

Aid Program Performance Report 2014-15

Solomon Islands

November 2015

Key messages

Australia's aid program in Solomon Islands demonstrated strong performance against expected outcomes in 2014-15. The program laid solid foundations for a strengthened focus on economic growth and engagement with the private sector, better outcomes for women in Solomon Islands and consolidated achievements in human development.

In 2014-15, DFAT began work to align the Solomon Islands program to the changing development priorities of Solomon Islands since the 2003 tensions and the Australian Government's development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability.* DFAT has commenced the transition of Australian expenditure in Solomon Islands from investments focusing on stability to those focusing on economic development and growth.

DFAT completed designs in 2014-15 for investments in education, skills development and scholarships, and progressed program design in transport infrastructure. Underpinning this work, we conducted a major governance review to refocus program priorities in support of economic and public sector reform and private sector development.

We continued to use performance linked aid in the governance, health and education sectors to influence the quality of expenditure by the Solomon Islands Government and to drive reform to improve essential services.

Our support underpinned Solomon Islands' success in running peaceful and credible elections in November 2014. It assisted the Solomon Islands Government's response to four major disease outbreaks. Australia continued to support the Solomon Islands Government in its response to ongoing impacts from the April 2014 floods and the closure of Gold Ridge Mine.

In the context of the Solomon Islands Government's landmark enactment of the Family Protection Act in August 2014, Australia consolidated funding and advocacy for women's economic empowerment and assistance to eliminate gender based-violence. DFAT improved mainstreaming of gender equality approaches across all sector programs.

Context

Despite recent progress, Solomon Islands faces complex and enduring development challenges. Australia's significant assistance since the conflict known as the Tensions from 1998-2003 has contributed to consistent and measurable gains across a broad range of sectors and helped lay the foundations for stability.

In 2014, the economy grew around 1.5 per cent in real terms, reflecting the ongoing impacts of the closure of Gold Ridge Mine and floods in April. Solomon Islands' inflation continues to slowly fall, down to 4.8 per cent for 2014ⁱ. Relatively low government debt levels afford the Solomon Islands Government some flexibility to invest in productive infrastructure. While opportunities exist in the extractives and agricultural sectors, the Solomon Islands economy remains narrow with few established industries.

Nearly 80 per cent of the population lives in rural areas and is dependent on a combination of subsistence farming and informal employment for its livelihoodⁱⁱ. With estimated annual population growth of 2.5 per cent and limited employment opportunities, living standards are unlikely to improve substantially over the medium term.

There have been notable improvements in the education and health sectors. Maternal mortality rates have been reduced by two thirds in the last decade. However, water and sanitation is poor and preventable disease and death, especially in women and children, remain a challenge for the health system. While Solomon Islands is making progress towards universal primary

education literacy and school participation levels remain low. Nearly 11 per cent of children of official primary school age are out of schoolⁱⁱⁱ and only one in five adults are literate^{iv}.

Gender inequality and barriers to the inclusion of people with disability remain real constraints to social and economic development in Solomon Islands. For example, in 2012, the workforce participation rate for men was 79 per cent, but only 53 per cent for women.

Expenditure

Australia remains Solomon Islands' largest donor, providing three-quarters of Solomon Islands' aid across the governance, law and justice, health, education, agriculture and infrastructure sectors. In 2014-15, Australia's official development assistance to Solomon Islands was \$173.6 million, contributing to over 24 per cent of Solomon Islands Government's budget. Approximately \$89.9 million was expended through the bilateral program, \$51.3 million through the Regional Assistance Mission to Solomon Islands (RAMSI); \$22.4 million through regional programs; \$8.2 million through global programs and \$1.8 million through other government departments.

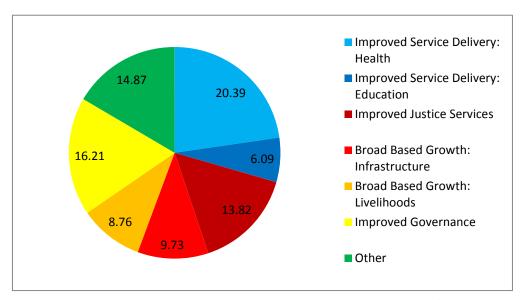


Chart 1 Bilateral expenditure in FY 2014-15 against Partnership for Development outcomes (A\$ million)

^{*}Other includes support for: Scholarships (4.49), Program Management (3.82), Gender (2.95) (targeted spend only), NGOs (2.18), and Statistics (1.65)

Progress towards Objectives

This APPR reports on performance against agreed outcomes from the Australia-Solomon Islands Partnership for Development.

Table 1 Rating of the Program's Progress towards Australia's Aid Objectives

Objective	Previous Rating	Current Rating
Priority Outcome 1 - Improved Service Delivery: Education	Amber	Amber
Priority Outcome 1 - Improved Service Delivery: Health	Amber	Green
Priority Outcome 2 - Broadbased Growth: Livelihoods	Green	Green
Priority Outcome 2 - Broadbased Growth: Infrastructure	Green	Green
Priority Outcome 3 - Improved Governance	Amber	Amber
Priority Outcome 4 - Improved Justice Services	Amber	Amber

Note:

- Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.
- Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.
- Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Priority Outcome 1 - Improved Service Delivery: Education

Australian assistance for education in Solomon Islands targeted basic education, skills for economic growth and scholarships in 2014-15. Given low adult literacy rates and the high cost of delivering services to remote and geographically dispersed communities, improving education services remains a challenge for government, donors, provincial and church education authorities and school communities. There is evidence of gradual improvement, but the system is vulnerable.

Australia's funding for basic education in Solomon Islands aims to ensure more children complete basic education and achieve improved literacy and numeracy. Australia works in partnership with the Solomon Islands Government and New Zealand, providing budget support to the government towards the goals of Solomon Islands' National Education Action Plan.

In 2014-15, the program used incentives and mutually agreed performance benchmarks to drive performance, particularly in the areas of access, quality and management. Australia's policy advocacy remained focused on improving quality of expenditure by the Solomon Islands Government to improve literacy, teacher training, school-based management and Solomon Islands Government's scholarship management.

In 2014-15, the Ministry of Education and Human Resources Development (MEHRD) began using literacy assessment results to inform improvements to classroom learning. The most recent bi-annual Solomon Islands Standardised Tests of Achievement (SISTA)^{vi} showed that functional literacy rates have improved from 40 per cent to 60 per cent since 2010.

Access to junior secondary school (Grade 7) improved in 2014-15^{vii}, which should lead to increased equity for girls over time as places continue to expand in higher grades. Almost 100 per cent of Year 6 students transitioned to Year 7, where the number of places had increased by 11,000 in 2015^{viii}. Importantly, half of the increase in places is for young girls, a move toward gender parity at the beginning of secondary school. Sixty nine per cent of teachers were trained, increasing from 50 per cent since Australia invested in the sector in 2012. In 2014-15,

school grants increased by 23 per cent with Solomon Islands Government^{ix}, New Zealand and Australian funding for school grants helping 150,000 primary school students access fee-free education.

Australia provided forty seven long-term scholarships to Solomon Islanders in 2014, half being awarded to women despite fewer women applying than men. Three women commenced study in traditionally male dominated fields: engineering, vet science and dental science.

Australia addressed skills shortages as a constraint to growth, by supporting tertiary, vocational and education training (TVET) graduates to gain more relevant and higher quality skills and qualifications. In 2014-15, Australia supported foundational work to strengthen the TVET system to prepare for an expansion of Australian funding to the TVET sector from 2015-16.

In 2014-15, the Australia-Pacific Technical College campus in Solomon Islands awarded 111 qualifications in automotive, construction and early childhood education. Automotive and construction programs were delivered in partnership with Don Bosco Technical Institute.

Priority Outcome 1 - Improved Service Delivery: Health

Australia remains the lead donor in the health sector, where we aim to support maternal and child health, reduce the disease burden and strengthen the Solomon Islands health system to deliver essential medicines and better health services to communities. The aid program's performance in 2014-15 improved due to more informed decision making, based on evidence from strengthened data collection, monitoring and evaluation, and procurement.

Skilled birth attendant rates remained stable at 89 per cent and maternal mortality continued to decline to 13 reported deaths in Solomon Islands in 2014 (down from 16 in 2013)^x: part of an estimated two thirds reduction over the last decade. Australia funded the rehabilitation of the National Referral Hospital's postnatal ward to help further reduce maternal deaths, and better manage high risk births. Solomon Islands remained on track to meet MDG4a (halving maternal mortality), however increasing demand for contraception remained a challenge. Australia will look to expand family planning methods, including implants in 2015 following a successful pilot in 2014-15. With funding from Australia, the HPV Vaccine was launched in 2014, reaching more than 4800 young girls aged between 9 and 12 years.

The health sector, supported by Australia and other donors, responded well to several major disease outbreaks (dengue, measles, meningococcal, and rotavirus) in 2014. It provided ongoing services in response to the April floods, and managed the health impact of drought conditions in Gizo and Taro in December 2014. A slight increase in under-5 deaths over the reporting period was largely a result of the rotavirus and measles outbreak, however Solomon Islands is close to achieving MDG5a (halving infant mortality). Australia helped to introduce the pneumococcal vaccine in February 2015; a significant development given pneumonia is one of the leading causes of under-5 deaths in Solomon Islands. The supplementary measles campaign successfully increased measles vaccination coverage to 95 per cent^{xi}, largely as a result of Australia's financial and technical assistance. Other national health indicators improved or remained stable.

Medicine availability in Solomon Islands continued to improve, increasing to 73 per cent at the rural health clinic level in 2014 which represents a 40 per cent improvement over the last 5 years xii. Solomon Islands is achieving relatively low unit prices for its essential medicine compared with other Pacific Island countries due to improvements in procurement.

The malaria program distributed 47,000 bed nets and sprayed 27,000 households, helping to reduce the national malaria incidence rate to 44 cases per 1,000 (representing a 75 per cent drop on 2003 levels). XiII Australian financial and technical assistance was used by the Ministry

of Health's vector control team to fog 983 hectares within Honiara and Guadalcanal to halt the spread of dengue. No dengue related deaths were reported in 2014.

To respond to high rates of stunting, wasting, diabetes and anaemia, XIV Australia worked with industry, government and donors to lead the development of an innovative public-private partnership to progress fortification of wheat flour and rice (with iron, calcium, folate and Vitamin A), from July 2015. Australia also funded a major non-communicable disease (NCD) survey and maintained its support for NCD prevention activities and community-based rehabilitation services.

Notable improvements to the Solomon Islands Government health system included the rollout of the District Health Information System to all provinces. The Ministry now has functioning audit and finance committees and uses evidence to inform its operational planning and budgeting activities. Australia introduced stronger fiduciary controls to reduce our exposure to fraud and helped the Ministry trial innovative procurement processes. Australia's performance linked aid and accompanying policy dialogue drove high levels of funding for primary health care and improved front line services. These achievements have been made with a greater proportion of Solomon Islands Government assistance. Australia now funds 25 per cent of the Solomon Islands health sector, in contrast to 80 per cent during the Tensions period.

Priority Outcome 2 - Broad-based Growth: Improved Livelihoods

Australia's support for livelihoods is an important element of our aid for trade investment as it directly addresses key constraints to economic growth. In 2014-15, the aid program increased agricultural productivity, access to international markets and access to financial services.

The Pacific Horticultural and Agricultural Market Access Program (PHAMA), funded through the Pacific Regional program, supported the maintenance and expansion of market access for primary products from Solomon Islands. In 2014-15, PHAMA established Solomon Islands' first national testing laboratory for testing the quality of cocoa exports, providing an evidence base for exporters to price and market their products. Complementary funding operationalised biosecurity legislation to facilitate Solomon Islanders' access to international markets.

Through the World Bank's Rural Development Program (RDP), Australia helped meet the infrastructure needs of rural communities. Completion of phase one of the RDP saw the finalisation of 286 small scale infrastructure projects across every ward in the Solomon Islands. A second phase commenced in 2014-15. In addition to continuing small-scale infrastructure, it includes partnerships with the private sector to improve supply chain outcomes, agricultural productivity and enabling broad based growth^{xv}.

The Financial Inclusion Program enabled access to low-cost financial services, driving economic growth, and helping to further gender equality. The program underpins the Central Bank Solomon Islands' leadership of the National Financial Inclusion Taskforce. In 2014-15 there were more than 260 new financial service access points established across the country, with at least one access point in every province. By March 2015, 159,439 new accounts had been opened^{xvi}. While targets for 50 per cent of new accounts belonging to women and 50 per cent to rural customers have not been met, this is largely due to limited capacity of the local banking sector and data collection challenges.

In 2014-15, Australia partnered with the International Finance Corporation and ANZ Bank, using innovative mobile technology to run a low-cost mini internet banking session or conduct transactions by mobile phone. The introduction of ANZ 'GoMoney' has resulted in deeper penetration of mobile financial services to rural areas and for small to medium size business

owners. The project has also helped ANZ to have the highest proportion of female merchants or sales agents (at 28 per cent) in Solomon Islands.

Priority Outcome 2 - Broad-based Growth: Infrastructure

Australia's assistance for increasing trade, economic growth and service delivery through better access to utilities, telecommunications and transport infrastructure is crucial to Solomon Islands' prosperity and stability. In 2014-15, the aid program saw substantial progress in improving access to and the reliability of economic infrastructure, despite the limited financial resources and capacity of Solomon Islands organisations.

In 2014-15, Australia's economic infrastructure program in Solomon Islands was characterised by transition, as the current phase of funding to the transport, urban water and energy sectors came to a close. Australia engaged in extensive policy dialogue with government, its state-owned enterprises, and other international donors, to influence the direction of Solomon Islands' infrastructure and prepare for a new phase of funding. To drive policy reform Australia advocated for a performance-linked component in transport funding.

Australian support for transport infrastructure aims to improve market access and service delivery through access to reliable transport. In 2012, only 23 per cent of Solomon Islands' rural population was estimated to have access to roads. With Australian assistance, access improved through systematic maintenance of roads, wharves and bridges, and rehabilitation or replacement of damaged infrastructure. By June 2015, 643 km of roads and 15 wharves were under routine maintenance will, more than double the number at the same time in 2014.

The program's use of contracted out transport maintenance and rehabilitation companies increased opportunities for the local private sector. Local firms responded to new opportunities by investing in equipment. Women's participation in this program was high. In 2014, at least 219,350 days of employment were generated through transport works, of which 52 per cent were performed by women, compared to 42 per cent in 2013.

Authority aims to assist provision of safe and reliable water supply services. In 2014-15, the average proportion of water samples that passed WHO bacteria standards increased from less than half in 2011 to 94 per cent in 2014. xix Around 87 per cent of Honiara had 24 hour water supply, compared to 39 per cent in 2013. By the end of 2014, 9,845 households (around 69,000 people) had water connections – representing 25 per cent growth compared to 2013.xx These results reflect sustained improvements in Solomon Water's organisational performance. Nonetheless, progress remains fragile, and Australia and Solomon Water have extended their partnership by for another year.

Electricity prices in Solomon Islands are among the highest in the world, xxi and a major constraint to private sector development. In 2014-15, Australia worked with the Solomon Islands Government and the World Bank Group to improve the reliability and affordability of energy through the Tina River hydropower project. While delays have been experienced, the project has the potential to significantly lower electricity costs and reduce dependence on imported diesel. In 2014, the Solomon Islands Government identified a private developer for the project and is now working towards the first public-private partnership of its type in Solomon Islands. With Australian support, the Solomon Islands Government has invested significant resources in addressing environmental and social safeguards issues related to the project.

Priority Outcome 3 - Improved Governance

The pace of government reform slowed in 2014-15, as the Solomon Islands Government prioritised recovery from the devastating April 2014 floods, national elections and managing the impact of the closure and sale of Gold Ridge mine.

Australian aid for the Solomon Islands Electoral Commission (SIEC) in 2014-15 saw the achievement of two important outcomes: successful delivery of a new electoral roll using a biometric voter registration system; and the delivery of credible elections in November 2014. These achievements boosted the integrity of electoral processes, as well as public confidence in the political system.

With Australia's support, SIEC revised election procedures and implemented a training package for its staff and electoral officials, and a needs-based voter education program. These activities contributed to a high turnout on election day (almost 90 per cent of registered voters) and a low number of invalid votes. While the program addressed barriers to social inclusion in 2014, opportunities remain to improve electoral engagement for marginalised groups, including for example, people with a disability^{xxii}.

Australia provided ongoing funding for institutional strengthening and reform of SIEC to strengthen capacity to deliver future elections and by-elections. To ensure sustainability, the program will need to focus on translating technical achievements into longer-term elections management, owned by SIEC.xxiii

Australia supported Solomon Islands to maintain macroeconomic stability, providing expertise to strengthen engagement with the International Monetary Fund, and to improve fiscal management and economic reform. Australia worked through the Core Economic Working Group to identify how donors could help the Solomon Islands Government to foster new sources of growth. Australia continued funding for technical advice on infrastructure investment, state owned enterprise management and effective debt management.

Australia supported Solomon Islands Customs to modernise its systems and align with international standards. Through the use of technology, Customs will reduce compliance costs for business, enhancing trade and government revenue. Australian-funded advisers continue to assist Customs to identify and address revenue leakages.

Australia's support for the June 2015 Australia-Solomon Islands Business Forum facilitated engagement between the private sector, leading Pacific economists and the Solomon Islands Government on opportunities to boost jobs and growth.

With Government spending equivalent to 50 per cent of the formal economy, improvements in government performance delivered gains for economic growth. Following a major independent review in October 2014 the governance program started changing the way it promotes improved public financial management (PFM), public sector reform and accountability. The implementation of the recommendations began in late 2014, with the program moving from an exclusive focus on improving the performance of central agencies, to working across government to improve key systems and service delivery.

Australia's support for PFM made progress in improving budgeting, creating more efficient and streamlined payments, procurement and audit systems, including through increased investments in information technology. This work also reduced the risk of fraud to Australian aid funds spent through Solomon Islands Government systems. By the end of 2014-15, 25 out of 26 Ministries were connected to SIG-Connect, the whole of government IT system. This enabled efficiencies and operational improvements through providing internet access, email connectivity and access to financial and human resource management applications for the first time.

DFAT support to improve the management of human resource information resulted in identification and removal of over 600 'ghost entries' from the Solomon Islands Government Payroll, saving approximately A\$5m per year.

The aid program gained value for money by transitioning some functions back to the Solomon Islands Government where sufficient capacity had been built, and discontinuing activities that were not delivering the anticipated results. In 2014-15, ten long-term advisor positions ended and the terms of reference for five advisor roles were revised significantly.

In 2014-15, Australia helped produce national statistics in Solomon Islands to drive evidence-based policy and decision making. The National Statistics Office (NSO) produced regular Consumer Price Index, International Trade Statistics and Gross Domestic Product reports. While surveys and field operations for the Household Income and Expenditure Survey were completed on time, 2014-15 saw delays in analysing and finalising data for dissemination and use. The Australian-funded Demographic Health Survey commenced in 2014-15 collecting information for benchmarks and indicators to inform health policy and expenditure. The NSO also began developing a National Statistical Development Strategy to inform greater Solomon Islands Government ownership of the statistics function.

Priority Outcome 4 - Improved Justice

The Solomon Islands Justice Program (SIJP) continued to strengthen the national courts and government justice agencies. This was complemented by long-term community-based investments to help Solomon Islanders reinforce their own systems for resolving disputes. Progress towards objectives in 2014-15 was challenging and more needs to be done.

The SIJP's support for the Magistrates' Court, and the numerous agencies essential for it to function, was a priority. The SIJP ensured the recruitment and appointment of five new magistrates who underwent a comprehensive training program delivered by the National Judicial College of Australia. The SIJP also worked with the Solomon Islands Government to install and adopt a fit-for-purpose electronic case management system in the Magistrates' Court.

In 2014-15, an Australian implemented a suite of initiatives aimed to strengthen the legal system more broadly and increase access to justice in Solomon Islands. Australia provided core funding to Transparency International for the operation of its Advocacy and Legal Advice Centre. We also supported the enactment and implementation of the important Family Protection Act. Australian funding to projects like the World Bank's Community Governance and Grievance Mechanism invigorated community governance structures and strengthened links with state institutions. We also supported the development of a parole system with the enactment of the Parole Regulations in 2014 and by working with Correctional Services.

A mid-term review of the SIJPxxiv found mixed achievements against the priorities identified under the current program. Implementation of review recommendations will be a focus in the forward year.

Gender Equality

As part of the regional Pacific Women Shaping Pacific Development initiative, the Solomon Islands Gender Program works to address barriers to gender equality in three priority areas: ending violence against women, improving women's earning potential and increasing women's leadership. In parallel, the Gender Program drove improved outcomes in bilateral program investments, and began work on an evidence base to inform future programming. This is a positive trend, but room for improvement remains.

In 2014-15, Australian support assisted the Ministry of Women, Youth, Children and Family Affairs to develop a women's economic empowerment strategy. Australia also commenced a three year program to strengthen the Solomon Islands Women in Business Association, which included the establishment of a Business Development Centre. The Centre was opened in March 2015 and ran 11 training sessions for women on business and trading skills in 2014-15.**

A major achievement in 2014-15 was the mobilisation of the 'Let's Make our Families Safe' initiative, focusing on reducing family violence in Malaita and Temotu. This project uses a consortium model to raise awareness of gender equality issues, change behaviour at the community level, and build coalitions for change within provinces. The consortium includes Oxfam, International Women's Development Agency, National Council of Women and a local NGO, Vois Blong Mere.

This work built on the achievements of the DFAT-supported Channels of Hope program implemented by World Vision which uses a faith-based approach to address family violence. An evaluation of this program found evidence of positive changes in the attitudes towards gender equality and a reduction in the frequency and severity of violence in target communities.xxvi

Work has begun on development of a performance assessment framework to measure progress on work targeting gender equality within the gender program. It will also be used to assess progress in mainstreaming. Work is underway to build gender equality considerations into sector programs: for example 2014-15 saw development of a gender action plan for governance and a gender analysis to inform the new Solomon Islands Growth Program.

Disability Inclusion

People with a disability in Solomon Islands continue to experience real barriers to inclusion and participation. In 2014-15, aid program responses to overcoming these barriers met with some success. For example, the Australian-funded Solomon Islands Demographic Health Survey contained a disability module for the first time, adopted from a best-practice model developed in Vanuatu. Ministry of Education and Human Resources Development officials were beneficiaries of Australia Awards Fellowships to develop an inclusive education policy. Over 40 young Solomon Islanders with a disability completed employability training and work placements through the Australian-funded Youth@Work Plus program.

Regional Assistance Mission to Solomon Islands (RAMSI) - Participating Police Force (PPF)

In 2014-15, Australia supported implementation of the RAMSI PPF Drawdown Strategy 2013-17 in line with the Mission's transition to a primary focus on indigenous policing capacity development and an incremental draw down of RAMSI activities and staff through to 2016-17. RAMSI is on track to meet its expected outcomes under the Drawdown by mid-2017; however ongoing assistance to the Royal Solomon Islands Police Force (RSIPF) will be required beyond this timeframe.

The RSIPF is now leading frontline policing activities in Solomon Islands with limited PPF participation. In 2014-15, improved leadership stability enhanced the RSIPF's ability to provide effective police services to the community. The focus of PPF supported training moved beyond

basic skills to specialist skills. RAMSI funded specialist training programs in Command, Control and Coordination; Accountability, Authority and Responsibility; and the senior-level RSIPF Leadership Development Program to enhance organisational and individual decision making. RSIPF officers (approximately 80per cent) received training supported by RAMSI, driving higher quality policing services in Solomon Islands.

In November 2014, the RSIPF's improved capabilities were reflected in its successful leadership conduct of security operations for national elections. The RSIPF demonstrated leadership and planning capability by delivering a complex, large-scale operation during a political sensitive period. The RSIPF limited rearmament project remains on target. National public consultations on rearmament show improved community confidence in the RSIPF.

The RSIPF's capacity to meet community expectations are hampered by resourcing shortfalls and internal corporate support failings. To respond, PPF shifted resources to invest more heavily in the areas of finance, human resources, logistics, policy and governance.

The PPF prioritised support for the RSIPF's work to prevent family and gender-based violence in Solomon Islands, working to create attitudinal change in both the community and within the RSIPF itself. The RSIPF, with help from PPF, has delivered a program of public education workshops designed to enhance community confidence in the RSIPF and to encourage victims of family and sexual violence to report incidents to the police. These workshops reached up to 5000 Solomon Islanders a week in 2014-15 through RSIPF visits to schools, villages and markets in all provinces. Joint work to improve data collection has significantly increased reporting of incidents of family violence (from 65 reports in 2013, to 806 in 2014). The PPF also supported development of the RSIPF's training packages to assist implementation of the Family Protection Act 2014.

Performance Benchmarks

Seven pilot performance benchmarks were developed to measure performance of the Solomon Islands aid program in 2014-15, covering major investments in the health, governance, law and justice and transport infrastructure sectors, and key thematic areas of gender and economic growth. (See *Annex B: Progress towards performance benchmarks in 2014-15*, p. 18.) These were subsequently adjusted in the *Solomon Islands Aid Investment Plan 2015-16 to 2018-19* to cover Australia's work in education, policing and women's economic empowerment; and adjust the reporting timeframe for the health indicator.

In 2014-15, Australia fully achieved six out of seven performance benchmarks. The rollout of essential medicine to second tier medical stores continued to progress, achieving up to 73 per cent coverage, up from 65 per cent in 2013-14. Australian support enabled more Solomon Islanders to access appropriate and affordable financial services, with more than 45,050 additional accounts opened in 2014-15. Program managers demonstrated improved commitment to specifically address gender equality in program design and implementation, albeit in a challenging context. Australia's funding in the transport infrastructure sector, in partnership with Solomon Islands Government, enabled the routine maintenance of more than 600km of road in 2014-15. Over 600 cases were disposed of in the central magistrates court in the reporting period, clearly exceeding the benchmark. The program is on track to increase aid for trade expenditure to reach the global target of 20 per cent by 2020.

The benchmark to agree the Core Economic Working Group economic and financial reform matrix was only partially achieved. While progress was made on actions outlined in the matrix, the Solomon Islands Government has not yet agreed to it in full.

Mutual Obligations

Since the election of the Democratic Coalition for Change Government in December 2014, Solomon Islands Government has been updating its National Development Strategy (NDS) to cover the period 2016-2036. The NDS prioritises national-level initiatives articulated in the Democratic Coalition for Change policy document, released in early 2015.

Australia and Solomon Islands Government have formally agreed mutual outcomes in the health, education, transport and governance sectors. Combined with ongoing policy dialogue, these have driven improved performance on challenging issues such as quality of expenditure, increasing Government ownership and procurement. Performance against these obligations varied in 2014-15. Separate independent assessments in the health and education sectors found that 80 per cent of agreed joint performance indicators had been met, triggering performance payments.

The Solomon Islands Government was required to contribute the equivalent of at least AUD10million to the National Transport Fund over four years. By mid-2014, it had exceeded this obligation. The Solomon Islands Government allocated an additional SBD40 million (approximately AUD 6.7 million) to the National Transport Fund in its 2015 Budget. Australia will continue to advocate for mutual obligations in the next phase of funding for the transport sector.

The Core Economic Working Group (CEWG) is an important mechanism for policy engagement between the Solomon Islands Government and donors on public financial management, economic growth and policy reform. The Solomon Islands Government and donors were not able to agree a performance matrix for the Core Economic Working Group (CEWG) in 2014-15. This was due in part to flood-related disruptions, and the desire of a new Solomon Islands Government to set a new economic and fiscal agenda.

Program Quality and Partner Performance

Overview

The program has sharpened the focus on results in 2014-15 through dedicated resourcing for monitoring and evaluation. There have been notable improvements – the Health and Education programs now systematically and jointly collect results with the Solomon Islands Government and use these to inform program funding decisions. However some programs have struggled to develop a 'fit for purpose' monitoring and evaluation system that delivers evidence to inform program decisions. In response, several programs have committed to revisit strategy documents to clearly articulate program logic, objectives and expected end of program outcomes.

The Solomon Islands program reached its 20 per cent consolidation target in mid-2014, reducing 36 investments down to 29.

Progress on evaluations regained momentum in 2014-15. A major review re-focussed the Economics and Governance program. A series of case studies across sector programs identified lessons learned in governance programming, and helped to clarify program outcomes and objectives. The mid-term review of the justice program identified program progress against outcomes and set the direction for the next phase of support. The Education program completed a review and incorporated findings into the design of the next phase. An evaluation of the health program also began, which will also inform the next phase of program design.

Analysis of Aid Quality Checks (AQCs)

Overall, program ratings were consistent between programs, and marginally improved on the 2014 AQC ratings. The Solomon Islands program did not have any investments requiring improvement in 2014-15. All Solomon Islands programs have been rated 4 or 5 in effectiveness and efficiency in 2014-15 AQCs, indicating adequate to good performance on the criteria linked to the high level aid targets. Improvements in the relevance ratings for the Health, Governance and Education programs align to the priority these programs are given in the Aid Investment Plan, and reflect the redesign work undertaken in 2014 to refocus these programs.

The majority of programs have been rated 4 in gender equality, indicating that while program investments are addressing gender equality, there is room for improvement. To achieve this, a systemic approach to gender equality, identifying barriers and opportunities for participation, and a structured approach to addressing these is required. Dedicated staffing for gender programming will drive this change in 2015-16.

Performance of key delivery partners

To promote local ownership, accountability and sustainability of development interventions, Australia continues to commit funds through Solomon Islands Government systems where appropriate. Progress on this approach was consolidated in 2014-15 in the health, education and transport sectors in particular. Systemic weaknesses in public financial management are being managed by the provision of targeted technical assistance, and additional resources such as accounting firms, to maintain high standards of accountability for expenditure of Australian government funds. Australia employs managing contractors to manage the large numbers of technical advisors, particularly in the governance, health and justice sectors, and to support staff deployed in-country.

Multilateral partners diversify Australia's risk in Solomon Islands, providing valuable sector-specific technical expertise and leveraging a more diverse range of funding. UNDP participation was particularly important in the context of the 2014 elections, despite some delays in program implementation. Elsewhere, multilateral partners contributed to the health (World Bank (WB)), Rural Development (WB), infrastructure programs (Asian Development Bank (ADB), WB) and on economic and public financial management (ADB, WB).

While Australia worked closely with multilateral partners (WHO and UNICEF) to combat disease outbreaks in 2014, the Sector Wide Approach presents a workable solution to the ongoing challenge of coordination and alignment across 13 donor partners in the health and education sectors.

Australia will continue to seek increased in-country strategic engagement and supervision from multilateral partners and ensure assistance is fully aligned with the priorities of the Solomon Islands Government.

Through the Core Economic Working Group, the World Bank, Asian Development Bank, New Zealand and the EU remain key donor partners supporting growth and effective financial management.

Five Partner Performance Assessments were completed in 2014-15. While ratings were mostly "good" slightly lower ratings were achieved for policy alignment and value for money.

Risks

The key risks facing the Solomon Islands program relate to maintaining a bilateral program where Australian and Solomon Islands Government priorities align, the possibility of a major fraud, or a humanitarian crisis or natural disaster.

Table 3 Management of Key Risks to Achieving Objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)
Divergence of Solomon Islands Government and Australian government priorities	Following the election, Post held high-level meetings with the Solomon Islands Government to understand the priorities of the newly formed DCC Government. Australia has continued its commitment to the Core Economic Working Group and to ensure the policy and reform objectives of donors and Solomon Islands Government remain aligned.	Australia will engage in policy dialogue with key sectors through budget support investments with Solomon Islands Government on priority setting and the budget process. Annual High Level Consultations (held in August 2015) provide an opportunity to discuss the alignment of Australian investments across all sectors to ensure the bilateral program remains targeted and complementary to Solomon Islands Government priorities and investments.	Medium
A major fraud against the Australian aid program occurs	Improved financial controls and compliance measures for Australian funds where the program is using partner government systems remain in place. Australia continues to engage internal audit, procurement and PFM specialists within MoFT, MEHRD and MHMS and a Procurement advisor to assist post in reducing procurement risks in the program. Australia also provides additional technical assistance for MoFT internal audit to assist large fraud investigations.	Post will continue last year's actions including the annual visit by Fraud Control Unit on case management and fraud training (early 2016). Post will undertake an updated Assessment of National Systems to examine the adequacy of existing risk mitigations.	Medium
	The No Objection Letter process Australia uses when procuring through partner systems has been reviewed. The health and education programs have transitioned to making payments on a reimbursable basis to reduce financial risks and improve incentives for program expenditure. The Health team has also undertaken an updated financial and procurement risk assessment (June 2015).		
Humanitarian crisis or natural disaster affecting human and financial resources available to the program	Post has built capacity of all staff to engage in humanitarian response and utilise expertise in Canberra including desk, HRB and the ACC.	Post will utilise the ACC to provide capacity building support to the NDMO and build on in-country experience. Post will continue to maintain budget flexibility when necessary and the ability to reprioritise the budget.	Medium

Management Responses

Work in 2014-15 on the Solomon Islands Aid Investment Plan 2015-16 to 2018-19 re-aligned the forward program around three focus areas of stability, economic growth and human development. Ongoing challenges lie in supporting Solomon Islands' progress on economic growth, quality of expenditure; and equality of opportunity and economic participation for women and people with a disability. This is reflected in the following management responses for 2015-16:

- 1. **finalise the Performance Assessment Framework** of the Solomon Islands Aid Investment Plan to consolidate the strategic direction of the program;
- 2. develop and finalise the **Solomon Islands-Australia Aid Partnership Agreement**, to reflect shared policy priorities and agreed areas of mutual accountability;
- embed a systematic approach to design, implementation and monitoring of gender and disability mainstreaming in sector programs, including through program quality systems, a gender action plan for governance and a gender analysis for growth;
- complete the design of the new Solomon Islands Growth Program to stimulate economic growth in Solomon Islands by catalysing private sector investment and increasing opportunities for inclusive growth;
- 5. finalise plans for the transition into a **new phase of support for the infrastructure sector**, working with the Solomon Islands Government, state-owned enterprises and other donors to focus on agreed priorities in transport, urban water and energy; and
- 6. position the bilateral aid program to respond flexibly to potential program changes arising from the proposed **2016-17 RAMSI Drawdown**.

Annex A - Progress in Addressing Management Responses

Management and a second state of the control of the	Datte 4	Produce week to 00444E
Management responses identified in 2013-14 APPR	Rating	Progress made in 2014-15
Solomon Islands will hold elections in late 2014 or early 2015. We will maintain and if necessary increase our support to the Solomon Islands Government to help ensure that the election is free, fair and credible.	Achieved	Australia continued its support to the Solomon Islands Government and through this support, ensured that free, fair and credible elections were held in 2014.
A new Aid Investment Plan will strengthen the strategic direction of the program; align the program with the Government's development policy and performance framework, and strengthen the program's investment and evaluation pipelines.	Achieved	The Solomon Islands Aid Investment Plan 2015-16 to 2018-19 was published on 30 September 2015 (http://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-solomon-islands-2015-16-to-2018-19.aspx).
Private sector engagement and innovation will be strengthened, including through private sector partnerships in financial inclusion, agribusiness and health, using the Core Economic working Group to improve links between government and	Partly achieved	Private sector engagement increased in prominence and informed program priorities. Work built on the first Economic Growth Forum held in March 2014 to enhance engagement between Australia, Solomon Islands Government and the private sector.
business and development of a women's economic empowerment strategy.		The CEWG continued to provide the primary forum for donor coordination on economic and fiscal management.
		In 2014-15, Australia's support through the International Finance Corporation enabled the selection of a private developer for the Tina River Hydro Project. The Solomon Islands Government continues to work with the developer towards the country's first public-private partnership of this kind.
Continue to embed gender as a priority across all programs to ensure that 80 per cent of investments will effectively address gender issues in their implementation.	Achieved	In the reporting period programs across the portfolio of DFAT investments rated well in terms of gender mainstreaming and the target of 80 per cent effectiveness was achieved. With the bar now set high, attention needs to be given to further building on current standards. With increased dedicated human resources within the DFAT team, post is well placed to make these improvements, however this will require real commitment from senior management at post and in Canberra to see it prioritised.
Build on progress made through the Core Economic Working Group to improve economic management, promote growth and improve public service delivery.	Achieved	The program supported economic management and growth through the provision of impartial economic advice to government on priorities for reform and resolving issues with the potential to destabilise the economy (e.g. mine closure) and promote growth (e.g. infrastructure investment and management). Our support for debt management has put Solomon Islands Government in a position where it can now borrow for productive investment.
		The program supported service delivery through support for PFM and public sector reform. This led to the development of policies and procedures for absence and performance management, faster recruitment times, and a clear process for line ministry–led recruitment

Public financial management was improved through the establishment of an inclusive Support strengthened fiduciary risk management and improved quality of budget committee that improves planning and execution of the budget; improved and expenditure, through better budgeting, procurement, financial management, audit streamlined procurement requirements; introducing stronger financial controls for donor funds; and supporting Solomon Islands Government to implement the and policy dialogue. modernised Public Financial Management Act, which now covers CDFs. Accountability was strengthened through our support to the Office of the Auditor General (OAG), which contributed to a reduction in the backlog of outstanding audits. publication of the 2013 and 2014 annual report, timely audit of the national accounts, and improved professionalism and attendance of OAG staff. Australia continues to work directly through Solomon Islands Government procurement and financial management systems in the delivery of our transport infrastructure program through the National Transport Fund (NTF). During 2014-15, by working together with the ADB to strengthen these systems, the NTF more than doubled its coverage of routine road and wharves maintenance. Australia's health program drove several efficiency reforms over the reporting period Consolidate our health program following reductions in budget support, with an which helped the sector manage a reduction in its financial support. As a result of emphasis on protecting and building on gains to date to maintain strong improved procurement practices Solomon Islands now achieves some of the lowest unit prices for essential drugs in the region. Australia's support to the sector helped performance. Solomon Islands Government manage a series of major disease outbreaks over the period helping to reduce their impact. Partly The strong focus on early literacy and numeracy has been maintained throughout Rebalance our support for education to place greater weight on technical and achieved 2014-15. The ground work to allow the program to expand focus to include greater vocational education while maintaining a strong focus on core literacy and support for technical and vocational education has been completed. The skills program numeracy skills will begin in 2015-16. Draft principles under discussion with Ministry of Development Planning and Aid Partly Develop a principles-based approach to managing technical assistance in a achieved Cooperation, subject to timing of development of National Development Strategy and manner that promotes individual and organisational capacity building, and Partnership Framework. supports the Solomon Islands Government to gradually increase responsibility for key public service tasks, as agreed at the 2014 bilateral High Level Consultations.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

Annex B - Progress towards Performance Benchmarks in 2014 -15

Aid objective	2013-14 benchmark	Rating	Progress in 2014-15
Improved functioning of health system	Availability of critical and essential medicines (includes contraceptives) at the provincial level ^{xxvii} increased to 90 per cent	Achieved	Intermediate targets met. Essential medicines coverage improved during 2014-15 from 65per cent to 73per cent at provincial level.
Courts and justice agencies are better able to deliver their core functions	250 cases heard and disposed of in the Central Magistrates Court in 2014-15. 2500 police and other law and justice officials trained in 2014-15	Achieved	604 cases were heard and disposed of in the central magistrates court in 2014-15, significantly higher than the benchmark set in 2013-14. This reflects improvements in case flow and coordination in the sector, as well as increased number of magistrates sitting on the bench following improved remuneration and conditions of service. A total of 2439 justice and police attendees participated in training over this period. This is within 1.5per cent of the benchmark, and for this reason is reported as achieved.
Number of women and men who increase their access to financial services	Additional 20,000 people accessing appropriate and affordable financial services xxviii	Achieved	In 2014-15, an estimated 45,050 additional accounts were opened through both bank and mobile financial services to date. Female accountholders are currently tracking at more than 25 per cent. Financial inclusion program focus going forward will go beyond access to drive behaviour change to increasing usage of financial services.
Gender focus of aid investments is improved towards reaching New Aid Policy benchmarks	80 per cent of QAIs for Solomon Islands program are rated as 4 or higher	Achieved	82per cent of programs were rated 4 or higher for gender in the 2014-15 Aid Quality Checks. [See attachment D]
Improved transport infrastructure to support increased economic activity.	600km of roads rehabilitated or maintained in 2014-15	Achieved	With the support of Australian funding to the National Transport fund, the Solomon Islands Government had 643 km of roads under routine maintenance by June 2015. This represents about 70 per cent of the country's maintainable roads (up from 39 per cent in 2011).
Support the Solomon Islands Government to improve the quality of financial management systems towards ensuring resources intended for better delivery or public services achieve their intended purposes	Agreed Core Economic Working Group's Economic and Financial Reform Program matrix for 2014-15 between donor partners and the Solomon Islands Government	Partly achieved	Australia played an active role in preparing a draft Economic and Financial Reform Program matrix for 2014-15 jointly with other donor partners and government officials. The Solomon Islands Government has not yet agreed to the matrix. Many actions outlined in the draft matrix have however progressed during 2014-15.
Improve prospects for economic growth through	Increase aid for trade expenditure to progress	Achieved	The program is on track to achieve the 2020 target of 20per cent expenditure on aid for trade by 2020. Currently 12 per cent (AUD10.4million) of existing program investments are classified as Aid for Trade. There will be a sustained

Aid objective	2013-14 benchmark	Rating	Progress in 2014-15
aid for trade	towards the global target of 20 per cent of bilateral expenditure by 2020.		increase in this expenditure through to 2020, with 14 per cent forecast for the program in 2016-17, 17 per cent forecast for 2017-18, and the 20 per cent forecast expected to be achieved in 2018-19. Expenditure will include investments in areas such as customs, biosecurity, infrastructure, agricultural market access, mining governance, agri-business and rural development. A signature aid for trade activity in 2014-15 included the launch of ASYCUDA, a new customs information system that will help address constraints to trade in Solomon Islands.

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

Note: Education benchmarks were not included in 2014-15 but will be a part of future years.

Annex C - Evaluation and Review Pipeline Planning

List of evaluations completed in the reporting period

Name of Investment	AldWorks number	Name of evaluation	Date finalised	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
Solomon Islands Justice Program	INK867	Mid-term review	30 June 2015	October 2015	October 2015	No
Solomon Islands Economic and Public Sector Governance Program (SIGOV)	INL122	Program review	23 Oct 2014	June 2015	June 2015	Pending Solomon Islands Government approval
Education Sector Support Program	INK172	SWAP and NEAP review	November 2014	Partner Government document uploaded in TRIM.	Partner Government response uploaded in TRIM.	No – Solomon Islands Government document.
Electoral Systems Strengthening Program	INK788	Mid-Term Review	March 2015	Partner review. Uploaded to TRIM.	Partner response. Uploaded in TRIM.	No – UNDP document.

List of evaluations planned in the next 12 months

Name of Investment	AldWorks number	Type of evaluation	Purpose of evaluation	Expected completion date
Strongim Yumi Togeta	INI854	End of program review	To verify program outcomes	Dec 2015
Channels of Hope	under INK688	Mid-term review	To verify value of program and inform content of proposed extension.	September 2015
Urban Water Supply Phase 1	(INK143)	Final evaluation	To verify results, lessons and inform future design	June 2016
Solomon Islands Health Sector Support (Phase 2)	INK561	Independent Completion Evaluation of Phase 2 of the Solomon Islands Health Sector Support Program	To verify results, lessons and inform future design	August 2015

Annex D - Aid Quality Check ratings

Investment name	get .					70		<u> </u>	
	Approved budget and duration (Estimates)	AQC/QAI year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Rural Livelihoods	\$37m / 14 years	2014 AQC	5	5	5	4	4	3	5
		2013 QAI	5	4	4	4	4	5	
Gender	\$13m / 6 years	2014 AQC	5	4	4	3	4	4	4
		2013 QAI	6	4	4	4	5	5	
Justice	\$43m / 4 years	2014 AQC	5	4	4	4	4	4	5
		2013 QAI	5	4	4	4	4	3	
SINPA	\$23m / 7 years	2014 AQC	4	4	3	5	4	5	5
		2013 QAI	5	4	4	4	4	6	
Transport	\$44m / 6 years	2014 AQC	6	4	4	4	5	4	4
		2013 QAI	5	4	4	4	4	4	
Health	\$75m / 4 years	2014 AQC	6	5	5	6	5	4	5
		2013 QAI	5	4	4	4	4	4	
SIPF	\$17m / 2 years	2014 AQC	5	5	5	4	4	4	5
		2013 QAI	5	5	5	4	4	4	
Utilities	\$21m / 5 years	2014 AQC	5	4	4	4	5	4	4
		2013 QAI	5	5	4	4	4	4	
Governance	\$45m / 4 years	2014 AQC	6	4	4	4	4	3	5
		2013 QAI	5	3	4	3	4	4	

Statistics	\$9m / 5 years	2014 AQC	5	4	5	4	4	5	4
(SIGOV in 2013)									
Education	\$34m / 4 years	2014 AQC	6	4	4	4	5	4	4
		2013 QAI	5	5	4	4	5	3	
Democratic Governance	\$9m / 4 years	2014 AQC	6	5	4	4	4	4	5

HAQC ratings

Investment name	Approved budget and duration	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Connectedness	Protection	Gender equality	Risks and Safeguards
Humanitarian Response Aid Quality Check for Solomon Islands Floods	\$3m / 1 year	5	5	5	4	5	4	4	5

FAQC ratings

FAQC scores assess performance over the lifetime of the investment and should not be compared to the previous year's QAI ratings.

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards	
Education Sector Support to Solomon Islands	\$34m / 4 years	4	6	4	4	4	5	4	4	
Solomon Islands Transport Infrastructure	\$24m / 7 years	5	5	5	4	4	4	4	4	

Definitions of rating scale:

Satisfactory (4, 5 and 6)

= 6 = Very good; satisfies criteria in all or almost all areas

= 5 = Good; satisfies criteria in most areas

= 4 = Adequate; on balance, satisfies criteria; does not fail in any major area

Less than satisfactory (1, 2 and 3)

= 3 = Less than adequate; on balance does not satisfy criteria but does not fail in any major area

= 2 = Poor; does not satisfy criteria in major areas

= 1 = Very poor; does not satisfy criteria in many major areas

¹ Central Bank of Solomon Islands, Annual Report 2014, p. 5

"IFAD, FAO, World Bank, UNDP, Rural poverty in Solomon Islands, 2015, accessed 27 October 2015,

http://www.ruralpovertyportal.org/country/home/tags/solomon_islands

iii Ministry of Education and Human Resource Development 2014

iv World Bank provincial literacy study: 'Hem no leit tumas', 2014

VUNDATA, accessed 27 October 2015, http://data.un.org/CountryProfile.aspx?crName=solomonper.cent20islands

vi Solomon Islands Standardised Tests of Achievement 2013

vii Ministry of Education and Human Resources Development Draft Performance Assessment Report 2014

viii Ministry of Education and Human Resource Development 2014

ix Independent Evaluation of Performance 2015

x Ministry of Health & Medical Services (MHMS) 2014 Descriptive Core Indicator Report, p.39

xi MHMS 2014 Descriptive Core Indicator Report, p.39

xii MHMS 2014 Descriptive Core Indicator Report, p.39

xiii MHMS 2014 Descriptive Core Indicator Report, p.39

xiv Maternal and Child Nutrition: A review of progress against nutrition plans in Solomon Islands 2014, p.3

xv Aide Memoire: Solomon Islands Rural Development Program Joint Donor Review, 5 February, 2015

xvi National Financial Inclusion Taskforce report: March 2015

xvii PRIF Review, 2012

- xviii SI MID National Transport Fund Board papers, 2015
- xix Solomon Water, 2015
- xx Solomon Water, 2015
- xxi ADB 2012, Solomon Islands: Outer Island Renewable Energy Project, Draft Concept Paper
- xxii Commonwealth Observer Report
- xxiii UNDP SECSIP Mid-Term Review Report: Strengthening the Electoral Cycle in Solomon Islands, March 2015
- xxiv 2015 Solomon Islands Justice Program mid-term review Kelly, L; Tuhanuku, A
- xxv Support for Solomon Island Women In Business Association, Progress Reporting March to August 2015.
- xxvi Channels of Hope, Phase 1 Evaluation Report, June 2015.
- xxvii Provincial hospital (second tier medical store) level. Note this target was subsequently adjusted in the Aid Investment Plan to reflect annual, not four year timeframes.
- xxviii Financial services include but are not limited to: traditional savings; loan products providing working capital for small businesses; larger loans for durable goods; loans for children's education and to cover emergencies; safe, secure deposit services; remittances and money transfers; and banking through mobile phones.