

# ANNUAL PERFORMANCE REPORT



2007/2008

A REPORT ON THE PERFORMANCE OF THE  
REGIONAL ASSISTANCE MISSION TO SOLOMON ISLANDS

July 2008

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# ABBREVIATIONS

ADB	Asian Development Bank
CBSI	Central Bank of Solomon Islands
CNURA	Coalition for National Unity and Rural Advancement
CSP	Community Sector Program
CSSI	Correctional Service of the Solomon Islands
ERU	Economic Reform Unit
ESSP	Electoral System Strengthening Program
FI	Financial Instructions
IMF	International Monetary Fund
IPAM	Institute of Public Administration and Management
L&J	Law & Justice
MoFT	Ministry of Finance and Treasury
MoG	Machinery of Government
MPS	Ministry of Public Service
MTDS	Medium Term Development Strategy
MTFS	Medium Term Fiscal Strategy
MTR	Mid Term Review
MTS	(RAMSI) Medium Term Strategy
NIU	National Intelligence Unit
OAG	Office of the Auditor General
PAAT	Performance Assessment Advisory Team
PAWG	Performance Assessment Working Group
PCERP	Post Conflict Emergency Rehabilitation Project
PGSP	Provincial Government Strengthening Program
PIF	Pacific Islands Forum
PPF	Participating Police Force
PSII	Professional Standards Internal Investigations (of SIPF)
PSIP	Public Sector Improvement Program
PSP	Parliamentary Strengthening Program
RAMSI	Regional Assistance Mission to the Solomon Islands
SGP	Statement of General Principles
SIG	Solomon Islands Government
SIGAS	Solomon Islands Government Accounting Service
SIPF	Solomon Islands Police Force
SIPS	Solomon Islands Prisons Service
TSAP	Transitional Support for Agriculture Program
WHO	World Health Organisation
WIG	Strategy for Advancing the Position of Women in Government

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## Cover

Clockwise from top left: RAMSI adviser Lisa Cleary and Mactus Forau from the Correctional Service of Solomon Islands; A visitor to RAMSI's community outreach stall at the National Trade Show 2008; RAMSI adviser Anna Lamont and James Lapo from the Solomon Islands Customs and Excise Division.

## KEY HIGHLIGHTS

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This information is selected from the performance information collected for the period July 2007 – June 2008. This is derived from the 2008 People’s Survey carried out in April and May by Australian National University Enterprise and from reporting from the constituent programs of RAMSI. Because RAMSI is a partnership between contributing countries and the Solomon Islands Government, performance systems record outcomes to which RAMSI contributes while recognising that the primary determinants of progress are the people and Government of the Solomon Islands themselves.

### *Security and rule of law maintained and entrenched*

- Intensity of military patrolling continues to reduce.
- The proportion of Solomon Islanders who believe that violence would return if RAMSI left continues to decline (46%, down from 54% in 2007<sup>1</sup>).
- Crime clearance rates improving.
- Significantly reduced backlog in tension related files, and sexual assault files in the provinces.
- 32% of Solomon Islanders believe the Solomon Islands Police Force treats people with respect (down from 44% in 2007).

### *Law and justice institutions nearly over the “bulge” and settling to the longer term*

- 31 tension trials have been completed, with six outstanding.
- Median remand time at Rove Central Prison reduced from 14.5 months in June 2007 to 4 months in June 2008.
- Numbers of expatriate lawyers in SI public institutions reduced, indicating less need of external assistance.
- All legal institutions now headed by Solomon Islanders.
- Safety and security incidents in prisons halved from 91 in 2005/6 to 46 in 2006/7.
- Corrections Service of the Solomon Islands judged to be meeting UN Minimum Standards for the Treatment of Prisoners.
- Wide range of rehabilitative activities for prisoners established and documented.

### *Gains in building effective and accountable public institutions*

- Some decline in the proportion of people who believe national government is doing a good job, but an increase in numbers who believe that the performance of politicians and officials is improving.
- 46% of Solomon Islanders believe their MP is performing very well or satisfactorily in Parliament (largely unchanged)
- Office of the Auditor General has cleared the backlog of audits of National Accounts and audits tabled in Parliament are scrutinised by the Public Accounts Committee and progress against required audit action plans monitored.
- Backlog of cases at the Leadership Code Commission cleared.
- There have been delays in a major RAMSI program of support for the public service.

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<sup>1</sup> Comparisons in each case are for provinces included in the People’s Survey in both years, which, although they contain the great majority of the population, may not be completely representative of the nation.

*Responsible budgets and growth maintained so far, but huge challenges ahead*

- Solomon Islanders are less likely than in 2007 to say their household financial situation is better than two years ago, or that it will be better in two years time.
- Debt to GDP ratio improved from 63% in June 2006 to 53% currently.
- Domestic revenues rose from SI\$822 million in 2006 to SI\$1090 million in 2007.
- Medium Term Fiscal Strategy prepared which highlights need to contain expenditure and find new sources of growth.
- Benefits continue to flow from the 2006 Foreign Investment Act.
- New customs clearance system has reduced processing times from 24 to 8 hours.
- Following changes in air transport policy, two further airlines have started to serve Honiara since mid-2007.
- 150 km of roads rehabilitated and maintained on Malaita, with labour based approaches contributing to increased employment for 150 people.
- Despite some work on the establishment of an accounting service, RAMSI support for financial management across the public service has not taken off.

*Capacity development observable throughout RAMSI, but all need to catch up with the best*

- All programs report increasing diversity and mutuality in approaches. There is a welcome shift of emphasis from technical skills to corporate functions such as human resources and financial management. However, the focus on organisational improvement is not entrenched and there needs to be a further spread of good practice within RAMSI.

*Overall*

- There has been some increase in the understanding that RAMSI is active in a broader area than law and justice. Support among Solomon Islanders for RAMSI's presence in the country remains high at around 90%.
- Gains in security, public financial management and economic growth are being maintained. However, all gains are to some extent fragile and can be reversed.
- All programs can describe transitions from dependence on technical assistance. However, more effort needs to be made to ensure that judgements about transitions are shared by RAMSI and SIG and seen within the context of overall plans to leave behind reasonably effective and resilient institutions.
- Problems with recruitment and retention in the public service, and sustainability of levels of RAMSI financial subsidy in some areas, remain risks to the achievement of RAMSI/SIG objectives and merit closer attention in strategic discussions.
- RAMSI remains committed to the principle of gender equality. There are examples of good practice within RAMSI in reporting outcomes on the effects of programs on women and men (including the rich set of disaggregated data in the People's Survey), but practice overall needs to be strengthened.
- Performance reporting is still in some cases not giving managers the information they need. While all programs now have clear objectives, more consistent and substantive reporting is needed against them, together with greater convergence with SIG reporting systems.

## EXECUTIVE SUMMARY

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The third RAMSI Annual Performance Report comes just after RAMSI's fifth anniversary and at a time when RAMSI, the Solomon Islands Government and contributing countries are examining the mission and considering how the SIG/RAMSI partnership can continue to place greater emphasis on development and capacity development. It describes continuing solid progress in a number of areas and some reverses. The 2008 People's Survey which was undertaken just before the report once again gives a multi-faceted view of the way that people in the Solomon Islands see their prospects, their security, their access to services and the formal economy, their Governments and their representatives. It also reflects the variety of views between men and women, between young men and young women, and among people living in the country's different provinces.

### *RAMSI's main gains have not changed*

2007/8 was a difficult year for RAMSI. In the second half of 2007 political differences between the Solomon Islands Government and RAMSI contributing countries meant that dialogue was dominated by questions about RAMSI's role in the country, and it was not possible to concentrate on the achievement of joint objectives. In two cases heads of agency appointments affected RAMSI engagement significantly. Dialogue has been more constructive in the first half of 2008, culminating in agreement to pursue a partnership framework to direct RAMSI's activities in the next few years. However, the results for the year largely consist in incremental progress where it could be made in the areas of

RAMSI's established achievement and relationships.

**It is important to underline that the outcomes aimed at in RAMSI's Medium Term Strategy are deliberately set at a point which RAMSI could not achieve on its own, and that results described throughout this report are for the most part the consequences of policies and actions led by Solomon Islands Government institutions and of collaborative effort between RAMSI programs and those agencies.**

The people of the Solomon Islands still largely understand RAMSI as being a peacekeeping and law enforcement mission. On that basis they are solidly behind its continuing presence; around 90% of them say that they support it. There have been no serious security concerns. The size and role of the small military presence are under review. The bulge of law and order activity around investigating and trying tension related cases is nearly over. People are more confident about the country's ability to manage its own security – there has been a decline from 54% to 46% in the proportion of people who believe that violence would return if RAMSI left soon. Economic growth has exceeded estimates, although this has largely been driven by unsustainable logging. The Government has continued to operate within its means. Foreign investment has been strong despite political uncertainty. The institutions which recorded strong gains in the last report, particularly the Auditor-General's Office and the Parliament, have continued to develop competence and professionalism.

*Incremental improvement in most areas, some big gaps*

Highlights from RAMSI programs this year include:

- the Solomon Islands Police Force keeping the peace around the parliamentary vote of no confidence, crime clearance rates improving, better crime intelligence gathering, enhanced training capacity in the police, more rigorous audit and asset management;
- continued reduction in prison incidents, compliance with UN standards, management transitions in the Correctional Service;
- 31 of 37 designated tension trials completed, a decrease in average remand times at Rove from 14.5 months in June 2007 to 4 months in June 2008, all justice agencies headed by Solomon Islanders;
- backlog of audits of National Accounts and provincial financial statements cleared; audits tabled in Parliament scrutinised by the Public Accounts Committee and progress against required audit action plans monitored; backlog of cases at the Leadership Code Commission cleared
- further reduction in external debt, increasing internal and customs revenue, faster customs clearance, restoration of regular monthly financial reporting
- more airlines serving Honiara, strong foreign investment, access to financial services increased.

The disappointments have been lengthy delays to some activities (the Public Service Improvement Program and the Rural Development Program) and no progress on the improvement of

financial management across Government.

*Gains are reversible*

This year has seen examples where transitions to self-reliance have not been successful. For example, the ending of operating costs for the ship “Silent One”, taken together with limitations in the ability of the magistrates’ service to provide cover, has meant that access to justice in the provinces has been affected. RAMSI programs are for the most part responding to the fragility of gains by looking ahead and planning for possible reverses; nevertheless, expectations that the levels of service maintained with RAMSI advisory and financial support will continue will need to be actively managed.

*Capacity development is broadening but not entrenched everywhere*

While the major gains of RAMSI, which are primarily defined in terms of results, are being maintained and built on, program staff are for the most part ready to think that their job is to help build the agencies that RAMSI will leave behind. There is increasing concentration on the support functions (human resources, finance, asset management) that make an organisation work. Budget transition discussions have begun in the law and justice sector.

There is evidence of a more structured approach to ensuring that capacity development approaches meet the expectations of Solomon Islanders. Advisers are increasingly being recruited for their capacity development as well as their technical skills, and a number have taken advantage of in country training

available through RAMSI. Some programs are adopting a wider range of capacity development strategies, including special mentoring, personal development plans and tailored overseas training. However, planned and sequenced approaches to the capacity development of counterpart staff are not common across RAMSI. Nor are the staff always there. Weaknesses in recruitment and retention systems undermine the ability of advisers to develop skills and confidence. In some cases they are dealing with the situation by working with groups or teams rather than individuals.

All programs can give examples of transitions from reliance on advisers to take over by Solomon Islands staff. The number of advisers overall in RAMSI is falling. There are good examples of joint assessment of progress towards agency capability to fulfil its mandate. Increasing attention to corporate systems should allow more rounded judgements about organisational self reliance to be made over time. But for this to happen there will need to be more explicit agreements about sequencing and priorities within individual agencies. The capability assessment proposed by the Solomon Islands Government in its draft of the partnership framework may provide an opportunity for more consistency within RAMSI.

*The partnership framework an opportunity for dialogue on key risks...*

The 2006/7 report recommended a dialogue between RAMSI and SIG on those cross-mission issues which were likely to pose a risk to the achievement of joint objectives. The risks identified then, of weak recruitment systems, the

financial sustainability of some RAMSI contributions, and the lack of a rules based environment, have not changed. The performance framework presents an opportunity for a structured dialogue not only on progress within individual agencies but also issues which will require sustained action across Government. The country also faces enormous development challenges which affect what RAMSI will be able to achieve in the medium term. The most important of these are set out in the Medium Term Fiscal Strategy, that is, containing expenditure and finding new sources of growth. RAMSI as it stands may not be able to undertake a long term engagement in tackling these issues, but their implications need to be taken into account now in many areas where RAMSI is active.

*...and for joint performance measurement*

The gap between good and less good performance practice within RAMSI is widening. The Corrections program, for example, continues to provide consistent reporting against a small number of well chosen indicators. It has used the capacity development framework constructively to reflect on the way that it is helping to develop key elements of a functioning institution in the Correctional Service of the Solomon Islands. In other cases there is still inconsistent practice in the ability to say whether progress in a given period was at or below expectation, to collect comparative data over time, to map transitions and to assemble performance information which is equally valuable to program management, counterpart agencies, external reviewers and other stakeholders to whom program teams

have to report. In short, performance reporting in some programs is not helping management to manage or to account for progress as well as it should. The partnership framework is an opportunity for RAMSI to consider some minimum standards for performance reporting which might be used in common reporting to the Solomon Islands Government, contributing countries and RAMSI management.

*A promising start on reporting gender*

RAMSI is taking seriously its commitment to gender equality by tracking impacts on men and women of its programs. There are examples of good practice. But translating the principle into consistent gender reporting will require more specific objectives. Gender expertise within RAMSI would allow staff to develop their understanding of what can be done to measure gender equality, and put programs in touch with knowledge being generated elsewhere in the country.

*Recommendations*

1. *That discussions between RAMSI and SIG on progress within the partnership framework include mutually agreed standing items covering cross-program issues posing risks to the achievement of joint objectives.*
2. *That the Performance Assessment Working Group draft a set of performance reporting standards appropriate to the partnership framework which will apply across all RAMSI activities.*
3. *That RAMSI appoint a gender adviser.*

# 1. ABOUT THIS REPORT

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RAMSI has been collating performance information on its constituent programs since 2006, based first on data from individual programs, then from 2007 on a more comprehensive framework designed to measure progress against RAMSI's Medium Term Strategy (MTS). An Annual Report for 2005/6 was published in October 2006, and for 2006/7 in September 2007. The reports, which have been disseminated widely in the region and are available on RAMSI's website, form an important part of RAMSI's accounting to the governments of contributing countries and of the Solomon Islands.

This third Annual Report has been organised into six narrative summaries of results which correspond to the six performance systems operating within RAMSI – Security and Policing, Corrections, Law and Justice, Machinery of Government, Financial Management and Economic Reform and Economic Growth. These are followed by chapters on capacity development, singled out, as last year, for separate tracking because it underpins RAMSI's whole mission, and gender, for which special reporting has been introduced this year to give effect to RAMSI's commitment to advancing gender equality. The report concludes with chapters on context and risk, and on the approaches to and effectiveness of performance reporting within RAMSI.

It draws on material provided through the RAMSI/SIG Performance Assessment Working Group (PAWG) by RAMSI program teams, from Solomon Islands sources as well as program monitoring to gather evidence of progress against MTS objectives (which

are summarised in boxes in the text). It is also based on the results of the 2008 People's Survey commissioned by RAMSI and carried out by the Australian National University. This survey was carried out in five provinces (Guadalcanal, Malaita, Western, Makira and Renbel) and Honiara. Although both Surveys covered the areas where most Solomon Islanders live, the 2008 results are not directly comparable to those of the 2007 survey, which was nationally representative. Comparisons made in this report are with data from the 2007 survey recalculated for comparability with this year's figures. It is not possible to summarise all the findings of the Survey in these pages, and it is well worth reading separately. The Survey is available on the RAMSI website.

As in 2007, the Performance Assessment Advisory Team (PAAT) held discussions with program teams and senior management, and with representatives of SIG, in the compilation of this report. These discussions were aimed at testing conclusions and filling gaps in the data, but did not cover primary research. The report therefore depends on the quality and quantity of information being assembled by program teams and the SIG agencies with whom they work.

The MTS was not formally agreed by the SIG, but it represented the best statement of what RAMSI was attempting to achieve in partnership with the SIG over the five years from 2007. Since early 2008 RAMSI has been discussing with the SIG a partnership framework to supersede it. During this year's mission the SIG presented their

proposal for the content of the partnership to RAMSI. It is now subject to further elaboration and agreement, but what emerges is likely to be different to the MTS, and will require new forms of performance assessment. This report will therefore probably be the last against the MTS as it stands.

The period covered by this report is July 2007- June 2008. However, the latest available data for some indicators relates to calendar year 2007, particularly where SIG sources are quoted. Our approach has been to take whatever is available from existing systems rather than to

attempt to fit data precisely to the reporting period.

The report covers only those RAMSI activities for which there are reportable results this year. This means that some smaller programs, notably media development which is still in its early stages, are not covered.

The currency used throughout is the Solomon Islands dollar unless otherwise stated. An average conversion rate of AUD\$1 = SBD\$6.9 has been used.
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## 2. SECURITY AND POLICING

**RAMSI expenditure estimate 2007/8: SBD814 million (police only)**

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Safe and stable communities created through collaborative crime prevention community safety and security initiatives</i>	<i>The security environment is stable with the result that the military patrolling effort has been reduced. Fewer, if any, weapons unaccounted for and no evidence of weapons being transported into Solomon Islands.</i>

There have been no major security concerns in the period. Leadership, planning and sound management by the Solomon Islands Police Force (SIPF), supported by the Participating Police Force (PPF) and the military contingent, ensured that the Parliamentary no confidence vote and change of government in December 2007 did not give rise to violence on the streets or intimidation. The SIPF remained largely impartial throughout and attempts at political interference in the decisions of key SIPF officers were not successful. These are major achievements and suggest a growing professionalism in SIPF. The intensity of military patrolling continues to decline from 3 patrols a day in June 2007 to between 2 and 3 a day in June 2008. A general perception of security improving in the country as a whole is illustrated by the People's Survey finding of a decline in the number of people who thought violence would return if RAMSI left from 54% in 2007 to 46%. As in 2007, young women

were markedly most likely to believe that violence would return.

Nevertheless, the People's Survey indicates some decline in perceptions of the law and order situation within communities. 37% of respondents described their community as 'safe and peaceful', down from 51% in 2007, and 48% said there were some law and order problems. Men and young men were most likely to say their community was safe and peaceful while women and young women were most likely to say there were many problems. The biggest drops in confidence were in Guadalcanal and Honiara. Fewer respondents believed that there was less crime in their community than a year ago than believed this in 2007. The perception of serious crime appears not to have changed, but over one third still said that they had never had serious crime in their community.

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Safe and stable communities created through collaborative crime prevention, community safety and security initiatives</i>	<i>Crime is reduced through targeted and focussed law enforcement. Priorities are addressed through community consultation and prioritising on high value and high impact crimes. A high quality, professional and credible policing service extends across the Solomon Islands.</i>

The diversity of the PPF mission is being maintained. At 1 July 2008 there were 297 members of the PPF, down from 315 last year. 20% (2007:16%) of officers in post were drawn from 13 different Pacific Island Forum countries other than Australia and New Zealand.

At the start of 2008, the PPF revised its work plan to align its support more explicitly with the corporate directions and organisational structure of the SIPF and to make it more outcomes oriented. The partnership between SIPF and PPF has been strengthened. The focus of PPF support has continued to shift from operational policing to support for senior and middle management in SIPF, and to administrative, system and corporate support, while retaining the policing capability to respond to unrest and disorder should it arise.

### *Crime and Intelligence*

Support for the SIPF Statistics Unit, including the production of the SIPF Annual Crime Statistics Report, has strengthened SIPF's ability to track and analyse reported crimes year on year at both National and Provincial levels. A total of 5260 crimes were reported in the period July 2007- June 2008, slightly fewer than in the previous year, with a 4% improvement in clearance rate (63%, up from 59% in 2006-07). Such data needs to be treated with considerable caution as reductions in reports of crime do not necessarily indicate crime reduction. Not all crimes are reported to the police, there can be a lag in provincial reporting, and clearance rates depend on both internal factors and external factors such as court hearings.

The top priority of the SIPF is to improve community confidence in the

police. The People's Survey indicates that there has been a significant decline in the proportion of respondents who said that SIPF treats people fairly and with respect from 44% in 2007 to 32% in 2008, while the proportion of those who said they do not rose from 16% to 21%. Young people were more likely to say that police treat people fairly and with respect than older people. The proportion of women who consider the police treat people fairly and with respect declined sharply from 48% in 2007 to 23% in 2008. The biggest declines in the percentage saying 'yes' between 2007 and 2008 occurred in Guadalcanal and Malaita. Of those who had reported stealing, 33% said they were satisfied with the way the SIPF had handled their report and 61% said they were not satisfied. This is very similar to results in 2007.

Despite multiple staff vacancies, there have also been improvements in intelligence gathering and reporting by SIPF's National Intelligence Unit (NIU), reflected in increased use of NIU reports by the Commissioner and Joint Intelligence Group. Following a restructure of the intelligence function, designated Provincial Intelligence Officers have resumed their specialist duties and are transmitting credible intelligence reports in a timely way to the NIU via high frequency radio.

### *Operational Policing across Solomon Islands*

Monthly reporting by Provincial Police Commanders to the SIPF National Management Team has improved in timeliness and quality, although not all Provincial Police Commanders yet comply with SIPF reporting requirements, and performance of the

provincial police generally is a key issue for both SIPF and the PPF.

**A Home-Grown Governance Framework**

The SIPF Executive has taken the lead in establishing an organisational governance framework which reflects the needs and circumstances of Solomon Islands. It has formed a special project team guided by a Steering Committee of four Assistant Commissioners and PPF advisers which is reviewing current governance documents – some of which pre-date independence - and consulting widely to create a more effective organisational governance framework and supporting policies including Force Operating Procedures and Standard Operating Procedures.

*Source: PAAT interview*

The number of Fisheries Patrols increased, leading to the boarding and checking of more boats. Two ships were detained and heavy fines imposed - an important achievement since no action had been taken in the past against offenders. Arrest figures for incidents of drunkenness and public disorder are improving. Callout exercises continue to get higher numbers of SIPF members in shorter periods of time. Public order management capabilities of the SIPF on Guadalcanal and Malaita have been enhanced.

<b>Long term outcome</b>	<b>Medium term targets</b>
<p><i>A professional, effective and accountable Solomon Islands Police Force.</i></p>	<p><i>Police act in accordance with the highest standards of honesty and integrity. Police who act beyond their authority are dealt with. Managers accountable to the police and the community.</i></p> <p><i>Capacities of SIPF and supporting infrastructure improved. Structures supporting operational demands sustained by policy, procedure and systems. Resources allocated efficiently and effectively.</i></p>

*Professional Standards*

Discipline across the SIPF has benefited from improvements to procedures within Professional Standards Internal Investigations (PSII). In 2007-2008, PSII received 276 complaints and enquiries against members of the SIPF (criminal and disciplinary matters). The number of substantiated criminal allegations against members of the SIPF has decreased from 567 allegations in 2003 to 28 in 2007, while the number of substantiated disciplinary allegations against members of the SIPF has increased from 51 in 2003 to 134 in 2007. This illustrates the continuing trend away from criminality and towards a more stringent internal discipline process. An interdiction policy has been developed to deal with police officers under investigation for a criminal or serious disciplinary offence, but its implementation remains a major

challenge. While the PPF reports that members of the community have more confidence in the SIPF disciplinary process and are prepared to come forward and make complaints in the belief that action will be taken, this is not fully supported by the 2008 People's Survey. While the majority of respondents said the officer's supervisor or senior officer should be informed if a police officer were not doing his job properly (38%); this was a big decline from 2007 (54%).

The development and implementation of an Internal Audit and Asset Management Policy has seen some improvements in compliance across the organisation. 17 stations have been audited to date, and issues identified brought to the attention of the SIPF Executive, although serious challenges still exist in ensuring the Executive takes appropriate follow-up action.

#### *SIPF Learning and Development*

The training capabilities of the SIPF have increased considerably, building on achievements in previous years. The SIPF Training Academy has been refurbished; instructional skills of 34 Academy staff have been enhanced; the recruit application package and the recruit training program have been rewritten to increase local relevance; and a Provincial Training Project has commenced to improve the quality of training available to provincial officers. The SIPF Executive and the PPF are exploring approaches to improving the basic literacy and numeracy skills of SIPF members. There is increased engagement of SIPF Learning and Development with regional training initiatives sponsored by the Pacific

Island Chiefs of Police and the Pacific Regional Policing Initiative.

With 60 new recruits in the past year, the total number of graduates from the SIPF recruit program now stands at 214, from an original intake of 219. 16 SIPF members are completing a Master 5 Course which will enhance the capability of the Maritime Unit. 60 SIPF officers have participated in leadership and management opportunities specifically designed for Pacific policing. 6 female officers undertook the joint SIPF and the Australian Institute of Police Management designed Leadership Development Program throughout 2007.

#### *SIPF Administration*

There have been steady improvements in SIPF's Human Resource Management. 33% of all new recruits are women and ethnic representation within recruit cohorts now reflects the general ethnic distribution of population of the Solomon Islands. The proportion of female staff in SIPF has risen from 12% in June 2006 to 13.5% in June 2008, most of whom are at constable or recruit level. Staff attrition rates remain low. In 2007, 8 SIPF staff resigned (down from 21 in 2006) and 8 were dismissed (down from 21 in 2006). However, as at 31 December 2007, only 31% of actual operational staff was based in the provinces where around 88% of the population lives. Lack of housing limits increased provincial presence.

Women have been appointed to positions of authority and currently there are 2 women at Senior Directorship levels in SIPS with a female Head of the Academy for the first time. The female Director of the Strategic Planning and

Policy Unit received an award from the Australasian Council of Women and Policing in recognition of her work for women in the Pacific region.

Absenteeism is a major challenge to SIFP performance and a barrier to PPF effectiveness. It is encouraging that a draft absenteeism policy has been developed but this is yet to be endorsed and implemented by SIFP.

Important foundational work has been undertaken to improve the logistical support capability of the SIFP. Logistical stock is now consolidated in one location. Policies and procurement guidelines have been developed for Fleet Management, Uniforms and Asset Management. However, SIFP remains heavily reliant on PPF maritime vessels and vehicles.

With PPF assistance and the appointment by the Ministry of Police of a civilian Principal Accountant, SIFP is now able to present a more reliable analysis of its own finances, although actual expenditure does not always match budget allocation, and cost saving strategies need attention. The 2008 SIG Budget increased funding for SIFP operating costs by 15.4%. Even so, for every SI\$100 allocated by SIG to SIFP from its 2008 Recurrent Budget for operating costs, the PPF is estimated to allocate an additional SI\$94. PPF and SIFP have yet to develop a plan for reducing this level of subsidy.

### *Capacity Development*

PPF's transition from operational police to capacity developers is yet to be fully implemented despite sustained effort throughout the year. Within the constraints imposed by these dual roles,

PPF has improved its capacity development processes and made progress in assisting SIFP become more self-reliant in some areas.

Adviser roles and responsibilities are not widely understood within either the SIFP or elements of the PPF. A range of strategies has been adopted to improve the quality of advisory support and supervision and adviser/counterpart relationships especially at senior levels of PPF and SIFP. The introduction of the Senior Adviser in Charge Workshop is a core strategy for refocussing the PPF towards sustainable capacity development. However, adviser responsiveness to counterpart expectations is still limited by external policy settings and the challenge of sourcing sufficient numbers of advisers with the right skills from the contributing policing agencies. Alignment between PPF activities and SIFP priorities and plans has improved and the partnership has been strengthened by the Moving Forward Together Strategy, joint planning activities and better communication.

Both SIFP and PPF are working towards greater SIFP self-reliance, and the increased emphasis of PPF over the past year on strengthening organisational processes, frameworks and administration, especially in the areas of planning, strategic development and finance has been a good capacity development approach. PPF can point to specific instances where it believes SIFP is now more capable, and believes that there are opportunities for downsizing within some individual PPF activities. However its systems and processes are not yet mature enough to properly assess the merits and risks of targeted

downsizing or objectively assess SIPF capacity. For its part, SIPF does not yet have the capacity to rigorously assess its

own capacity. This will be a key challenge for both partners in the coming year.

### 3. LAW AND JUSTICE

#### **RAMSI expenditure estimate 2007/8: SBD211 million (includes Corrections, section 4)**

The modes of operation and objectives of the law and justice program have been primarily determined by the need to help the Solomon Islands legal system manage the series of high profile tension trials and to rebuild infrastructure, rules and institutions which had fallen into disrepair during the tensions. With a substantial majority of the tension trials and other tasks completed, and with more settled leadership in sector agencies, the program has continued its move to providing more consistent support for the long term growth of Solomon Island institutions. Progress reports from the program describe a number of important transitions away from reliance on external support. Last year’s report noted that the Medium Term Strategy objectives for the program were task focused. That being so, they no longer describe well the core business of the program. The mid term review and forthcoming redesign will be an important opportunity to redefine aims, building on the already close identification with SIG policies in this sector.<sup>2</sup>

Valuable information on performance in this sector was obtained last year from the Ministry of Justice draft annual report. No draft was available this year, which has meant that information on the ability of agencies to perform their statutory functions could not be included.

<sup>2</sup> The independent Mid Term Review noted a “high degree of consonance between program objectives and decisions and those of SIG”.

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Safe and stable communities created through collaborative crime prevention, community safety and security initiatives</i>	<i>Strategy for crime prevention; communication of rights and obligations; victims of crime policy; juvenile justice strategy; rights protected; reporting and monitoring improved</i>

Support for the SIPF’s leading role in crime prevention has come from Save the Children Australia who have entered into an agreement with the SIPF to run programs aimed at preventing crime among youth and children.

The communication of legal and civic rights takes place through clinics run by the Public Solicitor’s Office, through engagement with the Press, and through the RAMSI outreach program (which is mentioned in the People’s Survey as the most common source of information on rights after the radio, but significantly less prominently than last year).

Activities in this area have been deliberately peripheral to the L&J program so far. The Mid Term Review noted that there had been little civil society engagement to date, and there is little evidence of assessment of the capacity of the sector to provide equitable access to justice and protection of rights. Whether SIG wishes RAMSI

to put these issues more at the centre of its work is a question for the new design.

Long term outcome	Medium term targets
<i>Improved efficiency, effectiveness and accessibility of Court practices and Government legal services</i>	<i>High profile trials; infrastructure provision; local courts reinvigorated; network of Public Solicitor's offices; DPP office functioning; courts have capacity to handle caseloads; alternative dispute resolution; civil procedure rules reformed</i>

Perceptions of access to justice were covered in the People's Survey. Of those who had ever wanted to take a case to court, about two thirds had not done so. The reasons for not doing so were similar to last year; in descending order of frequency of response, they were that the respondent was afraid to go to court, that they did not know how to, or that they could not afford it. Only 6% knew that free legal assistance is available for criminal matters (a negligible improvement since 2007).

Of the 37 trials designated as tension trials, 31 have been completed. Other cases associated with the tensions are being investigated; it is not clear how these will be treated, but they do not alter the overall judgment that a line can be drawn under the intensive support for these trials over course of 2009.

Works on court and administration buildings in Honiara are complete (with the move to Kalala House providing a

significant saving in rental payments and so to the overall affordability of the sector). Construction at the court precincts in Auki and Gizo is expected to be completed in mid-2009.

The median remand time at Rove Central Correctional Centre, an indicator of the capacity of courts and prosecutors to process cases, has been reduced from 14.5 months in June 2007 to 4 months in June 2008.

### Improved Civil Enforcement

Prior to 2007, the enforcement of civil judgments of the courts was performed on a part time basis by one SIG court officer based in Honiara, together with 2 bailiff posts in the provinces. There were serious backlogs in the enforcement of orders, meaning that the courts were failing in their primary task of resolving commercial and other civil disputes. The Chief Justice expressed his concern that public confidence in the justice system would be eroded if that were to continue. The Program funded a review of civil enforcement by an expert international team and the National Judiciary secured SIG budget funding for six new SIG posts (the senior post of Sheriff and two Sheriff's officers were recruited in 2008) and operating costs.

*Source: Program reporting*

The Solomon Islands Courts (Civil Procedures) Rules, drawn up with adviser support, came into effect on 1 March 2008. They will modernise and simplify the resolution of civil cases.

Accessibility of justice in the provinces has been compromised in 2008 with the cancellation of eight of the first ten

circuits due to the shortage of magistrates and lack of logistical support following the Program’s decision not to renew its charter of the vessel *Silent One* from December 2007 given sustainability concerns. After this initial decline, the position has improved during 2008 with 38 of the last 42 scheduled provincial circuits having been completed – a completion rate of 90%. Debates on how to deal with the situation are an example of how difficult it can be to reach agreement between RAMSI and Solomon Island authorities about the handling of transition to self-reliance.

Research for the “Justice Delivered Locally” program has continued on schedule, and will generate evidence to inform policy on overhauling local and customary justice, particularly the resolution of minor land disputes.

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Improved justice sector capacity in areas of co-ordination, planning policy and reform</i>	<i>Capacity of judges, magistrates and lawyers enhanced; law reform commission reinvigorated; independent legislative drafting capacity</i>

The proxy indicator of capacity is the number of expatriate staff in judicial and practitioner positions. This number has declined from 35 in June 2007 to 23<sup>3</sup>.

<sup>3</sup> This is of course only a rough measure, since a number of the expatriate posts represented surge capacity and will not have been replaced by Solomon Islanders.

There have been other important transitions. All the law and justice agencies outside the uniformed services are now headed by Solomon Islanders. The contribution of RAMSI to the operating costs of the non-police agencies has declined from A\$520,000 in January-March 2007 to A\$303,000 in the same quarter in 2008, while the SIG recurrent budget for the sector has increased significantly over time<sup>4</sup>. A budget sustainability strategy has been prepared detailing where RAMSI is still subsidising operating costs as the basis for a discussion on what should be dropped or taken up by SIG provision.

Monthly meetings of the Justice Sector Consultative Committee, chaired by the Chief Justice, are evidence of the sector agencies’ increasing ability to work together. At the instigation of the CSSI, a Criminal Justice Consultative Forum has also been established to consider matters outside the immediate area of the working of the courts system. It is mainly powered by adviser time at present, but may establish itself as a sustained forum.

Recognition of the important role of female law practitioners is demonstrated through funding support to the Women in Law Association for Solomon Islands (WLASI) for administrative support and activities to raise its community profile and active engagement with its members.

<sup>4</sup> The SIG recurrent budget for law and justice agencies has risen by factors of between 437% and 2364% between 2003 and 2008.

### **The Law Reform Commission**

The Law Reform Commission is an independent statutory body, headed by a Chairman and four Commissioners. Its main job is to review the laws of the Solomon Islands, to bring the law up to date, to make it easier to use and to correct any mistakes in the law.

It was moribund in 2003. Over the intervening years RAMSI provided intensive support, but has now passed all operating and staff costs to the Commission, except for two advisers, reducing to one next year.

*Source: program reporting*

### *Capacity Development*

The program has attempted to focus more strongly on capacity development in the past year. Greater emphasis was given to recruiting advisers with the right mix of skills, and recruitment reports indicate that technically skilled applicants were not appointed where they lacked the necessary capacity development skills. Agency-based participative strategic planning workshops and planning committees in each agency have been useful strategies to get better alignment between program support and agency and sectoral expectations. There has been a highly

appreciated program of high level support to one agency head. The program is able to articulate significant transitions, but these are almost entirely about the transition of program-managed functions to SIG and filling/localisation of key justice sector positions. While such transitions are very important and not to be under-estimated, perhaps even more important is the ability of the program to demonstrate the development of capacity in agencies rather than simply the absence of advisers.

The MTR found that capacity development in Law and Justice has had mixed results to date. The Justice component is not yet able to articulate its capacity development strategy. Plans for a structured review of capacity development were developed but the review did not proceed. Capacity development has been constrained by the political environment and also by the program's inability to recruit to the Program's Capacity Development Coordinator position for some time. However, a program's capacity development strategy should not be dependent on the appointment of one adviser but should infuse all aspects of program design and implementation.

## 4. CORRECTIONS

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>A secure and culturally appropriate corrections system managed by a professional and sustainable prison service</i>	<i>Corrections facilities refurbished and built; downward trend in prison incidents; prisons comply with international standards; CSSI an employer of choice; rehabilitative program; alternative sentencing and parole</i>

The Correctional Services Act 2007 which came into force in April 2008 sets a new direction for the Correctional Service of the Solomon Islands (CSSI). It enshrines in legislation a number of the improvements towards which RAMSI assistance has been working, including the reflection of UN standards as a benchmark for CSSI performance, and provides the context for the future direction of external support.

The program of construction of new correctional facilities at Auki and Gizo is behind that envisaged this time last year. The factors contributing to delay include substantial redesign to take account of declining prisoner numbers in the system overall, problems with letting contracts during the Australian election caretaker period in 2007, and more recently poor weather and illegal occupation of the Gizo site. Cost estimates have increased beyond the original budgets as materials costs increase and contractors factor uncertainty in the operating environment into their bids. At present the Auki facility is expected to be commissioned in March 2009 and no date has been set

for Gizo. In both cases designs have taken account of the need to keep recurrent staffing and maintenance costs to a minimum.

The downward trend in prison incidents continues. 46 incidents were recorded in 2007/8 against 91 the previous year. Some of the decrease can be attributed to the decline in the prison population, but the rate of decrease is higher than the rate of decline of the population. All the security normally associated with running a prison is now provided at the Rove Central Correctional Centre by CSSI. There is still a small military presence outside the Centre; the need for it to remain is under review.

An independent review of Program and CSSI performance in September 2007 concluded that CSSI policies, procedures and practice complied in almost every respect with the UN Standard Minimum Rules for the Treatment of Prisoners (where they do not, it is mainly because the standards are not supported in the community more widely, eg in respect of health care). Feedback from further visits by the International Committee of the Red Cross has been largely positive. The Correctional Services Act formalises international good practice already implemented by CSSI for the treatment of mothers with children in prison.

Individual case management of prisoners is being rolled out throughout the prison system\_\_to facilitate the proper management of prisoners, i.e. security classification, placement, access to rehabilitation programs etc, from inception through to release.

Rehabilitative activities are available to all prisoners through a series of agreements with voluntary and church groups. CSSI management tracks the availability of activities to men, women and juveniles separately.

As part of a series of moves to strengthen the institutional capacity of CSSI, the transition of senior posts from expatriates to Solomon Islanders has continued according to the plan agreed with SIG. The posts of Superintendent Operations (Security) and Superintendent Operations (Accommodation) were localised in June 2008, and the post of Commissioner of the CSSI should be localised in November. A major program of human resource management has seen changes in senior managerial positions and the development of promising middle management staff. In a rare example of collaboration across RAMSI pillars, a Deputy Commissioner of CSSI attended a leadership development course organized by the Customs program in May.

Staff retention rates in CSSI remain high. The agency is also continuing to make better use of the women in the workforce. The new Correctional Services Act allowed women to work in the men's section of prisons. Of 20 female officers at Central Prison, nine now work in areas that were closed to them under the old legislation (seven in male accommodation blocks, one in Programs and one in the kitchen). The CSSI Women's network has been re-established, providing an opportunity for female officers to discuss and promote women's concerns within CSSI. The Network has produced a Domestic Violence Booklet, and Anti-Harassment

Policy, and has launched an action plan for implementing the new legislation as it relates to gender issues within CSSI. Gender and domestic violence awareness training including refresher training is conducted for staff and prisoners. Gender training is included in adviser recruitment induction programmes.

CSSI now carries out all its own accounting functions, and maintains a high rate of budget execution as a result of adviser support in financial and asset management. The Program and CSSI have jointly developed a budget sustainability and transition plan identifying those areas where RAMSI subsidises CSSI expenditure on items such as fuel, telephones and vehicle maintenance so that economies or transitions to SIG funding can be planned. The majority of these costs have now been transitioned to SIG, with the remainder expected to transition in 2009 (subject to the outcome of Ministry bids in SIG's 2009 budget).

#### **Making every dollar count**

As part of transitioning budgets to the CSSI, RAMSI advisers are working with CSSI to identify ways to stretch existing budgets. Expanding operations at Tetere prison farm means potential savings of SBD20,000 a month on rations. A new lighting system at Rove will cut lighting costs by 30%.

*Source: Corrections Program Performance Framework*

The new Correctional Services Act provides for the establishment of a parole board. The Act has wide scope for supervised release. However, there has been virtually no movement on community corrections. While some

preparatory work has been carried out, other SIG agencies that would need to carry a large share of the management of an alternative sentencing scheme do not appear to have the capacity to do so. The mid-term review of the law and justice program warned of the “challenges in terms of human, financial, logistical and infrastructure resourcing” of a community corrections system and recommended a cautious approach.

The People’s Survey reveals attitudes to alternatives to prison among Solomon Islanders that range from cautious approval to outright disapproval. This issue remains a stated priority of SIG for a further phase of RAMSI assistance.

#### *Capacity Development*

The Corrections Program is performing strongly against the RAMSI capacity development indicators and is committed to continuous improvement. The program’s design makes clear the outcomes to be achieved and is aligned with CSSI objectives and the MTS. The processes it uses apply and reinforce adult learning, change management, and capacity development principles across the whole program. While planning and sequencing capacity development activities, the program is able to

accommodate and respond to new and unplanned capacity development opportunities as they arise. Most importantly, it progresses its capacity development objectives through partnerships at all levels with counterparts and the CSSI.

The program develops the capacity of counterparts to participate in the capacity development endeavour and has assisted the CSSI to tackle difficult issues of counterpart staff performance. By emphasising corporate systems such as human resource and asset management as well as leadership and management development, it has strengthened organisational capacity. In terms of self-reliance, there is an agreed handover strategy. However the Mid Term Review expressed concerns that this may be driven by financial considerations rather than based on an objective assessment of institutional capacity against clear indicators. The program has identified a range of transitions which demonstrate the development of individual competence and organisational capability and not simply the progressive withdrawal of RAMSI support, although it recognises the need for more work in this area.

## 5. MACHINERY OF GOVERNMENT

### **RAMSI expenditure estimate 2007/8: SBD81 million**

Performance information for this program derives mainly from the Machinery of Government program annual report and from an annual independent sector review carried out in May 2008, as well as individual activity reporting. The Machinery of Government section of the MTS covers a wide range of ambitious objectives, some of which no longer relate to areas of program activity. The new partnership provides an opening for more focused objectives to be adopted.

The program has continued the trend reported last year of consolidating its activities around five major areas – the public service, provincial government, accountability institutions, and parliamentary and electoral strengthening. Despite overall differences with SIG for part of the reporting period which compromised the program’s ability to align with Government priorities at the centre, it was able to capitalise on good working relations with a number of Solomon Island agencies to conclude designs for the Provincial Government Strengthening Program (PGSP), the Electoral System Strengthening Program (ESSP) and a further phase of the Parliamentary Strengthening Program (PSP). The integration of three separate agency support programs into a single Accountability Program has also strengthened the ability to manage relationships with partners. However, the failure of the contracting process for the Public Service Improvement Program

has been a significant blow to this important part of the MoG portfolio. The absence of a substantive Program Director for much of the year has, according to the annual sector review, “inevitably influenced the building of relationships and co-operation within SIG.”

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Government services responsive to and reaching all people effectively</i>	<i>Key development indicators identified and funded; national planning framework; rigour in provincial accounting; consultative and responsive government</i>

Although RAMSI does not directly support service delivery or have a direct influence on the way Governments are perceived, the People’s Survey asks a number of questions about satisfaction with public service delivery as a way of tracking long term changes in perceptions of the effectiveness of the state. 48% of those surveyed thought that national government was doing a good or satisfactory job of providing basic services, a slight decline from 2007. As last year, satisfaction with provincial governments was lower, with only 27% saying that their provincial government was doing a good or satisfactory job. In the case of both national and local government, women were much more likely than men to say that they did not know. 45% of

respondents believed that health services had improved in the last two years and 59% that primary schools had improved (in both cases women were significantly less likely to say that services had improved, and of all groups the proportion of women saying that services were better declined the most between the two surveys). While the proportion believing that improvements in health services would come from national government was the same in both years, there was an apparent decline in reliance on foreign aid and an increase in belief that results would come from within the community. There was a similar result for a question asking where financial support was likely to come from.

Political uncertainty over the last year has meant that there has been little change in capacity for medium term budget planning linked to development priorities. Under the CNURA Government a Medium Term Development Strategy has been prepared with donor support, but it is too early to judge how far it will become entrenched in planning and budgeting systems. Compliance with budget processes remains poor, and expenditure, particularly aid expenditure, can be entered in the development budget with little scrutiny or consideration of recurrent cost implications. Most aid expenditure is unappropriated (ie not subject to Parliamentary consideration), and reporting by donors of aid flows is patchy (this includes RAMSI).

As part of the preparations for the PGSP, RAMSI has supported training for provincial financial staff, the preparation of standard financial rules and a review of provincial grant allocation

arrangements. A backlog of 143 provincial financial statements has been completed and audited, a significant achievement for both the Provincial Financial Management Improvement Program and the Auditor-General's Office.

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Efficient and predictable public administration</i>	<i>Public workforce aligned to priorities; corporate plans aligned to policy and budget; appropriate development and training; basic tools accessible and understood</i>

The public service in Solomon Islands is not large by regional standards. Its leaders recognise the need to do more to recruit and retain skilled staff, to strengthen financial management and to provide appropriate development opportunities. The Public Service Improvement Program was designed to be a major contribution to reform of public service human resource management across SIG and the provinces. However, the process of procurement of technical assistance for the program through 2007 was slow and difficult, and resulted in the tender being declared failed at the end of the year. The delay in putting the PSIP in place has, according to the annual sector review, been “unhelpful in that it has undermined the momentum that was being generated in MPS through earlier advisory support as well as risking the confidence of MPS and other Ministries”. The consistent effort that has been put in place since February to

get the program back on track, together with the interest and engagement of the Ministry of Public Service (MPS), may allow results to be reported in the next round.

There has been little opportunity for RAMSI involvement in the development of corporate plans across Government in the last two years, although individual agencies receiving RAMSI assistance have developed simple and measurable plans. The SIG judgement in its recent partnership document was that, despite early RAMSI inputs, overall “Ministries have ineffective and impractical Corporate Plans” and that annual reporting is too late to be useful. A recent exercise to prepare a corporate plan for the Office of the Prime Minister and Cabinet was highly valued and may provide a lead in to further RAMSI support in future years.

RAMSI programs provide much evidence of appropriate and well received training. However, the reference in the MTS to appropriate development and training relates primarily to SIG’s ability to provide training for its own staff through the Institute of Public Administration and Management (IPAM). The Institute, re-established in the early years of RAMSI, has continued to provide entry level and train the trainer courses with no advisory support since April 2007. Its refurbished training premises were opened in November. However, a 2007 survey of development needs for senior staff suggested that, as IPAM’s major clients, they felt it had some way to go before it could be regarded as the primary training body for the whole Solomon Islands public service, and it may need another round of support.

Last year’s annual review recorded the view that RAMSI’s work on manuals and standard tools across the public service had often not led to their use. This year it is pleasing to note an instance where with persistent follow up and use of incentives has led to evidence of possible sustainability (see box below).

RAMSI has supported the revision and expansion of the SIG Manual of Registry Procedures. The manual was published in February, and has been backed by training through IPAM, a continuing program of external support to selected users from the National Archives of Australia, and mentoring for senior Solomon Island archive staff.

#### **Getting the tools used**

A standard Provincial Financial Management Ordinance and Financial Instructions have been developed for provincial administrations. In order to qualify for PGSP grants provinces must adopt the Ordinance and demonstrate financial skills and systems to comply with it. To date eight provinces have signed the Ordinance.

*Source: MoG Annual and Four-month Reports*

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Increased accountability of government and strengthened accountability institutions</i>	<i>Reports and financial statements on time; case backlogs eliminated from accountability institutions; citizen complaints facilitated; government responding to findings; Parliamentary review of findings increased; electoral systems strengthened; women more likely to be elected; engagement with MPs increased; demand for better governance strengthened</i>

The People’s Survey asks a number of questions about the perceived integrity of government and individuals. There were consistent declines over last year in the percentage of respondents who believed that the National Government was doing a good job of being efficient, independent and fair, while the percentage believing it was not performing well increased. There were similar results for provincial governments. In both cases older women were least likely to say that the job was being done well and most likely to say that they did not know. There was some increase over 2007 (19% to 25%) in the proportion believing that politicians and officials were behaving better; but a decline in Honiara; and the most common answer was “no change”. 81% thought there was dishonest behaviour or misuse of power by senior people in their community, with Honiara residents most likely to hold this view. This is a substantial increase from 54% in 2007. However, a much higher proportion than

in 2007 would feel safe making a complaint against a public official (45% against 32%); on the other hand the proportion of older women who say they would feel safe making a complaint has barely changed.

The Office of the Auditor General went from strength to strength in the year, clearing the backlog of audits of the national accounts up to 2006 and of over 100 provincial financial statements prepared with RAMSI support as part of the preparations for PGSP. A composite report was tabled in August summarising the results of 20 separate audits, so allowing Parliament to concentrate on common issues. The tragic death of the Auditor-General, Mr Floyd Augustine Fatai, in early July 2008 is a great loss and will be a significant challenge to the Office.

The Public Accounts Committee considered three reports from the OAG in 2007, requiring Ministries appearing before them to publish action plans to deal with the audit findings.

Support to the Leadership Code Commission recommenced in April 2007 following a hiatus while there was no Chairman. The Commission heard more than 100 cases up to December 2007, and all cases are now being actively managed, so that the backlog of unmanaged cases has been cleared. Investigation times for Commission cases have dropped from 7-8 months to about 3 months. Support to the Ombudsman’s Office is in abeyance pending resolution in the Court of Appeal of a challenge to the appointment of the Ombudsman.

The existence of the Integrity Group Forum, which is run entirely by Solomon Islands officials, is evidence of the ability of the accountability institutions to form alliances and act across office boundaries.

Technical assistance to the Solomon Islands Electoral Commission contributed to the success of two by-elections in Malaita in March 2008. Particular efforts were made to ensure a better gender balance amongst polling officials for these by-elections as a preliminary step to increasing women’s familiarity with the electoral process.

Perceptions of the performance of MPs were similar to those in 2007, with 44% saying their MP was doing a good or satisfactory job (with women significantly more likely to say they did not know). There was a small increase (35% to 37%) in the proportion who said it was easy to meet their MP, and a small decline (49% to 44%) in those who thought it was difficult; but more people still think it is difficult than think it is easy, and women are much more likely to say that it is difficult. There was some evidence of increased visits by MPs to communities. As in 2007, the definition of a good job is clear from the fact that 66% of respondents thought that the job of an MP is to help individuals in the electorate (well ahead of replies covering representation or getting better conditions for the community). 86% thought that women should be MPs, and 88% said they would vote for one<sup>5</sup>.

The Medium Term Strategy suggests that RAMSI should be promoting a

<sup>5</sup> There is a good deal of material in this year’s Survey, which there is not space to summarise here, on why women do not in fact become MPs.

“higher level of engagement by a better informed, mobilised, and active citizenry that is engaging with government to achieve improvements in service delivery”. This objective needs to be more tightly drawn to be useful. Nevertheless, RAMSI support for the Parliament has encouraged greater interest in public business through televised proceedings, a web site and civic education outreach, which will have reached a small but important proportion of the population.

<b>Long term outcome</b>	<b>Medium term targets</b>
<i>Executive and legislative arms of government functioning effectively</i>	<i>Co-ordination before Cabinet; processes for legislation and appointments observed; legislation scrutinised; Parliamentary question time and committees operating;; funds appropriated according to legislation</i>

RAMSI support to whole of government policy development and Cabinet processes remained suspended for much of the reporting period. However, since the beginning of 2008 RAMSI has helped the Office of the Prime Minister and Cabinet to develop corporate, annual and capability plans, which will form the basis for measurable improvement in central government processes in the future.

Parliamentary committees have continued to meet with greater regularity (60 hearing days between July 2006 and December 2007 against 9 in 2004). The PAC has established a pattern of scrutiny of annual and supplementary budgets. It met for 30 working days at the

beginning of 2008 to scrutinise the 2008 budget. Briefings and research by Parliamentary staff have increased the range and quality of Members' interventions throughout Parliamentary business.

#### *Women in Government*

The Strategy for Advancing the Position of Women in Government (WIG) aims to increase the number of women in government, at both administrative and representative levels and to increase the space for women to realise leadership potential. In February WIG collaboratively created a Solomon Islands-specific *curriculum vitae* template to facilitate the appointment of competent women to Boards and Commissions. Support to strategic planning training has been provided to provincial women's groups and the formation of women's associations. WIG continues the collection of life stories of women in high positions within the public service for publication of role model female leaders.

MOG has initiated the establishment of a Gender Working Group as a mechanism for supporting gender efforts across RAMSI and strengthening linkages with gender initiatives in bilateral programmes and in SIG and civil society.

#### *Capacity Development*

A range of external factors have constrained MoG's capacity development efforts over the past year. Lack of local staff in some programs such as electoral support restricted the ability of advisers to develop local capacity. The failure of the tender process for the PSIP was a major setback to the program's capacity development

plans. The program's management resources have been stretched by the need to work across and establish meaningful relationships with multiple ministries.

Despite such constraints, capacity development processes have been strengthened to some extent. There has been increased engagement with SIG in the selection of advisers: very senior SIG officials were on the selection panel for PSIP Program manager. Relationships between the program and key SIG officials have been strengthened and there is better alignment of priorities and plans between SIG and the RAMSI program.

The Office of the Auditor General (OAG) continues to be an example of a good practice approach to planning for and doing capacity development from which the rest of RAMSI has much to learn.

Other activities such as the ICT Support Unit, the Government Housing Unit and the Leadership Code Commission all report transition events. The Parliament is providing examples of capacity spreading from leadership to staff. These encouraging cases suggest that self reliance is being built, but more consistent year on year reporting would give a better picture of progress.

Until recently, information from the program about capacity development and institutional strengthening has focused almost exclusively on training activities and individual capacity rather than the wider range of capacity development outcomes, especially at the organisational level. Having said this, there have been achievements against

the capacity development indicators which are not highlighted in reporting, in part because there is not yet a program-wide articulation of the scope and underpinning principles of capacity development.

As reported last year, the diversity of the program makes it difficult to give a coherent account of progress against

RAMSI's capacity development indicators. To overcome this problem, 2007 has been used to set the baseline for capacity development and institutional strengthening for three activities, and progress against the baseline will be tracked over time and reported.

## 6. FINANCIAL MANAGEMENT AND ECONOMIC REFORM

### RAMSI expenditure estimate 2007/8: SBD47 million

RAMSI's contribution to greater prosperity for all Solomon Islanders focuses on support for improved fiscal and financial management and sound and equitable economic reforms. In 2007-08 almost all RAMSI's support in this area was provided to the Ministry of Finance and Treasury (MoFT). Limited advisory support was provided to the Ministry of Development Planning and Aid Coordination (MDPAC) over a three year period but this ceased in the first half of 2008 and, at this stage, there is no agreement for further RAMSI assistance.

Independent reviews of the current program have acknowledged its effectiveness, and stakeholders continue to be supportive of the work being done. However, they have also highlighted the need for clarity and consistency of objectives and performance measures to set the boundaries of RAMSI support and enable a more confident assessment of when objectives have been achieved. A draft Statement of General Principles (SGP) has been developed as the first stage in the process of jointly designing a further program of assistance. The SGP includes a draft performance framework for support to MoFT which represents more accurately the work of the RAMSI program than is provided by the current Medium Term Strategy. Although formal feedback from MoFT on the draft SGP has not yet been received, many of its proposed objectives and indicators have been incorporated within the MoFT Workplan 2008-2010 and in the Partnership Framework proposed by SIG. Program

reporting for 2007-08 is against this interim performance framework.

#### *Macro-Economic Outcomes*

<b>RAMSI Long term objective</b>	<b>Medium term targets</b>
<i>Improved Solomon Islands Government capacity to deliver high quality macro-economic outcomes and policy advice</i>	<i>Stable macro-economic management; debt management</i>

The macroeconomic performance of Solomon Islands in 2007 remained satisfactory. Real GDP growth was strong at 10.3%, well above the 6.1% of 2006. This was the highest for 15 years and the strongest growth in the Pacific but dominated by growth in the logging sector, with volume output in this sector growing by about 40%. Logging activity accounted for 16% of total GDP in 2007, and 70% of export earnings. The non-logging sector grew by around 7.9% in real terms in 2007, well above the 3.5% projected by the 2007 IMF mission. Agricultural production grew strongly. At 10.9%, inflation through the year to December 2007 was high but broadly within the bounds of manageable inflation for a small developing country.

	2005	2006	2007	2008 (est)
Real GDP growth	5.0%	6.1%	10.3%	8.2%
Growth in GDP per capita			7.3%	5.2%
Growth in non-logging GDP per capita			7.9%	7.6%
Annual Inflation	8.4%	7.5%	10.9%	-
Budget balance	\$44.4m	\$105.4m	-\$36.3m (a)	-\$152.1m (b)
Budget balance as % of GDP		1.5%	(1.2%)	-
Total Debt (including contingent liabilities)	\$2,049.92m	\$1,995.14m	\$1,668m	\$1,548m
Debt to GDP ratio (at June)		100%	63%	53%
Government expenditure growth per annum in Recurrent Budget			29%	-
Government expenditure growth per annum in Development Budget			5%	-
External aid as proportion of Total Budget			62%	56%
<i>Notes. (a) Preliminary estimate (b) Budget estimate). All \$ are Solomon Islands Dollars</i>				
<i>Sources: IMF, ADB, MoFT, CBSI, Program Reporting</i>				

This generally positive picture is not reflected at the local level. The People's Survey indicates that Solomon Islanders are less likely than in 2007 to say their household financial situation is better than two years ago. There were marked differences between 2007 and 2008 in responses by province: substantially more in Guadalcanal and Makira said their financial situation was better but fewer in Malaita, Western and Honiara. Solomon Islanders are also less optimistic than in 2007 about their future financial household situation, with 30% of all respondents saying they expected their situation to be better in two years' time, a decline from 36% in 2007.

A Medium Term Fiscal Strategy (MTFS) was prepared by the Economic Reform Unit and adopted by SIG. It summarises in compelling terms the need for the country to restrain expenditure growth and find new sources of economic growth starting from 2009.

### *Debt Management*

Under the Honiara Club Agreement, SIG committed to no new borrowings or government guarantees; surplus recurrent budgets; and 15% of revenue set aside for debt servicing. Not all aspects of the agreement were met in the past year, notably because of guarantees given to state owned enterprises. The level of debt to GDP ratio was reduced by 10% in the year, and now stands at 53%, above the benchmark target of 30%. The ADB considers that current debt, mostly external, remains at uncomfortably high levels. As in 2007, the SIG will apply 15% of new revenue to debt servicing in 2008. However, it flagged in the MTFS and the MTDS that from 2009, 10% of new revenue will be committed to debt servicing, while 5% will be allocated to industry development.

*Financial Management*

<b>RAMSI Long term objective</b>	<b>Medium term targets</b>
<i>Improved SIG capacity to deliver effective and accountable financial management to support public sector outcomes</i>	<i>Improved budget processes; efficient expenditure processes; staff in line Ministries have adequate financial skills; modernised government financial rules and regulations; improved and efficient revenue collection; timely and accurate reporting of Government finance position; timeliness of National Accounts; capacity and reliability of automated systems to deliver reliable and secure payroll, payments and accounting services</i>

*Improved budget and expenditure processes*

In addition to still uncompleted work on integration of the recurrent and development estimates, the program also assisted MoFT to simplify the Budget document and make the budget process more rigorous and transparent. These changes were welcomed by the IMF and reflected in the SIG Budget Launch, and the 2008 Budget was prepared in a new format. However the new Government decided to revert to the former budget presentation system for 2008.

Despite an increase of SBD146 million in recurrent expenditure over the original budget, increased revenues allowed the

Government to limit the deficit to SBD36.3 million as compared to the budgeted deficit of SBD80 million. This amount was able to be fully funded from cash reserves. The 2008 budget aims to be fully funded despite a planned 25% growth in expenditure and a fourfold increase in the budget deficit, but there are already significant spending pressures. Observance of the Budget process was weak for the 2008 Budget, with large additions to plans being agreed late in the process. The Expenditure Review Committee was not formed as agreed by the previous Government, so there was no preliminary review of bids. In March 2008, the Public Accounts Committee commented on the general lack of adequate forward planning and preparation by Ministries and lack of adequate monitoring mechanisms to review and report on expenditure.<sup>6</sup>

Actual to budgeted development expenditure is improving. In the 2007 Consolidated Development Budget, 88% of funds budgeted were spent, reflecting the improved ability of Ministries to spend money. However, processes for ensuring that expenditure is of high quality are not yet robust. In the 2008 development budget process, approximately 50% of development funding was decided during the final cabinet meetings, without reference to a project proposal. This compares with 50% for the 2006 budget and 17% in the 2007 budget. Some SIG funded projects exhibited significant over-expenditure. There are indications of overspends without virements and spending without

<sup>6</sup> Public Accounts Committee, Parliament of Solomon Islands, 13 March 2008

any Appropriation or Contingency Warrant in 2007.

#### *Financial skills of staff in line Ministries*

The program is now providing focused support to reinvigorate the Solomon Islands Government Accounting Service (SIGAS). Secretariat support to SIGAS has been approved by SIG and two new positions included in the 2008 MoFT establishment. A SIGAS Scheme of Service and associated IPAM training has yet to be developed within the Ministry of the Public Service. There has still been no progress in planning and implementing a comprehensive program of financial management skills development throughout SIG agencies.

#### *Government financial rules and regulations*

No progress has been made on the review and update of the Financial Instructions in the past year. MoFT does not collect data on the level of compliance with Financial Instructions across the public service. However, the Auditor-General's report in the 2004-2006 annual financial statements noted substantial progress in improving the supporting general ledger accuracy and in identifying unexplained variances and discrepancies in the reconciliation of major bank accounts. In audit reports related to activities of MoFT itself, the Auditor-General found that the Ministry had breached Financial Instructions in some areas. These findings suggest the need for closer attention to compliance with existing Financial Instructions across MoFT pending progress in reviewing or updating them.

#### *Revenue Collection*

This was a 28.2% improvement in total SIG revenues in 2007 over the previous year. Revenue raised by the Inland Revenue Division increased by 39.7% to SBD595.2m, 28.7% above the budget estimate. 2008 tax revenue at May 2008 was SBD25.5m ahead of Budget forecasts. Customs and Excise Division revenue collection increased by 29.7% to SBD342.7m, above the budget estimate by 8.2%. In 2007, import duty rose 11.6% to SBD96m while export duty (primarily from logging) rose 58% to SBD166m. The CBSI attributes this strong revenue collection to both improved economic conditions and stronger tax compliance. It noted that reduction in exemptions and improved monitoring were factors in the increase in customs revenue and that better tax administration and strong application of the exemption guidelines were factors contributing to increases in internal revenue.

The Inland Revenue Division Exemptions Committee considered a total of 431 exemption applications in 2007-08 of which 223 approvals were recorded. It is estimated that they will result in foregone revenue of approximately SBD68.5m<sup>7</sup>. Most discretionary exemption recipients were in the infrastructure, tourism, communications and forestry sectors. Exemptions continue to be documented and information made publicly available. Details of Customs exemptions or statutory exemptions were not available at time of writing to permit year on year comparisons.

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<sup>7</sup> This figure represents a gross amount but some of the revenue foregone would be spread over future years.

Although the actual number of Goods Tax discretionary exemptions has almost doubled, the value of those exemptions has decreased. The revenue foregone from Goods Tax exemptions for the six months to June 2008 was SBD35.6m, down from SBD42.9m for the same period to June 2007. The value of exemptions denied almost tripled over the same period. No tax holidays or Memoranda of Understanding granting concessionary tax treatment were entered into in 2007.

There is approximately SBD34m in debt that is currently being managed by Inland Revenue, but systems are not yet sufficiently robust to validate and measure ongoing tax debt for statistical purposes. Preliminary analysis of taxpayer data suggests that for large taxpayers (more than SBD1m turnover) at least 60% of 2007 returns were lodged within 3 months of the due date. Approximately 75% of the top 10% of large taxpayers had lodged their current return (either 06 or 07) as at 30/6/08. Around 6% of the top 10% of large taxpayers had not lodged either a 2006 or 2007 return as at 30/6/08.

Meaningful year on year comparisons of the cost of revenue collection are not available.

#### *Use of Automated Systems*

Both the Inland Revenue Division and the Solomon Islands Customs and Excise Division (SICED) are making good use of automated systems and the capacity of SIG staff to use them effectively has been enhanced, although dependency on a small number of skilled staff to operate them is a risk. RAMSI's Customs Modernisation Program in partnership with NZAID and the SICED

has facilitated the introduction of PC/Trade, an electronic system used in a number of Pacific countries to process import and export entries and provide reliable trade statistics. In almost 3 months of operation the system has reduced processing times from about 24 hours to an average of 8 hours.

#### *Financial Reporting*

There have been improvements in the timeliness of financial reporting by SIG. Monthly whole of Government reports on expenditures and revenues are being produced and used on a regular basis but the target of producing these reports within 10 days of the end of the month is not yet being achieved. The large backlog of national accounts is almost cleared. The statutory deadline for providing the 2007 financial statements to the OAG was not met but the OAG has granted an extension to September 2008. While timeliness has improved considerably, the reliability of the information is not strong and it is likely that the accounts will be heavily qualified at least over the medium term.

#### *Financial Management Information Systems*

MoFT administers the central payroll system (Telepay) and the general ledger system (Maximize). The efficiency, reliability and security of these whole of government systems is critical to improving financial management across the whole public service.

Following SIG approval for the procurement of a new payroll system, a RAMSI funded project manager was appointed, a SIG Steering Committee established and a select tender process is currently progressing through the

Central Tender Board. The MoFT anticipates full operation of the news system by 31 March 2009, and is implementing a strategy for ensuring existing payroll functionality until the new system is installed. SIG and RAMSI have agreed to co-fund the acquisition and implementation costs and SIG has allocated funds to maintain the new system.

Although funds for the upgrade of the Maximize general ledger system were included in the 2008 Development Budget, and steps taken to obtain vendor support, the upgrade has not progressed as planned. As a result, the problem of reconciliations between Maximize and the Telepay system identified by the OAG in early 2008 continues.

The inclusion in the MoFT work plan of strategies to improve MoFT's information systems and ICT services to meet SIG and MoFT business requirements is encouraging.

*Economic Reform*

<b>RAMSI Long term objective</b>	<b>Medium term targets</b>
<i>Improved capacity of SIG to develop and implement sound and equitable economic reforms</i>	<i>Improved business regulations; improved performance and accountability of State Owned Enterprises; reforms to tax system</i>

*Business Regulations*

The People's Survey asked respondents for their perceptions of the current climate for starting a business compared with two years previously. Compared with 2007, fewer thought it was better

while more thought it was worse. Of those respondents who said conditions for starting a business were worse, most cited problems with access to credit and generally high prices of goods; very few cited a poor business environment, weak economy or Government policies that are not conducive to business. A third of all respondents had tried to start a business. For the 83% who did have a problem doing so, very few had problems with bank access or business registration and licensing.

Women face a number of barriers to full participation in the formal economy. The program is planning to undertake research in the coming year on these barriers.

Solomon Islands is ranked 79 of 178 economies on the World Bank's "Ease of Doing Business" 2007 index, down from 75 in the 2006 index.<sup>8</sup> For those measures most relevant to RAMSI's support, there have been significant unexplained drops in some rankings, notably for "Starting a Business" and "Trading across Borders". Solomon Islands ranks relatively high for "Paying Taxes". The ranking for "Dealing with Licences" and "Employing Workers" are relatively unchanged and in the top 50. On some of the specific indicators, Solomon Islands is performing above regional and in some cases OECD averages.

<sup>8</sup> For the 2007 index, three new countries were added and there were methodological changes. Note that these results only apply to the first six months of the reporting period, which was a period of particular political instability

<b>Planned New Foreign Investment</b>			
	<i>Mid-2005 to mid-2006 (prior to FIA)</i>	<i>Mid-2006 to mid-2007</i>	<i>Mid-2007 to 1st quarter 2008</i>
Investments	61	143	83
Planned value	\$0.3bn	\$2.3bn	\$0.9bn

As a result of the simpler investment conditions, planned new foreign investment has continued to out-perform the pre-reform record, despite the political uncertainty of 2007.

Legislation on work and residency processes prepared within the Ministry of Commerce<sup>9</sup> was approved by Cabinet for tabling in June 2007 but has not yet been put to Parliament. Some of the processes contained in the new legislation were adopted in anticipation of the legislative changes. In 2007, the target for processing time was 10 days for skilled labour and 20 days for unskilled labour. Anecdotal information indicates that processing times for both categories has been around 3 to 5 days.

Based on work done under an ADB funded project in the Ministry of Commerce, the ERU has prepared three bills for SIG approval intended to simplify the process of acquiring finance and running a business: a Companies Act, an Insolvency Act and a Trustees Act. A Secured Transactions Act has been approved by Cabinet for tabling.

Access to financial services and assistance increased during the year. Financial services to rural areas have

<sup>9</sup> With assistance from the World Bank's Foreign Investment Advisory Service

been expanded through a partnership between SIG and the ANZ Bank. In June 2007, SIG re-introduced the Small Business Finance Scheme so that small and medium enterprises could access additional financial assistance. As at the end of 2007, after six months operation, the three participating banks have nominated 20 loans worth SBD3m under the scheme.<sup>10</sup>

Telecommunications reform is proceeding, with the ERU advising the Government on how to end Our Telekom's exclusive licence, preparing a new Telecommunications Act to regulate a competitive telecommunications sector and introducing competition as quickly as possible. The ERU supported the expansion of the international market for air travel in 2007 and there are now six international airlines servicing Solomon Islands, more than most other Pacific Island nations.

To provide a better accounting base for reform in the State Owned Enterprises (SOEs), nine SOEs are having their accounts updated.

The ADB Outlook 2008 found that economic and public sector reforms aimed at improving the environment for private sector development and the performance of SOEs continued at a slow pace in 2007. The Government issued a SBD15m grant to Soltai, a guarantee of SBD57m for Soltai to ANZ, and an unlimited guarantee for Solomon Airlines to the Bank South Pacific.

<sup>10</sup> Source: CBSI annual report

### *Tax reforms*

Customs, Inland Revenue and the ERU within MoFT have collaborated during the year to develop a tax regime that increases efficiency of collection and stimulates growth. Broad ranging tax reform has now been included in the MoFT work plan.

Goods tax and import duties on rice have been abolished. Gaming tax and excises on alcohol and tobacco have been increased. SIG increased the determined value on export round logs from an average SBD72 per cubic metre to an average SBD78 per cubic metre on 1 May. SIG also committed then to increasing it to SBD85 per cubic metre on 1 October 2008. Implementation of these changes required collaboration between Customs and ERU.

Information is not available on the differential effect, if any, of taxation changes on men and women.

### *Capacity Development*

As with all RAMSI programs there are systemic factors which have constrained capacity development in MoFT over the past year. These include four different Ministers of Finance and Treasury over a six week period, a change of government resulting in heavy demands on the Ministry, the production of the MTFs and the MTDS, and changes in the previously agreed budget format, all of which have increased workloads and caused many advisers to perform line functions rather than facilitate capacity development. With limited staff, advisers and counterparts alike have not always had the time to reflect on the possibilities of change and give priority

to capacity development. Nevertheless there has been progress.

Motivated and talented Solomon Islander staff have moved into management positions (in ERU, Budget Unit and Customs), and these promotions have been supported by on the job training and leadership courses. The Ministry has revised its corporate plan and there are now monthly director's meetings to report on progress against the corporate plan.

Undertaking a capacity development stock take in May 2008 across the whole Ministry was a significant milestone, as was the preparation of a staff development plan for the ERU. RAMSI support to the Inland Revenue Division continued to show the way in capacity development in terms of both the processes it uses and the degree of self-reliance it has developed. The Customs Modernisation Program has hit its stride with a relevant and thoughtful change management strategy integrated with its support for improved revenue generation and trade facilitation. RAMSI support in the area of Corporate Services has yielded positive results in relation to corporate systems and planning and executive decision-making. Establishment of the Training and Development Committee is a step to better staff development planning and coordination. The Ministry recruited 38 people in 2007-08 following SIG processes. The Budget Unit workshop to evaluate the Unit's performance in developing the previous budget, and plan for the 2009 budget cycle appears to have been a successful capacity development activity.

However these pockets of good practice do not add up to either a coherent capacity development strategy or the organisational strengthening of MoFT. While the stock take found generally favourable comments about the work of advisers in capacity development, 30% of respondents to the interviews with counterparts for the annual program report to RAMSI thought that relationships with advisers could improve while almost half of the respondents thought that capacity development processes varied between advisers. The stock take found that

capacity development within the Ministry is fragmented and Divisional rather than Ministry based. It is heavily reliant on individual advisers. Even though capacity development is narrowly conceived as training, skills training is uncoordinated and not consistently available. Management training is largely unavailable in most divisions. These and other capacity development issues will require sustained attention if the objectives of MoFT and the program are to be achieved.

## 7. ECONOMIC GROWTH

### **RAMSI expenditure estimate 2007/8: SBD39 million**

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The set of activities which comprise the Economic Growth portfolio in RAMSI consist of rural development activities, road rehabilitation and maintenance and sustainable energy projects. It is likely that financing for these activities will transfer to AusAID in the near future.

RAMSI is a partner in the Solomon Islands Rural Development Program (RDP) in which the World Bank is the lead donor. There have been significant procurement delays. The program was launched in February 2008 and staff have been recruited, but the first performance related activity has been the baseline study which took place in July 2008. In the meantime the Transitional Support to Agriculture Program (TSAP), set up to promote small scale agricultural development while the larger program comes on stream, has made progress in two proposed sub-projects, distributing new varieties of garden crops and supporting production and marketing of vanilla. A recent review concluded that these TSAP activities have generated significant smallholder buy-in; that they have tested and strengthened partnerships between farmers, civil society, the private sector and government; and that they have shown significant potential to deliver a sustainable impact.

Two infrastructure projects, a roads program run through the Community Sector Program and the Post Conflict Emergency Rehabilitation Project (PCERP) led by the Asian Development

Bank, have been active over the last year. PCERP has been completed. A

recent Independent Completion Report concluded that the project had successfully rehabilitated 150 km of roads and 51 bridges on Guadalcanal and Malaita, and led to increase in traffic volumes and decreased travel times, but that there were serious concerns about the ability of provincial governments to manage maintenance, and of contractors to deliver it. The CSP program has led to the rehabilitation of 150 km of roads in Malaita, the employment of about 150 people, and improved access to services and markets. A further roads program, the Solomon Islands Road Improvement Project, is only at the stage of feasibility studies (including baselines) for a number of sub-projects, but has undertaken capacity development for contractors and will track their subsequent ability to tender for the sub-projects.

RAMSI has successfully funded the replacement of the water supply system from the existing spring source to Lata town.

Apart from gender impact assessments carried out in the SIRIP feasibility studies, a gender focus in this programme is yet to be demonstrated.

## 8. CAPACITY DEVELOPMENT

<b>RAMSI Long term objective</b>	<b>Medium term targets</b>
<i>The Solomon Islands public service has the capacity to identify its own directions, to lead and manage sustainable change, to reflect on its strengths and weaknesses and to continuously improve its own performance</i>	<i>Capacity development processes used by RAMSI are increasingly aligned with Solomon Islands expectations. Increase in the self-reliance of the Solomon Islands public service.</i>

### *Capacity development processes*

Capacity development is a two-way process. To be effective it requires a shared understanding amongst the various actors about the nature and direction of capacity development efforts. Although this shared understanding is no guarantee that capacity development actually happens, it is an essential pre-requisite. For this reason RAMSI asks its programs to make explicit and report on the capacity development processes they use and expects programs to engage meaningfully with SIG agencies, work groups and individuals so that reporting reflects the perspectives of both partners. There are two dimensions of this reporting: the processes for developing the capacity of individuals or work groups and the processes for developing the capacity of the SIG agencies or organisations in which RAMSI is working.

### *Individual Capacity*

The need for advisers with both technical skills and capacity development skills and cross cultural sensitivity is now more widely acknowledged across both SIG and RAMSI, and most programs are actively engaging SIG counterparts/ counterpart agencies in the selection of RAMSI advisers. This is more likely to be the norm where advisers are contracted than where advisers are whole of government employees. Adviser induction into capacity development in the Solomon Islands context ranges from comprehensive to minimalist. Where induction is available and not mandatory, it is not always taken up by advisers who cite workloads as the reason. In some instances, counterparts play a meaningful role in developing and delivering adviser induction sessions.

SIG agencies have nominated counterparts (or counterpart teams) for RAMSI advisers, except where these advisers occupy in-line positions. However, SIG vacancies and understaffing continue to limit opportunities for local capacity development. Most agencies have unfilled staff vacancies which results in increased workloads for the existing workforce and drives advisers to undertake agency work which should progressively become the responsibility of agency staff. Some advisers have tried to work around this problem by working more with work units or groups rather than individuals and adopting team-building strategies which is a positive change. As last year, SIG agencies could be doing more to

expedite recruitment so that capacity development is possible.

Effective capacity development requires all advisers to have a good understanding of capacity development, to know how to develop positive relationships with counterparts and to use the basic tools and techniques of capacity development. It also requires that counterparts understand their role, the role of an adviser and have the confidence to express their needs and preferences. In 2007 RAMSI supported the participation of 37 SIG officers and 34 RAMSI advisers in four Making a Difference (MaD) programs. The program is having a positive impact on counterparts and advisers alike.<sup>11</sup> Beyond the MaD program and participation in the Capacity Development Network, a promising spin-off from MaD, there were few structured professional development opportunities available to advisers and even fewer available to counterparts on the “how to” of capacity development and the counterpart-adviser relationship.

Most RAMSI advisers work to a defined work plan, and counterparts sometimes have input into this. All RAMSI programs are providing structured off-the-job training to counterparts individually and in groups. However, planned and sequenced approaches to the capacity development of counterpart staff are not common across RAMSI. As was the case last year, relatively ad hoc one-on-one mentoring systems, combined with “skills transfer” and the “tell and sell” approaches continue to be the default form of capacity

development. Reliance on single-source learning is a high risk strategy.

Programs have paid more attention to strengthening the leadership skills and motivation of managers in partner agencies in the past year, focusing on both individual leaders and leadership teams. Those that focus on both the senior executive team and middle management groups appear to be more effective. Notable developments are the innovative approach to management development in Customs and the collaboration between Corrections and Customs in this area.

Counterparts actively participate in performance reviews of advisers in two RAMSI program areas, but there are good reasons why this is not always appropriate. There is some evidence that the performance of advisers is being more closely monitored by programs and there have been cases where non-performing advisers have been asked to leave. However there were also instances where performance management of advisers is weak and where adviser performance in the area of capacity development was not seen as important to adviser performance assessment.

In the absence of clear job descriptions and sound human resource management, SIG agencies are finding it difficult to manage staff performance generally and counterpart performance specifically. Absenteeism continues to inhibit a planned transition from advisers doing core agency work to helping SIG staff perform the full range of their duties.

Program reporting does not allow for a firm conclusion about counterpart

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<sup>11</sup> AusAID, *Evaluation of Making a Difference Program Part 1: Solomon Islands*, Review Draft, 30 March 2008

satisfaction. Most programs have informal ways of gauging counterpart satisfaction, but few have systems which regularly seek counterpart feedback or track counterpart satisfaction. Programs report that counterparts are generally satisfied with the processes used by the adviser and with their relationship with their adviser, but only the Corrections program can provide robust whole-of-program information to support this claim.

### **Capacity development in Inland Revenue Division of MoFT**

Staff have always been keen on 'training' but it is more noticeable that they are now far more interested in training that is connected to their work. They are also more prepared to try new things and take on new tasks than was the case 27 months ago. Overall the Division is more engaged in learning and growing, with individuals prepared to give of their own time to support learning outcomes. Growth in core processes and systems is noteworthy. There is still along way to go before these are 'locally sustainable' and considerable on-going adviser support is still required.

*Source: IRD note, March 2008.*

### *Organisational Capacity*

While programs report with varying degrees of coherence on the range of capacity development activities they support, most are not yet able to articulate their overall approach to organisational capacity development beyond the provision of training, or to assess its impact. Use of change management or institutional

strengthening strategies is not as widespread as it needs to be. There are however some positive signs that programs are beginning to think more deeply about better approaches and strategies. These include consideration of institutional twinning arrangements, supporting relevant work attachments, greater use of Pacific advisers, resources and systems, properly planned and structured mentoring arrangements, and placing more emphasis on middle management, teamwork and corporate systems as enablers of organisational change.

One of the most positive changes in the past year has been the efforts of RAMSI programs to align their workplans with the plans of the agencies in which they work. There is still some way to go in making explicit the boundaries of RAMSI support within these workplans and articulating RAMSI's contribution to achieving agency objectives, but progress over the past year is encouraging.

Gathering performance information and monitoring organisational progress is a challenge for SIG agencies given capacity and workload constraints. Some programs have made good progress in working with their partner agency to jointly monitor progress, notably PPF with SIPF. Systematic use by RAMSI programs of SIG performance information is very limited and there are few instances where the partners use shared reporting systems. The reflection workshops within MoG provide a rare opportunity for the full range of parties – advisers, work team, SIG counterparts, MOG program officer, RGSF representative - to come together to contribute their various viewpoints

and inputs to a common endeavour. This is in itself a capacity development strategy.

Few SIG agencies yet have a fully independent capacity to identify their own capacity development needs and preferred processes, and communicate them to the program. This is more likely to be the case where (a) the program objectives include the strengthening of human resource management in the agency (b) there is a whole-of-agency workplan and (c) the program engages in regular joint planning and review activities with counterpart agencies.

Programs report that SIG agencies are generally satisfied with the capacity development processes being used by the program. Where programs have structured arrangements for obtaining agency views, we can be confident that this claim is justified. Where arrangements for seeking agency views are ad hoc or where only the views of the agency head are sought, such reports continue to be claims rather than performance information.

#### **Progress toward self-reliance**

The outcome of effective capacity development is that SIG agencies are increasingly able to perform their mandated functions and sustain their organisational performance without external assistance. Assessing progress towards self-reliance is inherently difficult and, at this stage in RAMSI's evolution, relatively subjective and largely reliant on the views of RAMSI personnel rather than a shared assessment against agreed indicators. Reporting on transitions - events which mark progress along the road to self-

reliance – is one way of giving form and direction to this assessment.

#### *Agency systems for recruitment, deployment, development and retention of staff*

At a minimum, agency self-reliance requires the right people in the right jobs going to work and doing the right thing when they are there. Most SIG agencies do not yet have an effective program for the recruitment, deployment, development and retention of staff that ensures the agency can perform its core functions. Amongst other things, this results in an over-reliance on advisers. Many but certainly not all of the factors leading to this situation are outside the control of the agency itself. Despite constraints, there has been solid progress in some agencies in establishing the elements of a sound Human Resource Management strategy. Some agencies such as SIPF and CSSI have introduced merit-based recruitment and selection practices and some have taken or plan to take action to deal with non-performing staff. The establishment of Training and Development Committees in some agencies such as MoFT is a step towards better planning to avoid situations where, for example, at the end of June 2008, 50% of all middle managers in MoFT were absent on scholarships or some other form of study leave.

#### *Transition strategies*

There is no SIG- RAMSI system for judging when SIG agencies demonstrate sufficient self-reliance to enable planned changes in the nature or level of RAMSI support. However, a cost migration and budget sustainability program has been in place in Law and Justice since early 2007 to transition program operational

support costs gradually to the SIG as the partner agencies' budget capacity has increased. Development of formal strategies such as this facilitate dialogue between the program and agencies about self-reliance and the level of RAMSI support, and help resolve issues of affordability and priorities. No other program has articulated a transition strategy. Both PPF and EcoGov have acknowledged the shortcomings of their current approaches which rely heavily on individual adviser interpretation of transition possibilities rather than a more defensible evidence base.

#### *Transition events*

All programs are able to articulate transition events that indicate that RAMSI personnel are stepping back so that SIG agencies and staff can come forward and some programs are planning for larger organisational transitions

There has been an actual reduction in the number of RAMSI advisers, although this is largely confined to two programs. In Justice, adviser numbers have decreased from a peak of 52 in March 2007 to 24 advisers in June 2008, a 54% reduction. The jointly agreed adviser reduction strategy in Corrections led to a reduction from 50 to 40 advisers in June 2007 and a further reduction to 30 advisers in June 2008. PPF numbers reduced by around 18 in the past year. In Economic Governance, adviser numbers remained relatively unchanged at around 41, with two divisions in MoFT reporting that in the short term, they expect adviser numbers to increase. Advisers in MoG have been limited to around 22 as major programs are still in planning or start-up stage. In June 2008 there were 138 RAMSI civilian advisers<sup>12</sup> and 297 PPF members.

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<sup>12</sup> Excluding the Office of the Special Coordinator

The transition of counterparts to in-line positions formerly held by RAMSI personnel is proceeding steadily and counterparts, teams and partner agencies are increasingly assuming functions and responsibilities previously undertaken by advisers. In Inland Revenue Division of MoFT, the previous in-line Assistant Deputy Commissioner position transitioned to an advisory position to support two newly appointed local Assistant Deputy Commissioners. All justice agencies are now headed by Solomon Island nationals. In Corrections, two key in-line roles transitioned from expatriate advisers to Solomon Islanders in June 2008, leaving only two expatriates in in-line positions (one scheduled for transition in November 2008 and the other in June 2009). There are no longer any PPF members in line positions in SIPF.

Agency performance against international standards is another marker of organisational performance. The post-tsunami asbestos clean up in Western and Choiseul Provinces, led by the Government Housing Unit, received World Health Organisation third party certification. Independent assessments of compliance of Henderson International Airport with the Standards and Recommended Practices of the International Civil Aviation Organization have prompted the appointment of SIPF officers to the airport so that in time the required armed police presence at the airport can be provided by SIPF rather than PPF. Assessments by the International Committee of the Red Cross confirmed that CSSI complies with the United Nations Standard Minimum Rules for the Treatment of Prisoners.

## 9. ADVANCING GENDER EQUALITY

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The MTS recognizes that gender inequality is a serious concern in the Solomon Islands. Despite women's traditional role in decision making, women are effectively excluded from decision making both at the community level and at the highest levels of government, where women currently hold no seats in Parliament. Women are also frequent victims of gender based violence.

RAMSI's work across all three of its programs is guided by a number of key principles, one of which is that *RAMSI is committed to advancing gender equality and empowering women in Solomon Islands to ensure equal participation and opportunities for women and men.*

The 2006/2007 RAMSI Annual Report observed that *"... apart from the People's Survey there is still relatively little evidence of RAMSI tracking differential outcomes for women and men... If RAMSI is to be able to record progress against the principle more effectively, performance frameworks will need to include more explicit indicators of differential impact."*

RAMSI's Performance Assessment Working Group (PAWG) agreed that consideration should be given to greater focused monitoring within RAMSI and proposed that gender be considered as an area of focus in the 2007/2008 RAMSI Annual Report. Support to PAWG from AusAID's Gender Adviser and Gender Focal Point in the Pacific Branch of AusAID was sought to consider how to integrate gender considerations into this

year's Report. The resultant inclusion of a Gender Expert in the independent RAMSI Performance Assessment Advisory Team and this dedicated chapter on gender equality for reporting on RAMSI's gender equality commitment is a remarkable achievement in itself. To date, no other peace keeping mission in the world is known to have such a declared focus on gender performance reporting.

The People's Survey is an important window on the different experiences of men and women. Further improvements in its ability to disaggregate and report on gender differences were made this year. A clear example of differing perceptions is in relation to law and order. Men were more likely to say their community was safe and peaceful (40% compared with 31% for women). This resonates with reported differences in perception about security between local women and men and peacekeepers elsewhere. Security for peacekeepers very often means the cessation of hostilities, of fighting between armed gangs or groups, whereas for the local women it means being able to carry out their daily activities in the neighbourhood without fear of being sexually attacked. Women have defined security as the absence of violence whether military, economic, or sexual - not just the absence of war. A gender analysis of this information points to the need to address gender based violence as well as the absence of violence expressed through ethnic tensions and riots.

Within RAMSI programmes, while there is clear evidence of expressed commitment to the principle quoted above, evidence based gender reporting has been challenging and found to be uneven across the mission. Nevertheless, there is clear demonstration of best practice in specific programme areas.

#### *Best practices*

**A coherent strategy:** The Machinery of Government (MOG) program is the only one in RAMSI with a coherent Women in Government (WIG) Strategy born of an independent diagnostic study undertaken in 2006 to identify barriers to participation of women at all levels of government and recommend initiatives for programme design. The program has a visiting Gender and Governance Adviser and a part-time Women in Government Programme Coordinator.

**Enabling legislation and supportive policy regulations:** With the support of advisers the new Correctional Services Act 2007 became law in 2008. The Act removes significant barriers to women's career development, promotion and overall representation within CSSI (which was present in the old legislation) by enabling female officers to supervise male prisoners. The new Act protects women and girls by requiring separation of male and female prisoners, and boys from girls. It also provides for the safe and appropriate containment of mothers with children. This is supported by the Management of Mothers and Children in Prison Policy.

**Agency gender policies:** The SIPF has adopted the following gender policy: *All employees, regardless of sex, have equal access to opportunities that are available at work, are treated with*

*respect and fairness and not subject to discrimination and harassment, in compliance with the Solomon Island Constitution, current national and international legislation and instruments.*

**Women's networks:** The CSSI Women's Network Plan of Action 2008-2009 sets out strategies, desired outcomes and responsibilities that the Women's Network have set for themselves with the endorsement of the CSSI Executive. The SIPF Women's Network has been re-established.

**Recruitment:** The SIPF has a policy that 30% of each intake of new recruits should be female. The proportion of women in the force is rising steadily.

#### *Challenges identified*

There is still a level of uncertainty about gender reporting and gender and development in general. The lack of baseline data makes it difficult to measure progress. There is no systematic collection of sex-disaggregated data which would allow for analysis of issues arising for follow up action.

Some of the difficulty in gender reporting stems from reporting against a statement of principle without a clear gender focused objective against which all RAMSI programmes report. This has led to a lack of structure in the reporting of progress over gender equality in the mission. A high level objective across RAMSI would lead to a more coordinated approach with greater impact.

Some RAMSI advisers are reluctant to impose or demand expectations of their counterparts to advance gender equality.

Program staff need to become more familiar with expressed SIG policy commitments and find ways of applying them in their respective areas. More generally, programs would benefit from greater interaction between pillars (for example by spreading the influence of the WIG initiative to other pillars) and from access to the knowledge and analysis that is being generated by Solomon Island organisations, including the National Council of Women and the Ministry of Women and Youth Affairs. A RAMSI Gender Adviser would be well placed to develop these links.

## 10. CONTEXT AND RISKS

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The emerging agreement on a partnership framework for RAMSI is very welcome in the performance context. Once it is agreed what the priorities for RAMSI assistance are, there is scope for a more genuinely joint assessment of progress, notably through the use of common tools for monitoring progress at agency level.

A partnership framework with provision for regular high level discussion and review should also help to deal with one of the major concerns of the last year, namely that common issues across the program which are difficult to deal with at the level of relationships in individual agencies, however good they are, have not been the subject of dialogue. These issues, unsurprisingly, have not changed and remain as risks to the achievement of RAMSI objectives in support of SIG. The lack of such a dialogue means that risks are not being managed in a coherent way.

**Recruitment and retention:** There is some evidence this year that agencies are using existing systems better to fill vacancies. Data on vacancies in the public service has been difficult to extract for this report because information is not necessarily collected on a comparable basis from year to year. However, program reporting suggests that in specialised areas such as the law and IT, but also for more generalist positions, the ability to recruit and retain is a matter of concern. Agreeing to put the issue of recruitment on the agenda for regular dialogue in the partnership context could be a stimulus to more consistent reporting.

**Financial sustainability:** RAMSI provides extra-budgetary subsidies for key SIG functions. The need to pass financial obligations on to SIG agencies is beginning to be grasped in the law and justice program, and to some extent in support to the police, and the implicit subsidy provided by advisers in the Ministry of Finance, whether they are notionally in line or not, is significant. The “phase out” of RAMSI assistance proposed by SIG implies that discussions need to begin soon on budget transitions.

**A rules based environment:** There are many encouraging examples of rules being applied, notably in the enforcement of merit based promotion. However, reporting continues to show that the potential gains from RAMSI support are undermined by absenteeism, weak expenditure management and poor compliance with budget process. This view is supported from inside Solomon Island institutions, for example from the CBSI annual report for 2007, which notes that

*“The auditing process has identified numerous and serious problems of non-compliance, malpractice and corrupt practices. Action against the individuals involved has been poor, however...”*

Capacity assessments within the partnership framework can help to track changes towards the SIG objective of a public service that is “*strategic, professional, transparent and accountable in the delivery of services*” and inform a SIG/RAMSI dialogue at a whole of program level.

*Recommendation 1*

*That discussions between RAMSI and SIG on progress within the partnership framework include mutually agreed standing items covering cross-program issues posing risks to the achievement of joint objectives.*

## 11. PERFORMANCE ASSESSMENT IN RAMSI

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Last year's report noted that the challenge to RAMSI to produce good performance assessment was growing, and that there was a need to ground the future tripartite dialogue between RAMSI, SIG and the Pacific Islands Forum in a set of commonly agreed facts about progress. That need will hold whether relations between SIG and RAMSI are strained or constructive.

As RAMSI moves into what SIG refers to as a "phase out strategy", those parts of the Medium Term Strategy which referred to short term tasks on the one hand and to long term aspirations on the other describe less well the core tasks on which RAMSI is beginning to concentrate: developing sufficiently resilient and resourced institutions which can transition at least to lower levels and more diverse forms of support. The Medium Term Strategy would by now be requiring substantial revision, even if it were not for the agreement to replace it by an agreed partnership framework. As it is, the process of agreeing the framework provides both an opportunity to get a common view on the objectives which are important to both SIG and RAMSI, and a challenge to programs to generate performance information in more consistent and outcome-focused ways.

RAMSI programs and the SIG agencies with which they work are now capable of producing large amounts of information, both about the performance of the SIG institutions whose capacity is being developed and the process of capacity development. Much of the production of this information is still

heavily supported by advisers. However, the ability of programs to harness this information to give an account of progress is still variable, and the gap between the best performance information within RAMSI and the less effective is widening. The Corrections program, for example, continues to provide consistent reporting against a small number of well chosen indicators and has used the capacity development framework constructively to reflect on the way that it is helping to develop key elements of a functioning institution in the Corrections Service of Solomon Islands. Elsewhere the common structure for performance reporting on capacity development within RAMSI has this year produced a variety of results.

The consequence is that the question "When is RAMSI's job done?" is being considered across the pillars on the basis of very different approaches to performance reporting. This may have been manageable up to now, when the key aim was to entrench performance assessment. But it is unlikely, as RAMSI changes, to fulfil the needs of contributing countries planning their contributions for the coming years or of the tripartite dialogue referred to above.

This year the status of monitoring and evaluation arrangements within RAMSI programs is:

**Police:** The PPF has overhauled its reporting structure in the year. It is based on four operational objectives which describe the SIPF capability which is being aimed at, and two objectives which set the direction for the way the PPF organises itself and the way that

external relationships are managed. These are considerably clearer and more compelling than those in the Medium Term Strategy, and have formed the basis for the reporting reflected in Section 2. The links to SIPF business objectives are explicit. Information from activity areas is aggregated every quarter to show progress against the objectives. However, the results reported remain difficult to interpret for outsiders because it is not clear to what extent advances represent sustainable capacity in SIPF or why they are essential steps towards that capacity. It is apparent that some of the richness of information on change is being lost in the aggregation. Greater use could be made in demonstrating progress of SIPF's growing ability to collect and use statistics, and of comparative regional data. eg from the Pacific Regional Policing Initiative. It would help to explain progress if the PPF's roles in maintaining security and building capacity were more strongly differentiated. An external assessment of progress to date will be undertaken shortly.

**Law and justice:** There is a good deal of performance reporting in this program, but it has been difficult to pull out those changes which are of strategic importance. This is partly because the MTS objectives for this sector in particular no longer describe what the program is trying to do, and separate reporting of progress regarded by program staff as important has been necessary. With some exceptions, notably remand times, the program has not consistently tracked indicators or other areas of change from one year to the next. The renewed emphasis, supported by the program, on corporate

reporting and performance management for the law and justice agencies, together with the new program design, will provide an opportunity to align objectives. The Mid Term Review was a good example of external assessment.

**Corrections:** This program is providing consistent data against a small set of indicators. The data is backed by a larger set of performance information which is also used by program management, and well documented capacity development approaches. It has the most well developed approach within RAMSI to the identification of current and future transition events. Regular Technical Advisory Group visits and benchmarking against international standards provide a sufficient degree of external assessment.

**Machinery of Government:** As noted last year, the process of four-monthly reflection workshops used by the program to underpin its monitoring and evaluation has been a valuable means of learning, promoting mutual understanding and setting expectations. The annual report usefully maps progress from different pillar activities against the MTS objectives. However, the monitoring and evaluation arrangements would benefit from a more consistent degree of challenge from MoG staff to program teams implementing activities to determine whether expectations set for the year have been met; and from a more specific set of expectations from pillar management as to the information that is required to determine progress against cross program objectives such as institutional capacity and achieving cohesion between activities. External assessment is provided by an annual

sector review, which included a Solomon Islands representative for the first time this year.

**Support to the Ministry of Finance:**

As in previous years, there is a good deal of helpful information to demonstrate that public finances are being well managed and that the environment for economic growth is improving. The indicators on which the program reported this year arose from consultation with advisers and Ministry staff early in 2008 and are an improvement on those previously included in the MTS. However, in the absence of an agreed design or objectives against which data on progress can be assessed, it is difficult to know how to value it. The maintenance of a fully funded budget, further reductions in debt, and the implementation of economic reforms are clearly substantial achievements in which advisory support and Solomon Island leadership play a part. But performance reporting would be enhanced by the implementation of the proposals for annual planning and review made in the Statement of General Principles. Among other things, this would help to concentrate attention on a consistent set of management information which is of use both to the Ministry and the advisory team, on a greater sense of the changes that are being brought about in the ability of the Ministry of Finance and Treasury to function as an organisation (as opposed to being able to undertake discrete tasks), and on how the risks of continuing to rely on advisory support are being managed. The program uses external reporting such as IMF Article IV reports to triangulate judgements about progress on broad economic

management issues. The mission in late 2007 that led to the Statement of General Principles was an independent review but there has been no substantive dialogue on its recommendations.

**Economic growth:** Projects within this portfolio have generally been designed with other development partners, and have monitoring and evaluation arrangements which are standard for these funding organisations.

*Future priorities*

Discussions on a partnership with the SIG will lead to changes in the requirements for performance reporting. At the least, it is likely to require greater consistency of approach, and possibly a greater emphasis on agency capability. The partnership is an opportunity for RAMSI management and the agencies in the countries contributing advisory support to set clearer expectations about how RAMSI accounts for itself to the Solomon Island authorities and to Forum countries.

*Recommendation 2*

*That the Performance Assessment Working Group draft a set of performance reporting standards appropriate to the partnership framework which will apply across all RAMSI activities.*

The findings on gender reporting suggest that RAMSI programs could do more to systematise the collection of data on gender issues, and to tap into work already being done to track the ways in which economic and social development affect men and women. A recent study

of performance reporting in RAMSI<sup>13</sup> concluded that while some gender equality principles are being applied across RAMSI programs, RAMSI as a whole would benefit from gender coaching and training and better co-ordination and leadership on gender equality in the program. It recommended the appointment of a permanent gender adviser to help RAMSI staff and counterparts to understand issues of gender and development and how implementing gender equality principles will lead to better development outcomes. The present review underlines the importance of this recommendation.

*Recommendation 3*

*That RAMSI appoint a gender adviser.*

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<sup>13</sup> Measuring progress towards gender equality in RAMSI, Sally Moyle and Kristie Drucza, April 2008