Total Enrolment by Education Level, Error! Unknown document property name..

School-Aged Population

Total School-Aged Population of Solomon Islands, Error! Unknown document property name..

Gross and Net Enrolment Ratios

Net Enrolment Ratios by Education Level and Gender, Error! Unknown document property name..

Chart of Total NER by Education Level, Error! Unknown document property name..

Number and Percentage of Pupils with Disabilities

Number and Percentage of Pupils with Disabilities Enrolled in Primary Education, Error! Unknown document property name..

Number and Percentage of Pupils with Disabilities Enrolled in Junior Secondary Education, Error! Unknown document property name..

Number and Percentage of Pupils with Disabilities Enrolled in Senior Secondary Education, Error! Unknown document property name..

Junior Secondary Education Drop Out Rates by Province and Gender, Error! Unknown document property name..

Infrastructure Indicators

Key Findings:

- After improvement of data classrooms/pupil ratio...draw conclusion
- Improve desks/pupil ratio and draw general conclusion
- There is a growing number of Community High Schools. Compared to 2006 the number increased with 13%.
- Compared to 2006 196 new classrooms were constructed.
- Number of boarding students at Community High Schools has increased with 2827 students compared to 2006. 36 more dormitories were constructed in the same period, but the amount of students in the country who had to share one dormitory doubled from 16.5 students to 33.8 students per dormitory. In the Provincial Secondary Schools the situation improved slightly by the decreasing number of boarders and 3 extra dormitories. Generally, the overcrowding in PSS and NSS is still worse than in Community High Schools. However, the picture is incomplete, because of low return rate of SIEMIS-forms, in particular from Honiara schools.
- Pupil/toilet ratios are worst at Community High Schools, where an average of 112 students share one toilet. Temotu province however is far above this national average. Also in primary schools the situation is not much better; 1 to 80 children share one toilet. Western and Guadalcanal province have poor sanitary conditions. This is far from the minimum targets of 1:40 for girls and 1:60 for boys. Only at ECE-centres, Provincial and National Secondary Schools there is a more satisfactory situation. However, data from King George VI have not been shared yet and can change the general picture of NSS.
- Number of computer per school independent school level and type is extremely low. Only schools in Honiara and Makira and the Provincial School in Isabel have a few computers. The situation is a little bit better at NSS with a national average of 10 computers per school. Again, King George VI has not sent back its SIEMIS-format which means that these data are not complete yet.
- Books/student ratios are far from the national target of 1 (set of books) per subject for everyone. The ratio improves at the higher levels of education, in particular at PSS and NSS.
- Only half of the primary schools have access to safe and clean water and the situation is worse for ECE and CHS. The situation is serious for ECE's in Central province, for primary schools in Malaita and for CHS in Makira province. However, access to clean water improves at PSS and NSS-level.

- Less than half of the teachers working at primary schools (40%) and Community High Schools (33%) are provided with houses. According to the statistics there are more houses than teachers in Provincial Secondary and National Secondary Schools.
- Clearly, just a few Community High Schools have workshops.

Number of Schools

Number of ECE Centres by Province, Error! Unknown document property name.
Province, Error! Unknown document property name.

Number of Primary Schools by

Number of Community High Schools by Province, Error! Unknown document property name.
Schools by Province, Error! Unknown document property name.

Number of Provincial Secondary

Quality Indicators

Key Findings:

- Significant lack of gender balance (fewer female teachers) in the teaching service, with the exception in ECE.
- The percentage of qualified and certified male teachers is higher than with female teachers (exception in ECE).
- In Secondary Education more teachers are relatively qualified than in Primary education.
- Percentage of qualified teachers has increased in ECE and Secondary schools in the period of 2006-2008, however has gone slightly down for primary schools.
- Teacher qualifications generally low and inadequate in Renbel province, in particular at primary schools.
- Student/teacher ratios are all within the national targeted ratios for the different levels of education. The ratios have been more or less stabilized over the period 2006-2008.
- There are significantly more male teachers in management roles than female teachers.
- Teachers in management roles proportionately more qualified than teachers in other roles.
- 71% of the Primary schools in 2008 have a library and the situation has improved over the years 2006-2008. The situation is worse at Community High Schools, but more favorable at PSS and NSS-level.
- Storage facilities seem OK at Provincial Secondary Schools, but are still insufficient at primary school and at Community High Schools, where about 15% of the schools is lacking storage.
- Survival rates drop down at the higher levels of education and over the period 2006-2008, where 76% 'survives' standard 6 compared to 83% in 2006. Lower than average survival rates are noted in Central, Malaita and Temotu province. The Junior Secondary School level shows the same trend where survival rates decrease over the years 1 to 3. There is a general lower survival rate in 2008 of 69% compared to 73% in 2006. Choiseul and in particular Malaita and Renbel province are far under this national average. The biggest drop however is noted in form V and VI, where respectively only 39% and 23% 'survives' till the end of the school year. Here, Choiseul and Malaita province again show concern with even lower survival rates.
- Complete examination data.

Numbers and Qualifications of Teachers

Primary Education – Percentage of Qualified and Certified Teachers, Error! Unknown document property name..

Secondary Education – Percentage of Qualified and Certified Teachers, Error! Unknown document property name..

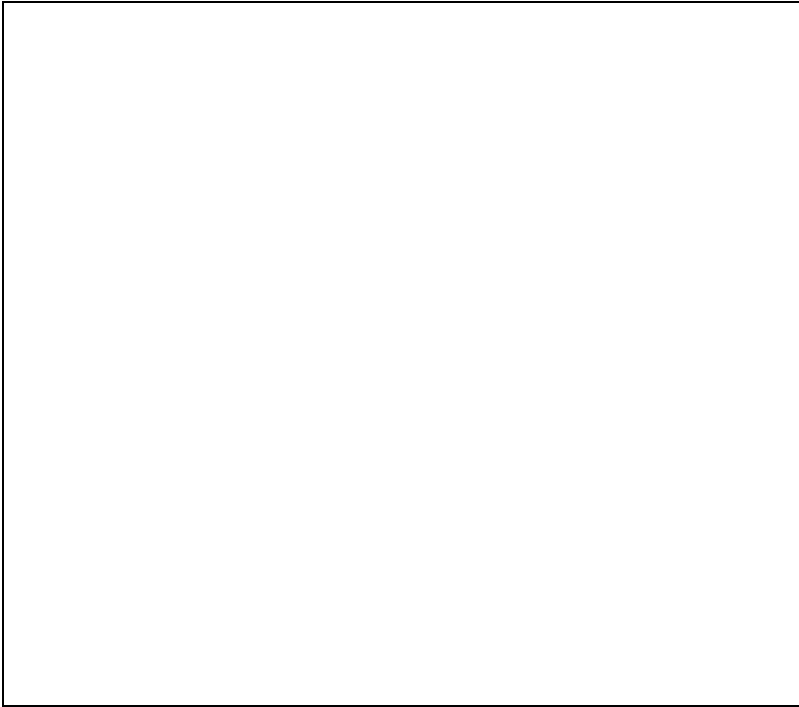
Financial Management Indicators

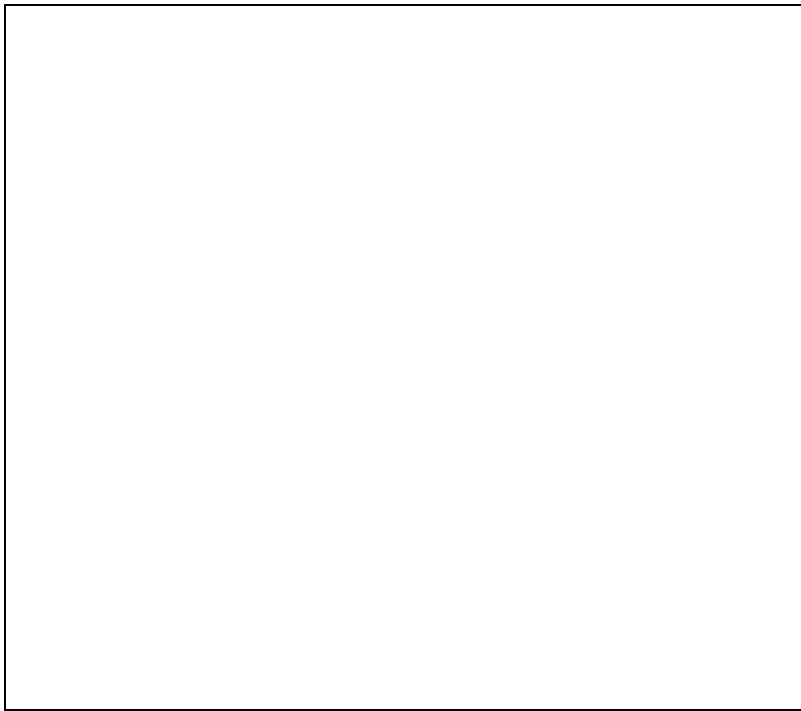
Total Recurrent and Development Budget in total SIG budget

Total Recurrent budget for education sector

Total Recurrent budget for education sector

Human Resources Development





Required nr. Of other education staff by Province, 2007-2008

DOCUMENT 7: AUSAID PRELIMINARY FIDUCIARY RISK ANALYSIS

General

Solomon Islands PEFA (2008)

The most recent PEFA (national level) for the Solomon Islands was undertaken in 2008. Excerpts from the report are provided below whilst the overall PEFA scores are attached at Annex 1.

Excerpts from 2008 PEFA report

Overall assessment

In the last four years, SIG with support from its partners has achieved a number of important goals. Most importantly, it has eliminated the backlog of central government financial statements, commenced a rigorous and transparent audit regime and paid off its debt interest and trade creditor arrears. Revenues have also increased substantially. The Public Accounts Committee (PAC) has been actively participating in the oversight of government expenditures and review of government estimates.

Reforms are ongoing and addressing many of the weaknesses identified in this assessment. These reforms include tax administration reforms, upgrading of payroll and financial management software, and an exercise to prepare and audit the outstanding financial statements of the State Owned Enterprises (SOEs). The team recognises the reform endeavours; however, the scores only reflect the current situation. This is to enable a baseline to be established, against which reform efforts can be monitored, as well as to help identify any gaps. All stakeholders recognise that significant challenges remain, particularly given the difficult economic environment, which will seriously constrain government revenues. The Government has committed in its medium-term fiscal strategy, to continue its prudent approach to debt management, and to control expenditure growth through improvements in financial management.

The Office of the Auditor General (OAG)'s payroll audit identified many shortcomings, some of which have been subsequently addressed; however, regular reconciliation between payroll, personnel records and nominal roll still does not take place. In terms of procurement practices, there is no systematic mechanism for collecting data on the use of open competition, no effective complaints mechanism and no public disclosure of contracts awarded.

Expenditure commitment controls are in place, but are only partially effective as they do not cover all expenditure e.g. utilities. Financial instructions (FIs) need some updating, to reflect current business processes and improved controls e.g. discretionary grant approval and administration. Approval of virements is highly centralised. General understanding of FIs is an issue; although the Auditor General has noted considerable improvements in recent years, concerns over compliance remain including splitting of tenders; waiving of FI provisions without due process e.g. utility bill payments without adequate documentation/approval and waiving of tender requirements. Internal audit is weak; it does not have its own mandate and is not actively involved in systems monitoring, partly

Accounting, recording and reporting

Treasury-managed accounts are reconciled monthly (two main accounts daily), but reconciliation of bank accounts in line ministries is not up to date. There are some issues in suspense accounts relating to computer system problems and general problems with the retirement of advances and special imprests. In-year budget reports (funds available and month end) are prepared monthly, but there are concerns over the reliability of the data. Some ministries claim that they do not receive reports on a regular basis. A massive effort has taken place to bring central government financial statements up to date. The 2007 accounts are currently being finalised. They are prepared in accordance with the legislation (1978 Public Finance and Audit Act), but there are no national accounting standards in the Solomon Islands, and they are not compliant with international public sector accounting standards (IPSAS). The Auditor General has issued a qualified opinion on all government's financial statements to date (until financial year (FY) 2006), but did note a significant improvement in the standard of the reports.

Overview

Donors are supporting PFM reforms and development generally in the Solomon Islands. PFM reforms are long-term endeavours, donors in the Solomon Islands have concentrated their support on getting the basics right rather than introducing sophisticated processes. The majority of funding is non-appropriated, but support to education and health is increasingly using government systems, which reduces duplication in processes and also helps to strengthen government systems.

In conclusion, since 2004, the SIG has worked hard to improve its PFM performance. The challenge for all stakeholders is ensuring the sustainability of these improvements and moving forward to address the remaining weaknesses. This is of particular importance given the economic challenges that lie ahead. The government has indicated its intention to submit this report to the Solomon Islands Cabinet in order to facilitate a strategic response to the identified weaknesses.

-- End of PEFA Excerpts --

Financial management: Ministry of Education and Human Resource Development (MEHRD)

A number of reports on PFM issues within MEHRD. These include:

- A 2010 (Desk based) *Fiduciary Assessment, Literature review relating to financial management practices within the Solomon Islands education sector*;
- "Assistance to MEHRD Accounts" (2010); and
- A 2009 audit report on the Education Sector Investment and Reform Programme by the (SIG) Office of the Auditor General.

Many of the issues/weaknesses identified in the 2008 PEFA are mirrored in the above 3 reports on MEHRD financial management. Similarly, it is important to recognise that

significant progress has been made in improving MEHRD financial management although further measures to strengthen MEHRD financial management and accountability are required.

Identified weaknesses in MEHRD Financial management

The reports consulted identify a number of weaknesses in MEHRD financial management. These include:

- Procurement: several issues relating to failure to follow SIG Financial Instructions relating to tendering for purchases above SIG \$50,000, “splitting” of procurement to avoid tendering and a few instances of suspected (low level) fraud.
- Lack of control over the issue and retirement of imprests (Acquittal of grants/advances) including very late “retirement” (acquittal) and lack of supporting documentation and an apparently isolated instance of fraud.
- Payroll issues including numbers and classification level and allowances
- Financial reporting framework: this mainly relates to the preparation of Annual accounts in accordance with an “International Standard”. The Ministry of Finance and Treasury will (it is understood) report on SIG accounts using an international Standard for SIG accounts ending this financial year (December 2010)
- Issues of compliance more generally with SIG Financial instructions

The 2009 OAG audit of New Zealand Funds recommended that MEHRD:

- Establish the applicable financial reporting framework for the preparation of the Programmes financial statements;
- Enforce the requirements of the *Financial Instructions* relating to the issue and retirement of imprests;
- Comply with the requirements of *Financial Instructions* relating to procurement of goods and services;
- Perform supervisory checks and reviews of bank reconciliation reports to ensure that unpresented cheques and outstanding deposits are adjusted promptly within the financial period;
- Ensure payroll related costs are properly calculated in accordance with the relevant SIG legislations; and
- Record all expenses in the appropriate financial year.

OAG has made a number of other important recommendations and it is imperative that these are considered and implemented by management.

MEHRD responses/remedial action

MEHRD has been highly responsive in addressing weaknesses and instances of fraud. Measure taken, with support from New Zealand, include:

- A clear and strong commitment and action by senior MEHRD management to deal appropriately with instances of suspected fraud and demonstrated track record in undertaking such action.
- International Technical Assistance (Accountant) to MEHRD Accounts division to oversight financial management (including aspects of procurement)
- MEHRD budget bid for appointment of an Internal Auditor to strengthen internal controls including procurement.
- “Cleansing” of the teacher payroll in 2005-06 and a secondary reconciliation of the payroll in 2009.
- Direct management (payment) of accounts by the Ministry of Finance and Treasury from 2010 enabling improved scrutiny of compliance with SIG Financial Instructions.
- Active follow up by senior MEHRD management on outstanding imprest account issues and documentation for correct “retirement” of imprests.
- MEHRD has created a small Infrastructure Unit reflecting the fact that infrastructure development is a major procurement expense. Whilst further technical assistance may be required the establishment of the Unit is a positive step.
- Follow up action by senior management to improve overall compliance with SIG Financial Instructions and other areas as identified in the OAG audit.

SICHE Funding

- It would appear that funding for SICHE (Solomon Islands College of Higher Education) is included in the MEHRD budget with the (budget) funding then transferred to SICHE.
- AusAID funding may be used to support SICHE strengthening activities (AusAID is currently providing support to SICHE for the development of a Strategic Plan).
- At this stage it is not clear whether SICHE has its own separate financial system or whether it utilises the MEHRD financial system and/or whether payments on behalf of SICHE (and financial reporting) are made through the Ministry of Finance and Treasury as for MEHRD.
- In the event that SICHE uses its own financial system, AusAID may need to consider undertaking a risk analysis if it provides earmarked support to SICHE via MEHRD.

SIG Financial Instructions (Procurement thresholds)

- It does not appear as if SIG procurement, especially in situations where the SIG Financial Instructions require procurement through either a Ministerial or Central Tender Board have been subject to an independent assessment.
- As a consequence the only information available on SIG procurement is that derived from the PEFA analysis which is limited.
- The relevant PEFA indicator (PI-19) for procurement was scored as D+ overall (a very low rating) and the PEFA report noted that “there was no systematic collection of data on the use of open competition, justification for the use of other methods is weak and there is no effective complaints mechanism.”
- In addition the PEFA report noted the that:

“OAG’s reports highlight the fact that there was poor compliance with the competitive bidding requirements set out in the FIs.

The OAG is now including audit of procurement activities in its regular audit process; however, there is no systematic reporting mechanism, which can provide accurate data on use of open competition. Tender Boards (central and ministerial) are not required to issue reports on their proceedings.”
- On the basis of the limited information in the PEFA and the absence of any detailed assessment, procurement risks are assessed as potentially high and consideration would need to be given to overseeing major procurement involving the use of AusAID funds;
- It should also be noted that changes to SIG Financial Instructions and associated procurement thresholds came into effect in July 2010 which basically increased the level of the various procurement thresholds (refer Annex 2).

Overall Conclusion

An initial attempt has been made to broadly assess the fiduciary risk using the Fiduciary Risk Assessment criteria in Table 1 below. However, in the absence of more detailed information on the overall SIG and MEHRD procurement and financial systems and the frequency of non compliance such an assessment is difficult.

Table: Fiduciary Risk Classification

| RISK LEVEL | DESCRIPTION |
|-----------------|---|
| LOW | The structure of the PFM and procurement systems broadly reflect good international practice and there is routine compliance with the majority of controls within the systems. Any remaining weaknesses are being addressed. |
| MODERATE | The structure of the PFM and procurement systems broadly reflect good international practice although there may be some gaps or inefficiencies. There is basic compliance with the majority of controls within the systems but regular exceptions occur. There is credible commitment to addressing key weaknesses. |

| | |
|--------------------|---|
| HIGH | The structure of the PFM and procurement systems falls short of good international practice in a number of areas and/or there are numerous and/or material weaknesses in compliance with many of the controls within the systems. Reform plans may need to be strengthened and prioritised. |
| SUBSTANTIAL | The structure of the PFM and procurement systems shows a significant divergence from good international practice and/or there is a widespread lack of compliance with many of the controls within the systems. Commitment to a credible reform program may be weak. |

Given the lack of detailed information, AusAID's Working in Partner Systems section (WIPS) is not in a position to provide a definitive rating, but we anticipate that a more detailed Fiduciary Risk Assessment (FRA) work might rate the MEHRD financial management (and procurement) systems in the High-Moderate Category.

WIPS would also note that the overall “trajectory of change” both at the national and MEHRD level is positive with significant progress made. However, PFM reform is a long term process and some further suggestions to improve financial management within MEHRD are listed below.

Existing and Additional Safeguards

1. The fact that New Zealand and AusAID funds are (i) earmarked and (ii) payments managed by the Ministry of Finance and Treasury enables the funds to be traced which provides reasonable safeguards.
2. Ongoing support for MEHRD accounts area should continue (NZ currently funding).
3. Consideration should be given to a routine (internal) audit of a sample of MEHRD procurements (irrespective of whether SIG or donor funds utilised) to ensure compliance with current (new) SIG Financial Instructions.
4. MEHRD efforts to establish an internal audit position are strongly supported and consideration should be given by SWAp partners as to whether additional support (international or national TA) is required.
5. A detailed Fiduciary Risk Assessment (FRA) of MEHRD should be considered sooner rather than later. An early FRA would help inform Partners as to the strengths and weaknesses of MEHRD controls and be used for the design of the next phase of NEAP (2012-15) particularly in relation to the possible provision of **un-earmarked** budget support for the sector.
 - a. Early identification of weaknesses via an FRA would also facilitate strengthening to occur prior to the next phase of NEAP.

ANNEX 1: SOLOMON ISLANDS PEFA SCORES (2008)

| PFM Performance Indicator | | Scoring Method | Dimension Ratings | | | | Overall Rating |
|---|--|----------------|-------------------|-----|------|-----|----------------|
| | | | i. | ii. | iii. | iv. | |
| A. PFM-OUT-TURNS: Credibility of the budget | | | | | | | |
| PI-1 | Aggregate expenditure out-turn compared to original approved budget | M1 | C | | | | C |
| PI-2 | Composition of expenditure out-turn compared to original approved budget | M1 | B | | | | B |
| PI-3 | Aggregate revenue out-turn compared to original approved budget | M1 | A | | | | A |
| PI-4 | Stock and monitoring of expenditure payment arrears | M1 | A | C | | | C+ |
| B. KEY CROSS-CUTTING ISSUES: Comprehensiveness and Transparency | | | | | | | |
| PI-5 | Classification of the budget | M1 | C | | | | C |
| PI-6 | Comprehensiveness of information included in budget documentation | M1 | C | | | | C |
| PI-7 | Extent of unreported government operations | M1 | C | C | | | C |
| PI-8 | Transparency of inter-governmental fiscal relations | M2 | D | D | D | | D |
| PI-9 | Oversight of aggregate fiscal risk from other public sector entities | M1 | D | D | | | D |
| PI-10 | Public access to key fiscal information | M1 | C | | | | C |

| PFM Performance Indicator | | Scoring Method | Dimension Ratings | | | | Overall Rating |
|--|---|----------------|-------------------|-----|------|-----|----------------|
| | | | i. | ii. | iii. | iv. | |
| | | | | | | | |
| C. BUDGET CYCLE | | | | | | | |
| C(i) Policy-Based Budgeting | | | | | | | |
| PI-11 | Orderliness and participation in the annual budget process | M2 | D | D | C | | D+ |
| PI-12 | Multi-year perspective in fiscal planning, expenditure policy and budgeting | M2 | D | A | D | C | C |
| C(ii) Predictability and Control in Budget Execution | | | | | | | |
| PI-13 | Transparency of taxpayer obligations and liabilities | M2 | D | D | D | | D |
| PI-14 | Effectiveness of measures for taxpayer registration and tax assessment | M2 | D | D | C | | D+ |
| PI-15 | Effectiveness in collection of tax payments | M1 | N/S | B | D | | D+ |
| PI-16 | Predictability in the availability of funds for commitment of expenditures | M1 | D | A | A | | D+ |
| PI-17 | Recording and management of cash balances, debt and guarantees | M2 | C | C | C | | C |
| PI-18 | Effectiveness of payroll controls | M1 | D | B | C | B | D+ |
| PI-19 | Competition, value for money and controls in procurement | M2 | D | C | D | | D+ |
| PI-20 | Effectiveness of internal controls for non-salary expenditure | M1 | C | D | C | | D+ |
| PI-21 | Effectiveness of internal audit | M1 | D | D | D | | D |
| C (iii) Accounting, Recording and Reporting | | | | | | | |
| PI-22 | Timeliness and regularity of accounts reconciliation | M2 | B | D | | | C |
| PI-23 | Availability of information on resources received by service delivery units | M1 | D | | | | D |
| PI-24 | Quality and timeliness of in-year budget reports | M1 | B | A | C | | C+ |
| PI-25 | Quality and timeliness of annual financial statements | M1 | C | D | D | | D+ |
| C(iv) External Scrutiny and Audit | | | | | | | |
| PI-26 | Scope, nature and follow-up of external audit | M1 | B | C | B | | C+ |
| PI-27 | Legislative scrutiny of the annual budget law | M1 | C | B | D | C | D+ |
| PI-28 | Legislative scrutiny of external audit reports | M1 | C | B | B | | C+ |
| D. DONOR PRACTICES | | | | | | | |
| D-1 | Predictability of Direct Budget Support | M1 | N/A | | | | N/A |
| D-2 | Financial information provided by donors for budgeting and reporting on project and program aid | M1 | C | D | | | D+ |
| D-3 | Proportion of aid that is managed by use of national procedures | M1 | D | | | | D |

ANNEX 2: SOLOMON ISLANDS REVISED FINANCIAL INSTRUCTIONS (JULY 2010)

New Financial Instructions for the Solomon Islands government came into effect from 1 July 2010, providing new arrangements for the managing public funds and ministry purchasing.

The Financial Instructions, last updated in 2004, have been heavily revised to make them more readable and more easily understood, highlighting the authority for decisions on spending and managing public money as well as the accountability of public servants.

Changes have been made to purchasing thresholds with:

- verbal quotes being sufficient for purchases up to SBD 20,000, rising from the previous limit of SBD 2,000 – but the quotes must be recorded on the “Verbal Quotation Form” and attached to the Purchase Requisition;
- written quotes are required for purchases between SBD 20,000 and SBD 100,000 (previously for purchases between SBD 2,000 and SBD 10,000); but
- purchases for more than SBD 100,000 up to SBD 500,000 require Ministerial Tender Board approval; and
- purchases greater than SBD 500,000 require Central Tender Board approval.”

“While this improves the flexibility of public servants to meet their work responsibilities it is also accompanied by more specific direction on the need to know the Finance Instructions and what represents acceptable conduct.”

“This represents another step in improving the governance of public finances and ensuring that public servants and local business understand the rules under which public money decisions are made.”

Mr Fanega also spoke about other reforms being pursued by MoFT, including the reinvigoration of the Solomon Islands Government Accounting Service (SIGAS).

“Changes in recent years have focused on improving operations within MoFT and the legislative framework.

Reinvigoration of the SIGAS will focus on the people in ministries responsible for managing public money, ensuring that they have access to training and development, and are better supported in doing their very important jobs.”

DOCUMENT 8: AUSAID BENEFIT ASSESSMENT

AUSAID BENEFIT ASSESSMENT

The potential benefits of AusAID's participation as a Partner in the Education SWAp are outlined in the Table 1 below.

The benefits have been assessed using two "criteria" in a manner similar to a standard risk assessment methodology. The Criteria used are:

- The likelihood of the benefit being realised; and
- The importance (or developmental impact) of the benefit.

The assessment is subjective but provides an overall indication of the type of benefits the SWAp partners aim to achieve and the timeframe in which the benefits may be realised.

Harmonisation/Alignment: Benefits rating: High

There are immediate benefits in AusAID participating in the SWAp in relation to alignment (the SWAp fully aligns with development SIG priorities) and through the SWAp there will be close harmonisation with other donors, in particular New Zealand.

Budget/Funding Impacts (PG and donors): Benefit rating: Moderate

The AusAID implementation schedule provides a high level of certainty to MEHRD regarding funding for the next 4 financial years whilst the "conditionality" requirement in both the draft AusAID and NZ funding agreements requires SIG to provide a minimum level of funding for Education. Both these factors contribute to improved predictability of funding (both SIG and donor).

Sustainability is a more difficult proposition particularly in view of the predicted drop in SIG revenues in the short to medium term. The recently costed NEAP (and presumably future costed NEAPs) will provide a better indication of medium term sustainability (and identify the nature and magnitude of funding gaps). However, the costed NEAP (2010-12) is still in a draft form. There is also the prospect for improved sustainability from the SIG recurrent budget side given the potential for salary "savings" (as identified in the Public Expenditure Review study). However, this again needs to be balanced against a backdrop of increasing enrolments and significant funding for both new and existing school infrastructure and other materials such as renewing school text books.

PFM Reform impact (Ministry level): Benefits rating: Moderate

There is clear and tangible evidence that the SWAp has enabled significant improvements in terms of PFM within MEHRD. In terms of "upstream components" there has been significant developments in policy, planning and budgeting. There have also been improvements in "Downstream" PFM components especially "performance" reporting and the partial use of partner systems much remains to be done.

The establishment of an internal audit position and strengthening of the internal audit function are necessary steps to provide greater oversight of the current systems and provide greater accountability and confidence in the systems.

SIEMIS (Solomon Islands Education Management Information System) provides a very strong base on which improved sector planning and performance reporting can be developed with further strengthening. The trajectory of change in relation to multi year budgeting and planning and performance reporting within MEHRD is very positive (although it is acknowledged that in some areas it is still in its early stages). However, full multi year budgeting by MEHRD will depend to a large extent on the future introduction of multi year budgeting and expenditure frameworks at the national level.

Similar comments would apply to the external audit function now that the backlog of SIG national accounts has been largely “cleared” and the Ministry of Finance and Treasury has adopted an international accounting standard .

Development Impact/Improvement Benefits rating: Moderate

The existing SWAp has achieved a significant outcome in terms of access to, and affordability of, primary education mainly through the school grants program and also in terms of the development of policies. It is envisaged that the gains made in relation to improved access to basic education will be maintained and extended to other areas such as secondary and TVET in the short to medium to long term.

In relation to education quality this is the highest priority for MEHRD (and a priority supported by donors). However, it is generally acknowledged that improvements to education quality are only likely to occur, and be directly measurable, in the medium to long term.

MEHRD has also made progress in relation to improved school infrastructure including the establishment of a small infrastructure unit within MEHRD as well as infrastructure planning and designs as well as maintenance.

The MEHRD’s performance assessment (and planning) system is impressive notwithstanding the need for some further strengthening in terms of staff training, reliability of data returns etc. Significant benefits have already accrued by MEHRD (and donors) from the use of the system (SIEMIS).

The table (and text) may be a useful tool for Post against which to broadly assess “Actual” against “Predicted” achievements/benefits of the SWAp over time.

Table 1: Summary of projected potential benefits

| Assessed Benefits | Short Term (1-2 years) | Medium Term (3-5 years) | Long Term (>5 years) |
|---|-----------------------------------|------------------------------------|------------------------------------|
| Harmonisation | High | High | High |
| Alignment with PG development priorities | High | High | High |
| Budget/Funding Impacts (PG and donors) | Moderate | Moderate | Moderate |
| - additionality | High | High | High |
| - predictability | Moderate | Moderate | Moderate |
| - sustainability | Moderate | Moderate | Moderate |
| - operational efficiency | Moderate | Moderate | Moderate |
| PFM Reform impact (Ministry level) | | | |
| - Budget execution | Moderate | Moderate | Moderate |
| - Policy Based budgeting | Moderate | Moderate | High |
| - Financial accounting/recording/reporting | Moderate | Moderate | High |
| - External scrutiny/Audit | Moderate | Moderate | Moderate |
| -Internal Scrutiny/Audit | Low | Moderate | Moderate |
| - Multi year planning | Low | Moderate | Moderate |
| - Procurement | Low | Moderate | Moderate |
| -Improved sector planning | Low | Moderate | Moderate |
| - use of Partner systems | Moderate | Moderate | High |
| Development Impact/Improvement | | | |
| Service level: Access | High | High | High |
| Service level: Quality | Low | Moderate | Moderate |
| Service level: Affordability | Moderate | Moderate | High |
| Service Level: Infrastructure | Low | Moderate | Moderate |
| Performance Assessment | Moderate | Moderate | High |