



## **Address to Solomon Islands Chamber of Commerce and Industry**

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**Honiara, Solomon Islands**  
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I last spoke to a meeting of the Chamber almost a year ago. That year has been an eventful one, tragic even considering the deaths of two young men who were members of RAMSI. But it has also been a year of real achievement for RAMSI and for Solomon Islands as a whole.

Over the past year we have seen:

- A number of high profile arrests, and the first trials and convictions of those involved in the tensions
- The completion and tabling in Parliament of some major audits of government departments
- Progress in rebuilding major government institutions such as the police, the prison service and the public service, through the recommencement of recruitment and training programs and the institution of better management practices
- Further progress in regularising the government's finances including the holding of a successful debt rescheduling meeting with a number of the country's external creditors
- The passage of important Foreign Investment legislation, and a continuation of the country's strong economic recovery.

I'm certainly not claiming that RAMSI is solely responsible for these developments, nor do I want to minimise the problems and the challenges that remain. But I think it's indisputable that the nation is on a better footing than it was a year ago. What I and other members of RAMSI want to see is that we maintain this sense of forward movement.

Overall, the number of RAMSI personnel remains around the same as this time last year: about 500 – police, military and civilians - and we remain engaged in the same broad areas: law and justice, economic governance, and machinery of government.

But the way we are going about our business is always evolving. Perhaps the most symbolic example over the past twelve months has been the removal of badges of rank from the uniforms of RAMSI police, and their replacement by epaulettes reading simply "Adviser". RAMSI police retain the same powers they had on Day 1 of the mission, as set out in the Facilitation Act, but increasingly, the focus of the PPF is to put the Royal Solomon Islands Police in the driving seat, by providing training and mentoring support.

Increasingly, that is the model for how RAMSI goes about its work across the board. To support our work in this area we recently undertook a stocktake of our capacity building efforts across RAMSI. This has resulted in a number of recommendations which are now being implemented. As a result of the stocktake, too, we have agreed with the government that capacity building should be defined as follows: *“the process by which people, organisations and society as a whole develop competencies and capabilities that will lead to sustained and self-generating performance improvement.”* This definition is significant because it means that capacity building is about more than providing training to individuals – although that’s important. It’s also about strengthening teams and whole institutions.

We have also agreed with the government on a set of key principles to underpin our work in the area of capacity building. One of those key principles is that *“There needs to be reciprocal responsibility for capacity development at all levels.”*

This principle highlights a fundamental aspect of RAMSI’s work, ie it is a partnership and, like the tango, it needs two sides to make it work properly.

About six months ago, in response to a request from the government, the Pacific Islands Forum sent a group of Eminent Persons here to review RAMSI’s impact and to look at the challenges facing this country in future.

The group concluded, correctly in my view, that *“a large majority of the people in Solomon Islands believe in RAMSI and want RAMSI to continue with its work.”*

The report of the Eminent Persons Group was considered by Forum country leaders at their annual summit in Port Moresby last month, and was strongly endorsed by them.

One of the most significant recommendations of the Group’s report was that *“the tenure of RAMSI should be measured by the achievement of tasks rather than be time bound.”*

This recommendation goes to the heart of one of the questions that I get asked a lot about RAMSI: how long will it stay in Solomon Islands? The answer – as New Zealand Prime Minister Helen Clark put it during her recent visit here – is that RAMSI will stay until the job is done – subject of course to Solomon Islanders wanting us to stay.

Of course, this does raise the question of how RAMSI, and the people of Solomon Islands, will know when the job is done, or to use the language of the Eminent Persons Group report, how RAMSI measures the achievement of its tasks.

This issue did not receive a lot of detailed attention in the early days of RAMSI when we were essentially administering emergency surgery. But it’s an issue that emerged during RAMSI’s second year in Solomon Islands, and it is an issue that we’ve put a fair bit of work into refining and, recently, discussing with the government.

What we have developed, and provided to the government, is an overall performance framework to monitor and evaluate RAMSI’s activities. It is quite an elaborate exercise and I cannot do it justice in

the time available to me today. In brief, however, the framework defines RAMSI's overall strategic goal as "A peaceful, well-governed and prosperous Solomon Islands". For all the areas in which RAMSI operates, it seeks to define short and medium term targets, and to describe objective ways in which progress against these targets can be measured.

At this stage the framework itself is still just that: while we have prepared a Baseline document to serve as a yardstick, the performance cycle will really only kick in with the preparation of the first annual report in the middle of next year. We acknowledge that the performance framework is both ambitious and provisional. But we hope that, over time, it will evolve into an essential tool for monitoring our progress, and for providing feedback both to those who are funding RAMSI, and to the Solomon Islands community and government. We see this framework as an essential element in strengthening our partnership with Solomon Islands.

What are our priorities in the coming period?

The upcoming national elections are a crucially important event in the life of this country. RAMSI, through our Machinery of Government program, is working to ensure that the elections are a success. This involves work to support the staff of the Electoral Commission but also vital work with voter education.

The outcome of the election, in terms of a new government, will be even more important than the election itself. The next government will need to take difficult decisions and RAMSI looks forward to developing a close and productive relationship with whoever emerges as the government of the day.

In the meantime, our officials will be working closely with their counterparts, and in some cases with other donors, to implement and flesh out important reforms that have already been agreed. These include reform of the two major public utilities, SIEA and SIWA, and deepening and intensifying reform of the public service, including improving the oversight of administrative decision-making, improving financial management, and reforming the way the public service manages itself.

We are also looking at what we might do to further enhance the efficiency of the High Court which still faces a very large workload flowing from the investigations from the tension period.

One issue that has attracted interest in the case of interventions around the world, not just in RAMSI's case, is the question of our impact on the local economy. In recent years attempts have been made to start measuring the impact of interventions in developing countries such as Afghanistan and East Timor. This work is in its infancy, and I'm not really in a position to provide objective measures today. Clearly, we do have an impact on the local economy, whether through the spending patterns of individual RAMSI members in the retail, hospitality, housing or tourism sectors, or through opportunities for local contractors, sub-contractors or employees flowing from aid programs delivered under RAMSI, or from the need for RAMSI to support its own presence in country. Some argue that those opportunities are not enough. By contrast, some are concerned that those opportunities are inherently vulnerable because they are exposed to political risk, and therefore that RAMSI might have too large a presence in the local economy.

As I said above, it's very hard to measure this and I don't think it's possible to satisfy everybody. For what it's worth, my own view is that RAMSI's presence is providing genuine opportunities for local businesses and that this is occurring in a sustainable way. We are not seeing the phenomenon of fly-by-night operators which was a significant feature of East Timor during the UN presence there. Even in the upper end of the housing market, where rents have increased sharply, the explanation lies not only in increased demand – for which RAMSI is not wholly responsible in any case – but also serious supply constraints. Over time I'm confident the market will work that out.

For all the changes that we have seen over the past 12 months, the task has only just begun. I cannot over-emphasise just how serious the challenge is.

Already we are seeing some of the deeper social impacts of the tension period coming to the surface in the form of increased drug abuse, broken families and petty crime. The government has taken some important decisions on reform, and the economy is growing - but it is not growing fast enough. That is especially so when the high rate of population growth is taken into account.

As authoritative analyses have shown over recent months, Solomon Islands now has a window of economic opportunity. But with revenue from the forestry sector expected to start declining in the near future, that window will not remain open for long. The next government of Solomon Islands must be serious about reform or we will see the re-emergence of social tensions in one form or another. Solomon Islands needs continued reforms of the public sector to improve service delivery to the village level, and it needs more reforms to enable the private sector to flourish.

Of course, a growing economy is a necessary component in Solomon Islands' national revival, but it is not sufficient. There is, for instance, a need to consolidate further the rule of law across the country and to combat corruption. More work needs to be done to work out the optimal relationship between the centre and the provinces. And there is still a large body of work needed in the area of reconciliation and peace-building. This will require strong leadership to re-knit the bonds of community and fellow-feeling without which the country cannot survive.

In this situation, your Chamber has a powerful role to play as an advocate for change and for a better future. SICCI has been noticeably vocal this year and I think that is a very good sign of a stronger and more confident private sector. I would encourage the Chamber to redouble those efforts in the coming period, in particular as a new government settles in. The challenge facing Solomon Islands is above politics and it is above the interest of any one of your members. Simply put, it is about the survival of the country.

A successful and long-term program of reform will unlock the enormous potential of this country. The alternative is a future of poverty and of crime. That is not a future anyone wishes on Solomon Islands.