Solomon Islands

Annual program performance update 2006-07
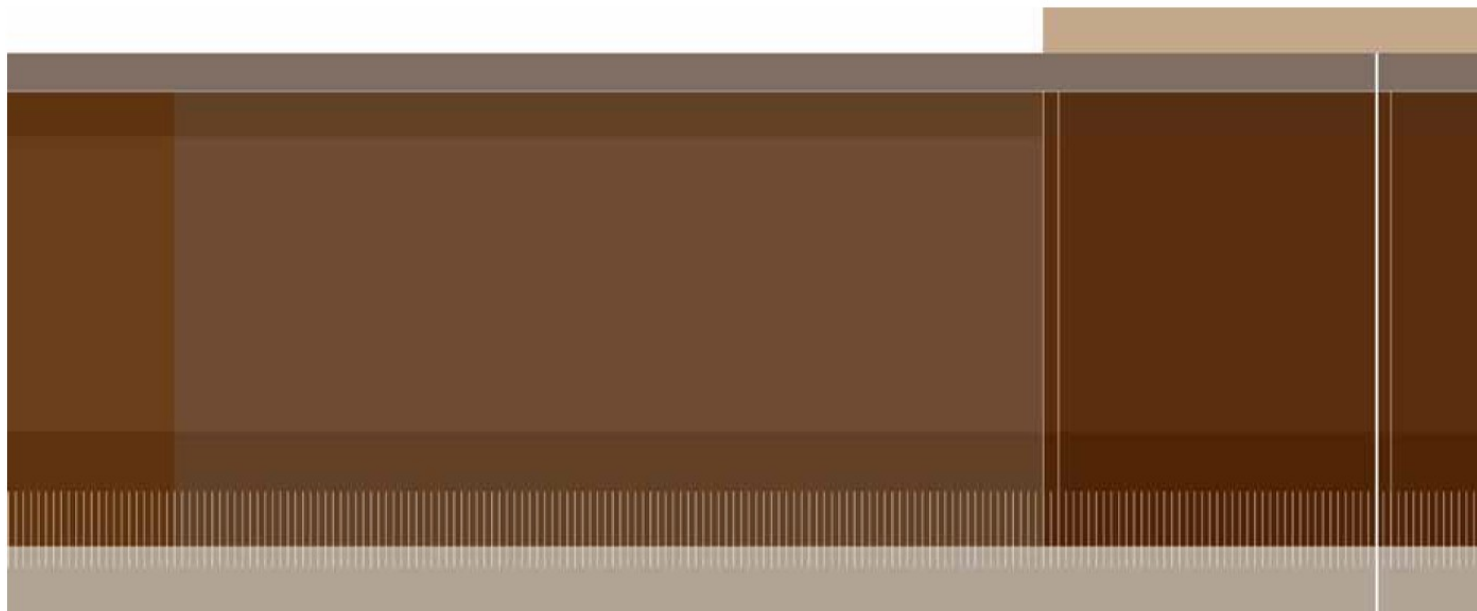
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Introduction

The Solomon Islands country program is large and ambitious. Total official development assistance in 2006–07 was A$223 million. The country program estimate, funded through the Australian Government and including both the civilian component of the Regional Assistance Mission to Solomon Islands (RAMSI) and Australia's bilateral assistance, was A$99.5 million. Australia is the largest donor in Solomon Islands, and provides over 90 per cent of RAMSI's development assistance funding and 80–90 per cent of RAMSI personnel. Fifteen countries contribute to RAMSI, namely Australia, Fiji, New Zealand, Vanuatu, Tonga, the Cook Islands, Tuvalu, Federated States of Micronesia, Kiribati, Marshall Islands, Niue, Palau, Papua New Guinea, Samoa and Nauru. The principal donors, outside of RAMSI and Australia, include New Zealand, Taiwan, the European Commission, United Nations agencies, Japan, the World Bank and the Asian Development Bank.

In 2006–07, the political environment caused some difficulties for managers of the development program. The year was marked by serious tensions in the Australia – Solomon Islands relationship. In September 2006, those tensions culminated in the expulsion of Australia's High Commissioner and a decision in October 2006 by Pacific leaders that the Pacific Islands Forum needed to establish a taskforce to expeditiously review RAMSI. The program was also affected greatly by post-election uncertainty. The change of government meant wholesale changes to government ministries and changes to the cadre of permanent secretaries. These issues affected Australian development programs differently. While some programs continued relatively unhindered, others experienced delays in progress or implementation. At times during the year the security situation deteriorated, with resultant negative impacts on the focus of adviser personnel.

The Pacific Islands Forum review of RAMSI was undertaken in two parts in April and June of 2007. The review resulted in a temporary easing of bilateral tensions and public recognition by the Sogavare Government that there remained widespread support for RAMSI's continued presence.

The events of 2006–07 highlighted that Solomon Islands remains a post-conflict fragile state. The level of capacity remains low – as evidenced by the Government's response to the April 2007 tsunami – and work will need to continue for many years. The fragility has implications for sustainability of individual aid projects and means that for the foreseeable future capacity building and institutional strengthening will continue to comprise a major part of Australia's development program.

Most of the program is relatively new. The year was the fourth for the RAMSI elements of the program, and marked their maturation to more structured programs. The year also saw change in the management of the program towards a devolved structure.

Chapter 1: Results

1.1   Performance against development objectives

The National Economic Recovery, Reform and Development Plan (NERRDP) finished in 2006, and a new development plan has not yet been produced. While government performance cannot be measured against its own objectives, there has been improvement in a number of areas.

1.1.1 Security

The security situation in Solomon Islands has vastly improved since 2003. Following the severe disturbances in Honiara in April 2006 there were no major security incidents in 2006–07. The 2006 Annual People's Survey Pilot Report showed that, although a majority of people in Solomon Islands believed that law and order improved in the previous year, 65 per cent of respondents believed that widespread violence would definitely return if RAMSI were to depart.

1.1.2 Economy

The International Monetary Fund (IMF) *Staff report for the 2007 Article IV* consultation states that macroeconomic performance remains satisfactory but warns that non-logging growth is likely to weaken. In order to strengthen the thin and largely subsistence-based economy, additional economic reforms will have to be implemented over the coming years. In addition, public expenditure management will need to be further strengthened for the Government to finance improved government services and programs that support economic growth for the bulk of the (rural) population. Core government institutions such as the Parliament and the Electoral Commission are slowly gaining in strength. Of the key accountability institutions, the Office of the Auditor-General is functioning again with advisory assistance.

1.1.3 Development data

Finding reliable, up-to-date data on basic indicators is difficult. The last millennium development goal (MDG) assessment of Solomon Islands was undertaken in 2004 and it was for the most part reliant on data from the 1999 census. Solomon Islands is still ranked second lowest among Pacific Islands countries in the United Nations Development Index.

1.2   Outputs and achievements

1.2.1 Regional Assistance Mission to Solomon Islands

The RAMSI development program in 2006–07 was estimated at $70 million. In line with the RAMSI mandate and objectives agreed in 2003, RAMSI's development assistance is separated into three distinct programs – law and justice, economic governance and machinery of government – each with its own distinct objectives, as described below.

Monitoring of the RAMSI development program is robust and comprehensive. A performance framework and baseline for data collection were established in 2005. Each year an annual review and a half-yearly update of RAMSI performance (including with respect to capacity building) are published.

The RAMSI performance framework, although considered a robust tool, has been improved over the past two years to ensure that:

➢   > the indicators accurately reflect the work of RAMSI

➢   > the objectives are achievable

➢   > progress with capacity building can be captured.

In 2006–07, AusAID, in consultation with key stakeholders, drove development of a medium-term

strategy for RAMSI. The strategy aims to articulate RAMSI's medium-term (five- year) objectives and refine the focus of its programs to better reflect what is achievable. Finalisation of the strategy document has been delayed to take into account the Pacific Islands Forum review of RAMSI; it is now expected to be completed in late 2007.

As the 2006–07 annual review was still under way at the time this report was compiled, the RAMSI annual review report for 2005–06 and the half-yearly update published in February 2007 form the basis for most of the conclusions outlined below.

Law and justice

Technical advisory group reviews, quarterly reporting, program coordination committee meetings, and RAMSI performance monitoring throughout 2006–07 demonstrate that the RAMSI Law and Justice Program is performing well. Despite the civil unrest in April 2006, the program has been successful in dealing with the short and medium-term issues of restoring law and order and strengthening the justice sector in accordance with the objectives of the Solomon Islands Government – RAMSI (SIG–RAMSI) *Solomon Islands Law and Justice Sector Strategic Framework 2005–2010* that was approved by SIG Cabinet.

In 2006–07, priority was given to addressing the backlog of casework associated with the 'tension trials' and to continuing with priority infrastructure works. As a result, work in other areas, including community justice initiatives and diversionary practices, is progressing more slowly. This work is expected to grow as the 'tension trial' caseload eases.

The program faced numerous challenges in 2006–07, including budgetary limitations and a consequent inability to cover simultaneously all activities envisaged under the SIG–RAMSI strategic framework for 2006–07. The program is currently looking at ways to engage other donors in the sector and transfer recurrent agency costs to SIG to free up program funding as alternatives to scaling back lower priority activities. Capacity building in the justice sector has also been moderately handicapped by difficulties in recruiting government lawyers to establishment positions, and by the limited absorptive capacity of the SIG. The program will assist SIG where possible in recruiting nationals to the sector, continue supporting the Graduate Lawyers Program and assist SIG recruitment efforts where possible. Legislative drafting capacity in Solomon Islands is limited and engagement with the Office of the Attorney-General in 2006–07 was constrained by political issues arising.

Key outcomes and achievements

➢ The Law Reform Commission gained a strengthened capacity to fulfil its mandate.

➢ Both corporate planning and budget management within the Ministry for Police and National Security, and the Ministry for Law and Justice were greatly strengthened with the assistance of program-funded strategic planning and finance advisers.

➢ Access to laws (legal databases) and information about legal rights was improved.

➢ A Correctional Services Bill to provide the framework to transform the prison service into a correctional service was drafted for introduction in July 2007.

➢ The rehabilitative focus of the Solomon Islands Prison Service (SIPS) was strengthened

- An average of 120 prisoners a month participated in rehabilitation programs.

- Significant progress was made in restoring Tetere Prison Farm.

- Increased linkages were established with non-government organisations (NGOs) and community groups.

Key outputs

➢ Nineteen 'tension trials' were completed (about 50 per cent of total) and average remand

times were reduced from around 24 months to around 12 months.

➢ Justice sector coordination mechanisms were supported (the Justice Sector Consultative Committee met monthly; the Criminal Justice Consultative Forum held its inaugural meeting on 25 June 2007).

➢ Most infrastructure works at the High Court were completed; the concept design for the Auki justice precinct was completed; Phase 4 works at Central Prison began; a secure hospital ward was designed for the National Referral Hospital; Auki Prison civil works commenced, and construction work was at tender stage; Gizo Prison concept design was developed.

➢ An average of 207 defendants a month (facing 262 charges) went before the circuit courts in remote towns and provinces.

➢ A graduate lawyer program was developed. It aims to provide a two-year rotation program for initially 12 law graduates, rising to 20, to enter government legal service annually.

Economic governance

RAMSI performance reporting for 2006–07 demonstrates that the RAMSI Economic Governance Program contributed significantly to improving fiscal and financial management. Real GDP grew by 6.1 per cent in 2006 and is forecast to grow by 6 per cent in 2007; inflation was down to a manageable 6.5 per cent to March 2007; the 2007 Budget delivered a surplus of SBD$5 million; tax revenue grew by 17 per cent in 2006 and is forecast to grow a further 8.3 per cent in 2007 (Report to IMF Article IV team May 2007). Early wins in financial management were maintained or improved upon in 2006–07. However, more difficult changes to systems and processes (such as decentralising small payments and revising Financial Instructions) were not achieved. Similarly, the program has contributed significantly to economic reforms, and improvements in economic opportunities in provincial areas have been achieved through transport and market infrastructure rehabilitation activities in Malaita and Guadalcanal and improved agricultural production and marketing initiatives across all provinces.

In 2006–07, the Economic Governance Program focused strongly on consolidating achievements and building on well-established relationships with SIG, the Australian Government and RAMSI partners and other donors to achieve productive development outcomes. Partnerships were consolidated between AusAID, RAMSI, whole-of-government partners and the Asian Development Bank (ADB) (on reform of state-owned enterprises and the Solomon Islands Roads Improvement Program); the IMF (on their annual review of Article IV); NZAID (on support to the Economic Reform Unit (ERU) and Inland Revenue); the Pacific Financial Technical Assistance Centre (on support to reviewing financial instructions); and World Bank (on the procurement alignment exercise).

The program faced numerous challenges in 2006–07. There was no internal agreement to implement a management framework embracing all of the whole-of-Australian government/NZ economic governance interventions in the Ministry of Finance and Treasury (MoFT) (Financial Management Strengthening Program, ERU, Customs, Corporate Services, plus contractors); no agreement on an implementation strategy for the Financial Management Improvement Program or on how to proceed with the SIG Accounting Service training program; and political uncertainty and changing leadership arrangements over 3 to 6 months (from April 2006), thus slowing down a number of SIG-driven activities in MoFT.

Key outcomes and achievements

➢ Fiscal and financial management improved: GDP grew by 6.1 per cent in 2006, inflation decreased from 8.5 per cent to 6.5 per cent, and tax revenue grew by 17 per cent in 2006.

➢ A balanced budget was achieved in 2006 (with a surplus of SBD$5 million).

➢ Over 90 per cent of government business arrears were paid; virtually all debts to small business were paid; and 75 per cent of international debt was regularised through debt

negotiations and the Honiara Club.

➤ International airfares were reduced by as much as 75 per cent (the Brisbane–Honiara fare was reduced from SBD$8000 to SBD$2000) after reforms in the aviation sector.

➤ Planned foreign investment has increased sevenfold since the Foreign Investment Act 2005 was introduced; processing times for foreign investment applications have been reduced from several months to as little as five days.

➤ Sixteen centres (of a projected 25 centres) were established for the distribution of high-potential root crop varieties across all provinces and 123 groups (of a projected 138 groups) were linked to these centres for effective distribution to farmers.

Key outputs

➤ The Budget for 2007 was agreed and delivered.

➤ The new *Foreign Investment Act* was introduced.

➤ Advice was provided to SIG on economic reform issues, including foreign investment, tariffs, work residency permits and aviation sector reforms.

➤ A new SIG policy framework for agriculture and rural development – the Agriculture Rural Development Strategy – was completed in 2006 and launched in April 2007.

➤ A transitional assistance program in rural development was established.

➤ With the Ministry of Infrastructure and Development, two complementary roads and bridges programs were established in Malaita and Guadalcanal, one co-funded by the ADB.

➤ The International Visitors Survey at Henderson Airport was established, and funding guidelines for Solomon Islands ecotourism grants scheme were developed.

Machinery of government

After significant design work to build the RAMSI Machinery of Government (MoG) Program over 2005 and 2006, the program is now close to full implementation, with consolidated technical and capacity building outcomes expected from 2007. The majority of the 18 initiatives that were undertaken as part of the RAMSI MoG Program during 2006–07 involved advisers working alongside Solomon Islanders and building the capacity, confidence, systems and procedures required to achieve program outcomes. In 2006–07, the program focused on building with key partners a collegiate approach to, and collective understanding of, the reform agenda; pursuing repair and reform in agreed priority areas; laying the groundwork for improvement in the public service and inter-government financial management (jointly with the Economic Governance Program) and harmonisation of provincial governance activities, with key partners such as the United Nations Development Program, the United Nations Capital Development Fund and the European Union.

As evidenced in the RAMSI Performance Framework reporting and the MoG Monitoring and Evaluation Framework performance assessments, significant and timely achievements have been realised since the program's inception in 2004. However, intense internal domestic politicking in the lead-up to the April 2006 national election and a realignment of government relationships in the aftermath has interrupted the program's flow. Engagement with the new government post election involved more intensive consultation processes than originally envisaged. In addition, gaps in program staffing resources (for example, the Program Director position was vacant from January to June 2007) and some difficulties in sourcing appropriate advisers have led to delays. Implementation of the Public Service Improvement Program, for example, has been delayed by four to six months. The weakness of the Cabinet Office, since deferral in October 2006 of engagement with Prime Minister and Cabinet by the new government, also threatens coordinated policy development and passage of legislation across the

RAMSI pillars. Work in the Ombudsman's Office has been delayed due to the delay in the appointment of an ombudsman.

Key achievements and outcomes

➢ Public service vacancy rates decreased across most employment categories as many recruitment processes were decentralised to line ministries.

➢ The Central Property Unit was established and a new policy on housing construction and refurbishment was endorsed by Cabinet.

➢ The re-energised parliamentary committee system held departments accountable for service delivery against agreed budget allocations.

➢ The single ballot box system was introduced for the 2006 national election, significantly reduced the opportunity for corruption.

Key outputs

➢ The Institute of Public Administration and Management delivered 31 courses to 963 officers using upgraded curriculums (to October 2006) including the first provincial training in many years.

➢ A stocktake of all government housing was completed (3186 houses).

➢ Ten special audits (seven in the last session) and two audited financial statements were presented to Parliament – the first reports to be tabled in 20 years.

➢ Eighteen of 21 annual reports were prepared and presented to Parliament.

➢ Good governance and electoral awareness programs were delivered by 250 province-based Solomon Islanders to 200 000 people in 3500 villages in the lead-up to the election.

1.2.2 Bilateral programs

The Solomon Islands program of bilateral assistance is focused primarily on enhancing service delivery and strengthening local communities. In 2006–07, the financial allocation to the program totalled $28 million.

Tensions in the bilateral relationship were evident from early in the tenure of the new government and culminated in the expulsion of the Australian High Commissioner in September 2006. Support following the April 2007 tsunami, although contributing to delays in development activities of up to six weeks in some instances, also resulted in some improvement in bilateral relations.

Health

In 2006–07, AusAID's principal objective in the health sector was to move from the current project-based approach to a new sector-wide multi-donor approach in partnership with SIG and the World Bank.

The new Health Sector Support Program (HSSP), due to commence in April 2007, has been delayed, due in large part to challenges in relationships with key program partners and, to a lesser degree, responses by SIG and the Australian Government to the April 2007 tsunami. When HSSP commences on 1 August 2007, AusAID will be the only contributing development partner. However, the foundations have been laid for other development partners to join by 2008. Policy, strategic and administrative frameworks and procedures for implementing this sector-wide program are complex and their development represents a major achievement.

The Malaria Program, which was developed as part of the HSSP, was positively reviewed by the AusAID

Malaria Reference Group. It will commence on 1 August 2007. The HIV/AIDS initiative was slow to progress due to confusion regarding design process, appraisal mechanisms, finances and resourcing however implementation is proposed to commence in July 2007.

Key outcomes and achievements

➢ Preparation was made for the implementation (from August 2007) of a sector-wide health program.

Key outputs

➢ The Malaria Program was developed and its implementation endorsed by the AusAID Malaria Reference Group.

National disaster management

The NDMO Strengthening Project aims to reduce vulnerability through integrated and sustainable disaster and emergency risk management. This aim is pursued through a focus on improving disaster risk management arrangements at the national and provincial levels, strengthening the institutional capacities of the National Disaster Management Office (NDMO), and building better prepared and more resilient communities in partnership with stakeholders.

Emergency Management Australia ceased as project manager for this project part way through 2006. AusAID Post will manage the initiative until a new project manager can be found. Despite this, the project has significantly improved the NDMO's capability to manage a disaster. This capability was in evidence following the April 2007 tsunami. NDMO's management of the 2007 disaster stands in stark contrast to management of previous disasters, such as Cyclone Zoe in 2002. Despite these significant achievements, the project has been unable to pursue high-level advocacy with SIG around disaster management, has had limited success in encouraging disaster risk management awareness in other government departments, and has failed to use available grant funds strategically in order to assist in building community resilience.

Key outcomes and achievements

➢ The National Disaster Management Plan was successfully implemented by NDMO staff during the 2007 tsunami.

Key output

➢ A full staff complement was recruited to NDMO through SIG systems.

➢ The NDMO office was fully refurbished.

Forestry management

The Solomon Islands Forestry Management Project (SIFMP) has pursued its objectives by strengthening the legislative framework; strengthening the Forestry Division; and through reforestation activities and small-scale timber processing activities.

The project addressed the objective of educating the community and stakeholders about environmental regulations and forestry legislation by appointing 35 extension workers. The community forestry component is progressing, with a consistent increase in the forestry plantation area and small-scale timber processing activities. The forestry sector is a significant corruption entry point and accounts for a significant proportion of government revenue. Those factors combined make it a highly sensitive political issue. This political sensitivity contributed to numerous setbacks throughout the year, including a failure to fully implement the determined price revision to reflect world market values. Staff changes in the Forestry Division has hindered progress towards planned organisational reform and institutional strengthening.

Key outcomes and achievements

➢ There was a partial increase (the first increase in three years) in the determined price on which duty on round logs is paid, with the prospect of additional increases in 2007–08.

Key outputs

➢ Assistance was given to the Forestry Division to undertake a 2006 National Forest Assessment update, which will be used as a tool for medium-term economic prediction and to support development of a SIG-owned National Reforestation Program.

Lands administration

The Solomon Islands Institutional Strengthening of Lands Administration Project (SIISLAP) has focused on strengthening the capacity of lands administration in Solomon Islands through improved systems and processes that will enable more efficient and effective land administration and better access to land records and information for government agencies and the public.

Lands administration, like forestry management, is a sensitive political issue. The project, which was completed as planned on 30 June 2007, had a difficult year. The SIG suspended the project in February 2007 without clearly explaining why it was being suspended or what suspension entailed. The team leader's visa was not renewed, so he had to leave the country. These issues resulted in project staff operating from month to month in an uncertain environment and in significant delays in the planning of subsequent support to the sector. Despite this, the Ministry of Lands, Housing and Survey (MoLHS) now has greater confidence and ability to manage the delivery of core land services and openly acknowledges the role of SIISLAP in achieving this outcome. MoLHS clients report significant improvement in the quality and timeliness of services, and reports of corruption in land administration have diminished. The project has supported an approach for formalising and registering informal land occupation that is acceptable to the majority of settlers, Honiara City Council, SIG and utility companies. SIISLAP has supported the establishment and trialling of tools for recognising and recording customary/tribal land.

Key outcomes and achievements

➢ Through the successful pilot on illegal urban settlement, up to 300 plots of land have been allocated for fixed term estate sale.

Key outputs

➢ A National Geographic Information Centre was established, allowing a Land Index Map of Solomon Islands to be completed.

Community sector

Community activities include the Community Sector Program (CSP), NGO cooperation agreements, a provincial games sporting project (now completed) and various global funding mechanisms, such as the AusAID/NGO Cooperation Program volunteer programs, and the White Paper's building demand for better governance initiative (which includes support to churches). Taken collectively, these programs aim to strengthen local capacities for peace and conflict prevention, encourage development of a robust civil society, promote village-led economic recovery and rural livelihood development, and promote improved governance, coordination, communication and linkages between and within government, civil society organisations, donors and communities.

In 2006–07, civil society organisations continued to be reinvigorated through AusAID assistance, resulting in more activities and access to information and networks that had shut down during the crisis. For example, the NGO umbrella organisation, Development Services Exchange, recovered its networking role, with significant assistance from partners who recognised the importance of coordinating civil society organisation activities. The tensions (and more recently the April 2006 riots)

have also led AusAID and donors to increasingly acknowledge the role of churches as a source of effective governance and service delivery.

CSP represents AusAID's flagship and major investment in the community sector (approximately A$7 million a year over five years, totalling A$32 million). The change in identity from the Community Peace and Restoration Fund (CPRF) to CSP has also affected the organisation of CSP, requiring retraining or reorientation of local CPRF staff. There has been lack of clarity in relation to CSP's new role and community development activities. A recent review of CSP recommended simplified approaches, increased understanding of community self-reliance by communities and the provision of tangible benefits to communities to help ease some of these problems. Significant work will need to be undertaken to address this apparent lack of focus..

Key outcomes and achievements

➢ NGOs working under cooperation agreements have worked towards maintaining peace through community discussions, peace-building courses, and training in conflict resolution and trauma counselling.

Key outputs

➢ Community infrastructure projects across health, education, livelihoods, provincial government, water and sanitation, sporting and general community meeting facilities were completed.

The National Peace Council (NPC) was closed down at the end of 2006, following an AusAID supported SIG review of Solomon Islands peace institutions. During its final six months, the NPC continued to support community reconciliation and mediation activities. An ongoing close engagement with the Ministry of National Unity, Reconciliation and Peace enabled a range of policy and planning objectives to be achieved, but further support will rely on SIG leadership in this area. A framework for AusAID's future support for peace has been developed to support SIG and other donor programs as they develop over the coming months.

Selection processes for both the Australian Development Scholarships and the Australian Regional Development Scholarships were conducted in a timely fashion, with assistance from the South Pacific Board for Educational Assessment in order to ensure maximum efficiency, transparency and accountability. Post is working slowly towards harmonisation and alignment of the Australian and regional scholarships programs with the SIG and NZAID scholarships programs, as well as the establishment of a performance framework for the program.

Key outcome

➢ One hundred and twenty-three students were supported for scholarships in 2006–07.

1.3   Evaluations and reviews

Numerous program level reviews and evaluations across the entire program were undertaken in 2006–07. Taken as a whole the reviews highlight the importance of:

➢ Clearly defined and achievable objectives.

➢ Effective monitoring and evaluation of capacity building and institutional strengthening.

➢ Engagement of more than one to two years in sensitive areas, especially in respect of institutional strengthening.

➢ Coherence and coordination across the pillars of RAMSI (although this principle applies equally to coordination/coherence across the Australian aid program, this was not a finding of any of the reviews).

A selection of reviews undertaken in 2006–07 include:

➢ The RAMSI six-month review for July to December 2006 was published in February 2006 as part of the annual cycle of performance reporting for RAMSI. It concluded that by following through with work programs agreed with SIG agencies and building on the relationships established within individual activities, RAMSI has been able to make steady progress, despite questions in the political environment about the role of RAMSI.

➢ A review of the Financial Management Strengthening Program was undertaken in October 2006. Follow-up consultations on the recommendations and design discussions were expected to commence in July 2007.

➢ An evaluation of Phase 2 of the lands project was conducted in June 2007. A key finding was that building sustainable technical capacity and ability to respond to changes in demand requires a strong partnership approach with institutions such as MoLHS and a long-term commitment by such institutions. Any further support activity should be planned to be implemented over at least five years.

➢ A mid-term review of the Community Sector Program (CSP) was conducted in February 2007. The review found that the program was spreading itself too thin and recommended that its current work focus be revised and its objectives narrowed. The review recommended that AusAID reduce the program's reporting burden.

➢ A review of the Media Strengthening Program was undertaken in September 2006. A key finding was that the objectives for the program were too broad and ill-defined, and that coordinated in-country program management was desirable.

➢ The annual evaluation of the RAMSI Law and Justice Program was undertaken by the Justice Technical Advisory Group in May 2007. The final TAG Report is yet to be received.

➢ Two Corrections TAG missions were undertaken in July 2006 and January 2007. They considered security, security management and emergency management within Rove Central Prison. A number of security issues were identified and a rigorous action plan has been implemented by the Solomon Islands Prison Service (SIPS) to address these issues.

➢ The Machinery of Government Annual Sector Review commenced in June 2007. It indicated a mix of success and lack of progress across the program and raised concerns about coordination of objectives at the strategic level and coherence between the RAMSI pillars.

➢ World Bank / EC / AusAID studies for the Agriculture and Rural Development Strategy and the Rural Development Program stressed the lack of capacity within public and private sector institutions to effectively deliver services and improve infrastructure at the local level.

Higher level reviews will be undertaken in 2007–08 in preparation for development of the new country program strategy.

1.4   Country strategy

The transitional country strategy has served us well, but during preparation of the quality at implementation (QAI) reports and the 2007 annual program performance update for the Solomon Islands, country program managers supported the following observations:

➢ The objectives as expressed in the transitional country strategy are too broad to allow accurate or effective performance monitoring.

➢ Although the bilateral program achieves a balance that is appropriate to a fragile state (it is pro-poor, and focused on strengthening the community, government and the private sector) the initiatives at a practical level do not appear to be bound by a common objective.

➢ Outcomes across the CSP related to self-reliance and sustainable livelihoods are anecdotal and difficult to quantify. A simple methodology for assessing the level of AusAID's contribution to change in respect of communities and NGOs is needed.

➢ RAMSI has led to significant increases in other donor investments in Solomon Islands which need to be taken into consideration in a new strategy.

In a new country strategy it will be important to recognise the importance of maintaining coherence between and within the RAMSI and bilateral elements to ensure efficiencies in Australia's operations in country and good linkages at the activity level.

In addition, recent RAMSI reviews have noted progress with capacity development. RAMSI has devoted significant resources to establishing strategies and systems to make the capacity-building effort more effective and monitorable. The bilateral program, despite its capacity development efforts being multi-layered, could benefit from RAMSI's experience in building successful strategies and systems to build capacity. The country strategy needs to recognise this.

Chapter 2: Quality

2.1   Policy frameworks

A number of programs have been unable to align planning of activities within SIG policy frameworks as the frameworks have not been clearly articulated. In particular, the lapsed National Economic Recovery, Reform and Development Plan (NERRDP) has not been replaced with an alternative national development plan. In addition, a number of the programs established before April 2006 have suffered from a lack of ownership by, and consequently a lack of commitment from, the current government. These issues are clearly linked in some instances; for example, suspension of the lands project can be linked to tensions in bilateral relations.

2.2   Resources

A number of programs, especially the machinery of government and health programs, suffered in 2006–07 from a lack of program resources. This caused delays in implementing programs and placed stresses on staff.

2.3   Reporting

The AusAID reporting burden for some longstanding programs is considered too high and has been judged by program managers to have impacted negatively on outputs in a number of instances, including with respect to the health, land administration and forestry programs.

2.4   Sustainability

Sustainability was identified as an issue and consequently rated poorly in several initiative reports, in recognition of the post-conflict and fragile context and the relative newness of many of the initiatives.

Chapter 3: White Paper implementation

3.1   Gender equality

A gender stocktake was undertaken for the Solomon Islands country program in October 2006. This report concluded that although gender equality considerations are explicitly visible or implicit in program initiatives, application of the White Paper gender equality principle has varied across the program.

➢ The RAMSI Law and Justice Program takes gender issues into consideration in all activity development. The program supported the Women In Law Association and establishment of the Solomon Islands Prison Service (SIPS) Women's Network; assisted the SIPS to prepare an induction booklet for female prisoners; and assessed, as a part of the most recent Corrections TAG, SIPS compliance with the UN Gender Checklist.

➢ The RAMSI Machinery of Government Program developed a strategy for advancing the position of women in government in 2006, which was aimed at directly contributing to women's participation in the Government through mainstreaming strategy implementation across MoG's initiatives.

➢ The forestry project takes affirmative action to encourage women to participate in forestry activities through employment and training as forestry education officers or through the outreach services provided through those officers. The forestry sector is male dominated, so encouraging female participation is challenging.

➢ The health project developed a gender strategy in 2003 and subsequently implemented and reported against this strategy in monitoring and evaluation reports. A gender mainstreaming approach was adopted by the Ministry of Health and Medical Services in the National Health Strategic Plan 2006–2010. Disaggregation of HISP data by sex has only recently begun. A proactive gender policy is to be included in the new program of health sector support.

➢ The national disaster management project currently has no clear focus on gender equality. A clearer focus has been recommended, especially in relation to the community resilience component and public education and funding of community resilience related – activities under the small grants scheme.

➢ In some areas, for example in the RAMSI Economic Governance Program, application of gender equality principles is not in evidence at all. A copy of AusAID's Gender Policy has been distributed to advisers working across the program.

3.2   Anti-corruption

An anti-corruption working group was established by RAMSI in 2006 at the request of RAMSI principals, with all RAMSI programs (and as a result a number of whole-of-government partners) represented. However, this group has met infrequently. There is widespread support across RAMSI for reinvigorating the group as part of the Anti-Corruption for Development Initiative for 2007–08.

In the meantime, the majority of programs are contributing to Australia's anti-corruption efforts.

➢ The RAMSI Economic Governance Program is helping government systems to support transparency and accountability mechanisms. Examples include supporting the SIG multi-donor review of SIG procurement procedures, and the Solomon Islands Road Improvement Project (with the Asian Development Bank (ADB) and the Ministry of Infrastructure and Development.

➢ The RAMSI Law and Justice Program is continuing to strengthen a range of justice sector agencies and institutions, including the courts and the Director of Public Prosecutions. Extensive work to strengthen and corruption-proof the Solomon Islands Police Force is

continuing.

➢ The RAMSI Machinery of Government Program continues to undertake a range of relevant activities including strengthening the primary government accountability institutions of the Ombudsman's Office, the Office of the Auditor-General and the Leadership Code Commission. The program is also supporting the Parliament, enhancing the broader mechanisms and processes of public service administration through strengthening the Public Service Commission, and designing important programs in key areas of civic education, women in government and electoral support.

➢ The bilateral aid program is leveraging off a range of RAMSI activities, particularly the work of the Auditor-General, and implementing various reforms within ministries such as Health, Education and Forestry to improve accountability and good governance.

Specific analysis relevant to anti-corruption was undertaken in 2006–07, including a desk-based study on strengthening the corruption enforcement regime. Further analysis is planned for 2007–08. While Australia continues to put a heavy emphasis on corruption prevention, poor enforcement of measures to fight corruption has been identified as a serious weakness in the Solomon Islands. Considerable feedback has been generated as a result of RAMSI's outreach work with communities, who emphasise the need to investigate and prosecute corrupt leaders.

An anti-corruption action plan to be developed for Solomon Islands in 2007–08 will incorporate activities supported under RAMSI and the Australian bilateral aid program.

3.3   Spending on aid

Table 1 sets out aid spending by sector; table 2, by form of aid.

Table 1. Aid expenditure, by sector, 2006–07

Sector	Total (A$)
Education	237 490.13
Multi-sector aid	14 097 367.06
Governance	52 897 457.77
Health	8 727 700.15
Humanitarian and emergencies	1 118 559.59
Rural development	1 887.86
Total	77 080 462.56

Note: This data is automatically generated from Aidworks by ODE and does not represent total development assistance for the country program.

Table 2. Aid expenditure, by form of aid, 2006–07

Form of aid	Total (A$)
General Budget support	56 359
Other flexible mechanisms	2 820 943
Non–government organisation projects	1 517 227
Other projects	81 454
Projects with AusAID managing contractors	10 382 805
Australian Development Scholarships	1 399 773
Australian Regional Development Scholarships	1 051 785
Program support and development costs	251 781
Other types of development activities	57 980 197

Form of aid	Total (A$)
Unknown type	1 126 131
Support to NGOs	412 008
Total	77 080 463

Note: This data is automatically generated from Aidworks by ODE and does not represent total development assistance for the country program.

3.4   Joint donor missions and analyses

Donor harmonisation and alignment has improved over the past 12 months, with the development of joint donor programs or approaches in the health sector (AusAID, World Bank and UN agencies), forestry (AusAID, EU), agriculture (EU, World Bank, RAMSI), transport infrastructure (ADB, RAMSI, EU), provincial government strengthening (UN, EU, RAMSI), parliamentary strengthening (UN, RAMSI) and scholarship selection (NZAID, AusAID). Donor coordination requires significant resources but is important in a fragile state. We are yet to see the substantive results of a more intensive engagement with other donors but expect to in the next few years, particularly in respect of engagements in the transport infrastructure, health and rural development sectors.

Some of the many joint donor missions undertaken in 2006–07 are listed below.

➢   Health – three joint AusAID – World Bank missions were undertaken in June, October, and December 2006 and June 2007. The World Health Organization, the United Nations Children's Fund and the United Nations Population Fund participated in October 2006 and June 2007.

➢   Forestry management– AusAID was involved in the final stages of the design and negotiation of the recently commenced EU forestry project.

➢   Law and justice – one joint AusAID – World Bank scoping mission was undertaken (14– 18 May 2007) for the establishment of the Justice for the Poor Program in Solomon Islands.

➢   Machinery of government – two joint donor missions were undertaken in preparation for a jointly funded Provincial Government Strengthening Program

➢   Economic governance -–17 separate joint donor missions were undertaken in a variety of areas.

3.5   Spending on technical assistance

Sixty-two per cent of total funding is likely to be spent on expert technical assistance in 2006-07. This figure will probably remain high while capacity is being developed.

3.6   National systems

Until the end of 2006, Solomon Islands policy makers and donors were guided by the National Economic Recovery, Reform and Development Plan. The plan played a role in shaping departmental planning and program implementation, but its effectiveness was limited by a number of shortcomings, including lack of connection to a medium-term fiscal framework or to development and recurrent funding, institutional weaknesses in the central planning ministry (the Ministry of Development Planning and Aid Coordination) and inconsistent and irregular monitoring and evaluation. The current Grand Coalition for Change Government's policy translation document provides a mixture of vision statements and activity level task identification, with SIG agency corporate plans providing some guidance on priorities. Resources for implementation and a performance framework have not been developed.

Through a donor coordination group, Australia is working to improve the alignment of donor and SIG programs at the national level. In addition, programs use, wherever possible, departmental planning processes to guide program implementation and engage in joint monitoring with government agencies. This approach is most evident in the health sector, where AusAID is about to implement a sector-wide

approach that aligns completely with government systems. Most program activities have joint oversight or steering committees, project coordinating committees, or advisory or reference groups.

Acronyms and abbreviations

ADB	Asian Development Bank
CPRF	Community Peace and Restoration Fund
CSP	Community Sector Program
DAC	Development Assistance Committee (OECD)
ERU	Economic Reform Unit (within the Ministry of Finance and Treasury)
EU	European Union
GDP	Gross Domestic Product
HISP	Health Institutional Strengthening Project
HSSP	Health Sector Support Program
IMF	International Monetary Fund
MDG	Millennium Development Goal
MoFT	Ministry of Finance and Treasury
MoG	Machinery of Government
MoLHS	Ministry of Lands, Housing and Survey
NDMO	National Disaster Management Office
NERRDP	National Economic Recovery, Reform and Development Plan (NERRDP) 2003–2006
NGO	Non-Government Organisation
NZAID	New Zealand Government's international aid and development agency
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PIF	Pacific Islands Forum
RAMSI	Regional Assistance Mission to Solomon Islands
SIFMP	Solomon Islands Forestry Management Program
SIG	Solomon Islands Government
SIG–RAMSI	Solomon Islands Government – Regional Assistance Mission to Solomon Islands
SIISLAP	Solomon Islands Institutional Strengthening of Lands Administration Project
SIPS	Solomon Islands Prison Service
TA	Technical Assistance
TAG	Technical Advisory Group