
ANNUAL PERFORMANCE REPORT 2009

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

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Independent Experts Team

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Abbreviations

CSSI	Correctional Services of Solomon Islands
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GFC	Global Financial Crisis
IET	Independent Experts Team
JPOG	Joint Performance Oversight Group
MoFT	Ministry of Finance and Treasury
MoG	Machinery of Government
MTFS	Medium Term Fiscal Strategy
OAG	Office of the Auditor General
PPF	Participating Police Force
RAMSI	Regional Assistance Mission to the Solomon Islands
SICED	Solomon Islands Customs and Excise Division
SIG	Solomon Islands Government
RSIPF	Royal Solomon Islands Police Force
TA	Technical Assistance/Technical Adviser
WIG	Women in Government

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Executive Summary

In 2009 the Solomon Islands Government (SIG) and RAMSI agreed a Partnership Framework. This was a significant milestone in the relationship, providing both a forward looking document outlining the areas in which the partners will work together over the short to medium term, and a basis for assessing performance. Responsibility for overseeing performance issues lies with the new Joint Performance Oversight Group (JPOG), supported by a new Independent Experts Team (IET).

This Annual Report, the fourth since 2006, is part of RAMSI's accounting to the Pacific Islands Forum contributing countries and Solomon Islands. It comprises narrative summaries of the three pillars: Law and Justice; Economic Governance; and Machinery of Government; as well as the cross cutting issues of capacity development, anti corruption and advancing gender equality; and the effectiveness of performance reporting. The IET presented the findings at a special meeting of the JPOG, chaired by the Prime Minister, Dr Derek Sikua, on 12 February 2010.

Key achievements in 2009:

- RSIPF produced, and are implementing, a new Strategic Directions (2010-13) document mainly through their own efforts
- Correctional Services have brought 5 out of 6 centres to the UN Minimum Standard
- The Ministry of Finance and Treasury introduced a range of measures which successfully mitigated the effects of the Global Financial Crisis
- The telecommunications monopoly was ended and a new regulatory regime for the sector introduced
- Passage of the Customs Valuation and Customs Offences Act enabling SIG to use globally agreed systems and methods for valuing goods
- Establishment of a Cargo Examination taskforce, resulting in a 39% increase in revenue for the five month period of operation
- Release of a Code of Conduct for Public Servants based on the findings of the first baseline Human Resource Management Survey
- Training of more than 80 women in Mentoring for Leadership and 200 in strategic planning from provincial and emerging women's organisations
- Some excellent practice in capacity development with evidence of its effectiveness
- The appointment of a Gender Adviser to RAMSI and the commencement of a Stocktake of how programs are approaching gender

LAW AND JUSTICE

Royal Solomon Islands Police Force

There is evidence of considerable progress towards Target 1 – *RSIPF is capable of independently carrying out its mandated functions under law and order and targeting corrupt conduct*. There have been no major security incidents and the new Strategic Directions (2010-13) document, which was produced with minimal input from the Participating Police Force, is an example of capacity development. In addition the Academy ran a successful recruitment campaign, an organisational review was commenced, women continued to occupy and be promoted to senior positions, and the Community Officer scheme was launched to extend the reach of RSIPF.

At the same time, evidence from the 2009 People’s Survey is inconclusive, and at times contradictory, on how people perceive the security situation. There was an apparent decline in the proportion describing their community as safe and peaceful or who say law and order has improved. There are also significant constraints to further progress, notably the insufficient budget allocation for RSIPF to deliver services without RAMSI support, and the limits to capacity development in the absence of adequate housing and infrastructure.

Correctional Services

Corrections, as in previous years, are performing strongly in terms of capacity development and the achievement of the National Development Objective - *capability of CSSI to effectively transition to independent Solomon Islands management and operations* – is likely within the timeframe. CSSI officers have been able to maintain the quality of service in operational areas whilst reducing the number of technical advisers. Progress has also been made on gender as female officers can now work with male prisoners. The challenge is to develop the same capacity in finance, administration, and human resource management personnel. The main constraint to further progress is an inadequate budget for maintenance of improved infrastructure.

Law and Justice

2009 has been a challenging year for the Law and Justice program with limited progress made. The target - *the justice system able to effectively administer the law with limited assistance*- is unlikely to be achieved within the timeframe and there has been little focus on the target relating to a community justice system. The main constraints are the 43% vacancy rate for professional personnel (because there are too few qualified staff available), and the insufficient number of magistrate court sittings (because there is inadequate infrastructure). However, a process of consultation and design is almost complete which aims to refocus this program.

ECONOMIC GOVERNANCE

The Ministry of Finance and Treasury (MoFT) has succeeded in developing and implementing a number of measures to mitigate the effect of the Global Financial Crisis (GFC). This has averted a cash crisis and the national deficit was limited to 0.4% without recourse to new debt. New core systems for budget and payroll were introduced and now provide a stable base for capacity development. The Companies and Insolvencies Acts were passed, enabling a transparent framework for investment. At the same time the GFC has demonstrated that two of the three RAMSI/SIG targets – relating to *improved standard of living and a stable financial situation* – are influenced by external factors and not therefore in the complete control of MOFT and SIG.

A key achievement in 2009 was a shift towards a ‘whole-of-ministry’ approach to capacity development with the introduction of Capacity Development Plans by all sections within MoFT.

Passage of the Customs Valuation and Customs Offences Act in 2009 has been very important. It will enable SIG to use globally agreed systems and methods for valuing transactions on imported goods and is expected to have significant positive effects on revenue collection and law enforcement. In addition, the creation of a joint Customs-Inland Revenue Division wharf exercise (the cargo examination taskforce) resulted in a 39% increase in revenue collection over a five month period.

In response to the GFC there has been a general shift towards increased revenue collection which, with inadequate resources overall, has had the effect of limiting the potential to achieve three of the targets that focus on border security. Although there was an increase in number of border patrols, which was a key achievement, new border posts could not be opened in the Shortland Islands and Lata due to lack of resources and delays in recruitment. In addition, initial scoping work was undertaken to conduct a major reform of the *Customs and Excise Act*, which will lay the foundations for ongoing legal and policy reform in this area.

MACHINERY OF GOVERNMENT

There were positive developments in several of the sub-programs especially the growing strength of accountability mechanisms. The number and timeliness of Audit and Ombudsman Reports tabled in Parliament increased although there has not yet been corresponding progress in Parliament addressing them. The Public Service Improvement Program has made good progress in 2009 after a previously slow start and has assisted the Ministry of Public Service (MPS) in releasing a Code of Conduct for Public Servants based on the findings of the first baseline Human Resource Management Survey. Increased numbers of women public servants have been trained, including from the provinces. The Women in Government program trained over 80 women in Mentoring and ran Strategic Planning workshops for provincial and emerging women's organisations.

Progress in the Electoral Commission has been the weakest for reasons relating to ownership of the reform process. There has been good progress in the Parliamentary Strengthening Project with the number of Parliamentary Committee Meetings continuing to increase, including the first ones held outside Honiara, with the majority televised. In the Provincial Governance Strengthening Program, improvements in public financial management for the provincial governments meant that all nine provincial governments met the minimum conditions, thus gaining access to the Provincial Capacity Development Fund for the financial year 2010-2011.

ISSUES THAT CUT ACROSS ALL PILLARS

Capacity Development

Awareness of capacity development as the main objective of RAMSI support is high, reflecting the considerable attention given to it over recent years. Although a range of methods are used to varying degrees across programs, the main method is through the provision of technical assistance. This has been reduced across all programs although it does not necessarily represent an increase in SIG capacity. Corrections and RSIPF have ensured that they develop their own staff, and these efforts seem to be resulting in increased capacity. Law and Justice, however, face critical shortages of staff which the reduction in technical assistance (TA) exposes and which may result in reduced performance. One of the main challenges for all programs is that improvement in their own area may not be supported by increased capacity in the central systems which they depend on to increase performance further.

Anti Corruption

The key achievement has been the signing of a Memorandum of Understanding between RAMSI and SIG on an increased anti-corruption focus including four workshops to undertake public consultations for the development of a national anti-corruption policy. An important ongoing activity within SIG is the meeting of the Integrity Group Forum where information of mutual interest can be shared.

Advancing Gender Equality

Where gender disaggregated data is being collected it is proving meaningful in terms of demonstrating progress, especially in the promotion and participation of women in public service. In MoFT, an equity principle has been included in the revised Financial Instructions which will allow auditors to assess the extent to which the use of public funds benefits women. Through MOG's Women in Government strategy, a CV database has been established for the use of SIG has resulted in two women being appointed to Boards. The appointment of a Gender Advisor in RAMSI is also a significant development, providing greater support to programs to improve performance on gender equality.

MONITORING AND EVALUATION

Development of a Performance Matrix, to support monitoring of the Partnership Framework is positive. The extent of ownership of the Matrix is variable, ranging from full engagement and interest to uncertainty about how it fits with mainstream government strategies and programs. Some partners, especially on the SIG side, did not have sufficient time to engage as much as they would like to. However, this is a new process and, in discussions with the IET, all programs accepted that, as a living document, there was plenty of scope to engage during 2010.

THE MAIN REPORT

About the report

In 2009 the Solomon Islands Government and RAMSI agreed a Partnership Framework. This was a significant milestone in the relationship and provides a forward looking document outlining the areas in which the partners will work together over the short to medium term. It notes that the scale and significance of achievements already attained during the first six years of RAMSI's operations should not be underestimated but recognises that there is still much work to be done.

The objectives of the Partnership Framework are:

- a Royal Solomon Islands Police Force that operates effectively and independently
- a Correctional Service that is managed effectively and independently
- a capable and independent justice system
- a Ministry of Finance and Treasury that provides leadership in financial matters and high quality professional and economic services
- a Government administration that is strategic, professional, transparent and accountable in the delivery of services and priority programs
- public institutions and agencies with the capacity to identify their own directions, to lead and manage sustainable change, to reflect on strengths and weaknesses and to continue to improve performance
- the establishment of an effective and cohesive approach to address corruption
- the consistent advancement of Government policies on gender across government

RAMSI began collating performance information in 2006 based on data from individual programs. In 2007 this progressed to a more comprehensive framework designed to measure progress against the RAMSI Medium Term Framework. Three Annual Reports were published in 2006, 2007 and 2008 as part of RAMSI's accounting to the governments of contributing countries and Solomon Islands. The format of this Annual Report is broadly similar as this allows for comparison and is in line with the structure of the Partnership Framework. It comprises narrative summaries of the three pillars of Law and Justice, Economic Governance, and Machinery of Government. It also covers the cross cutting issues of capacity development, anti corruption and advancing gender equality as well as consideration of the effectiveness of performance reporting.

In line with the new Partnership Framework, there is a new approach to performance reporting. Where previously the Performance Assessment Advisory Team had a dual role of both advising program areas and reporting on them, a new Independent Experts Team has been recruited which has the same role in reporting but a role in advising which extends only to the RAMSI Secretariat and not to the program areas. The team reports jointly to Solomon Islands Government and RAMSI through the new Joint Performance Oversight Group. A special meeting of this Group was chaired by the Prime Minister, Dr Derek Sikua, on 12 February 2010 at which the team presented its findings and a constructive discussion followed. This report is in line with that presentation and elaborates on it.

There are other important differences in the new approach. The length of the report has been reduced (from 40 to 20 pages) in order to make it more accessible. And the process of gathering information has been changed so that the team relies on information provided to it through the Performance Matrix and in discussion with RAMSI and SIG officials. It explicitly does not seek to review program reports produced for other purposes in order to encourage program teams to report meaningfully through the Performance Matrix which has been developed by the Secretariat comprising both RAMSI and SIG officials. These are considered to be positive changes supporting the spirit of the new Partnership between SIG and RAMSI.

Law and Justice

Royal Solomon Islands Police Force (RSIPF)

In line with the National Development Objective - *RSIPF is fully capable of carrying out its mandated functions and has no need of a permanent PPF presence* – there are two SIG/RAMSI Targets:

1. RSIPF is capable of independently carrying out its mandated functions under law and order and targeting corrupt conduct
2. RSIPF has the capability to be located in or visit all areas of the nation

Although Target 1 has not yet been reached there is evidence of considerable progress in that direction. During the period there have been no major security incidents and RSIPF has made progress in several areas. The following demonstrate considerable capacity development in that they were achieved with minimal input from the Participating Police Force (PPF):

- a new Strategic Directions (2010-2013) document defining a change management process launched in September. This draws on data from the People’s Survey and defines an intent to become more results focused through key performance indicators. It was endorsed by the Foreign Relations Committee
- the Academy designed and implemented its own 20 week recruitment campaign and developed a curriculum for new recruits
- women continue to occupy strategically important positions including Human Resources, the Academy, Sexual Assault Unit and National Crime Investigation Division. Two were promoted in 2009, a woman took first place of Academy graduates, and the first ever degree-level entrant was recruited after graduation in Australia
- a review of the entire organisation was commenced which, for the first time, seeks to demonstrate the real cost of policing. This work will continue in 2010.
- the Community Officer scheme was launched as an attempt to extend the reach of RSIPF and address sustainability
- arrest of outstanding tension offenders and a number of significant prosecutions by the Anti-Corruption Unit
- a focused motor checking campaign reduced fatal accidents from 19 in 2008 to 4 in 2009

The following table contains information from the 2009 People’s Survey which, in its third year, enables certain trends to be seen:

Indicator	2007	2008	2009	Progress
% people reporting RSIPF treat people fairly and with respect	44%	32%	31%	⇓⇨
% people describing their community as safe and peaceful	51%	37%	30%	⇓
% people who say law and order has improved	-	44%	31%	⇓
% people believing violence would return if RAMSI left soon	52%	49%	53%	⇓⇧

Interpretation of this data is difficult because there are many regional variations. The percentage of people reporting that RSIPF did not treat people with respect has risen overall from 16% in 2007, to 21% in 2008 to 26% in 2009, ranging from 14% in Guadalcanal and Ysabel to 26% in Malaita and 48% in Honiara Settlements. The main complaints were favouritism and lack of fairness, reflecting underlying issues to do with wantoks as well as management or organisational problems. However, where crimes are reported to the police, 56% of people are satisfied which is an increase on previous years. RSIPF statistics show that reports of serious crime rose from 662 in 2008 to 785 in 2009 which is an indication that people are confident to report. There is also an increase from 50 to 54% of people feeling confident in making a formal complaint against police although women were less likely to do so.

There has been a decline in the percentage rating their community as safe and peaceful although there are marked differences across the country and the percentage of people saying there were 'many problems' has been consistent at around 11% since 2007. A new question about the three crimes people are most worried about shows that stealing and theft are most common, followed by alcohol related disturbances and criminal behaviour ranging from murder to assault. Women were slightly more concerned than men about alcohol related issues and significantly more concerned about violence and sexual offences. Where people did not report crimes to the police only 15% said it was because there were no police in the area. The vast majority said that the matter was sorted out by family or in the customary way or that it was too minor to report.

The People's Survey provides a valuable baseline and enables trends to be evaluated over time. However, it is survey of *perceptions* and therefore is not necessarily an accurate reflection of current activities or responsibilities under RAMSI.

Although some good progress has been made there are a number of constraints to further progress. The overall budget allocation is insufficient to deliver services without the support of the PPF. Housing and infrastructure are a major constraint to capacity development, and to the achievement of Target 2, especially in the provinces, making it difficult to post officers or provide them with the necessary logistics support. Having restored the basic operational service, the challenges for the future in terms of systems for financial and human resource management are now emerging at both RSIPF and SIG levels and are beginning to be addressed so that available funds can flow and pension constraints, which are undermining capacity development in the next generation of officers, can be overcome. In addition, continuing reform of the whole security sector is necessary. These are complex and political issues for which there is no 'quick fix'.

"Within the resources they have, the RSIPF does a marvelous job"
Senior PPF Officer

Correctional Services of Solomon Islands (CSSI)

As in the previous report, Correctional services are performing strongly in terms of capacity development and achievement of the National Development Objective – *capability of CSSI to effectively transition to independent Solomon Islands management and operations* – is likely. The SIG/RAMSI Target is for CSSI to meet UN Standard Minimum Rules for the Treatment of Prisoners and operate within the whole of government structure to achieve SIG outcomes. As shown in the table below, 5 out of 6 centres are already compliant.

Indicator	2008	2009	Progress
Number correctional centres compliant with UN Minimum Standards	2 of 6	5 of 6	↑↑
Reduction in number of TA	31	18	↑↑
Number of prison incidents	66	67	↑↑
% staff attaining workplace competencies	20%	26%	↑↑
% former prisoners sentenced for further crimes	10%	9%	↑↑
Maintenance budget at least 1% asset value	< 0.2%	0.2%	static

Having considered the targets of the Partnership Framework, CSSI developed a carefully chosen set of indicators which combine to tell a coherent and convincing story of progress. The increase in the number of correctional centres compliant with UN Minimum Standards has been achieved through a range of approaches: rollout of rehabilitation programs; additional adviser support to the provinces to accelerate development and implementation of procedures and protocols; and establishing procedures for all operations including service delivery to prisoners, officer responsibilities and complaint mechanisms. Only Rove Central Correctional Centre could be independently assessed by ICRC in 2009 but the remainder meet the expected standard and will be assessed formally in 2010.

The reduction in Technical Adviser (TA) support in Operations, from 19 to 8, is a good indicator of capacity development in that CSSI officers maintained all functions effectively. This has been possible because there was already a skill base. In the corporate functions of human resource and financial management, in which some skills are entirely new and more challenging to develop, TA has reduced less - from 11 in 2008 to nine in 2009 – in order to consolidate skill development and increase focus on management and leadership capacity development. A small but pioneering approach to capacity development has included transitioning decision making and financial control to CSSI by providing funding directly to manage specific activities. This is the first time RAMSI has used SIG financial systems and is therefore important.

Prison incidents have remained stable from 2008. This represents a greater willingness to report incidents, most of which are minor, and the capacity of officers to effectively control a situation. There is also greater willingness by officers to undertake preventive measures such as search procedures which, when introduced initially, met with some resistance. Capacity development is also demonstrated in the increased percentage of staff who have attained workplace competencies and who feel confident and competent to assume responsibilities previously undertaken by advisers. Assessment of workplace competencies is another success area as they are now undertaken, with minimal support from advisers, by CSSI staff who have passed an internationally accredited training course.

The indicator on the percentage of prisoners sentenced for further crime was selected as a measure of rehabilitation because data is already collected on this. However it has proved to be a crude indicator and CSSI intends to develop a formal system of monitoring and evaluation of the effectiveness of rehabilitation programs in 2010.

Progress has also been made on gender equality. Female officers can now work with male prisoners, including conducting search procedures. For the fifth year female officers have accompanied senior officers to conferences and there is evidence of gender sensitive policy development for women prisoners with children.

The main constraint to progress at present is the inadequate budget for maintenance. With improvements in the infrastructure of correctional facilities, which has contributed to staff morale and compliance with UN standards, CSSI have calculated that they need 1% of the total asset base for maintenance. At present the actual budget is static at 0.2%.

The National Development Objective for this program is that the law is administered through a capable and independent justice system. There are two SIG/RAMSI Targets:

1. The justice system is able to effectively administer the law with limited assistance
2. The approach to supporting a community justice system is agreed to by SIG and RAMSI

Progress in this program has, perhaps, been the weakest in RAMSI and 2009 has been a very challenging year. The law cannot currently be administered without further assistance and it appears unlikely to be achievable by 2013. To date almost the entire focus of the program has been on the first target, in line with the previous strategic framework, with minimal attention to developing an approach to community justice. However, efforts to strengthen program focus were commenced in 2009 and will continue in 2010.

Indicator	2008	2009	Progress
Tension trials completed against outstanding cases	31 since 2005	3	↑↑
% magistrates, prosecutors and lawyers posts vacant	41%	43%	↓↓
Numbers of RAMSI TA	109	60	↓↓
Increasing % planned magistrate circuit court sittings	61%	42%	↓↓
% people who feel they have access to courts	Not asked	19%	N/A
Law Reform Commission Report presented to Minister	-	consultation	↑↑

The tension trials have been a priority for RAMSI from the outset in order to alleviate the burden they place on a greatly weakened justice system. In 2009 three cases were completed. Although completion is an indicator that the entire justice system is functioning, and therefore positive, at current rates of progress the remaining backlog of 20 cases will not be completed until 2017. This is a source of concern to SIG officials because conducting tension trials draws resources away from other cases and reduces the potential for the country to 'move on'. Progress has slowed since withdrawal of resources at the end of the Enhanced High Court Assistance Package (2006-7).

Other indicators of progress also paint a static or declining picture, in some cases as a result of broader SIG constraints. The percentage of vacant posts for magistrates, prosecutors and lawyers has remained relatively constant at 41-43%, despite a SIG-wide hiring freeze. Vacancy rates remain high because there is both an absolute shortage of skilled personnel and because salary and conditions are not competitive enough. Even if new staff are successfully recruited it is difficult to retain them, especially in the provinces where housing and office space are inadequate. The lack of facilities is a major factor in the declining rate of planned Central Magistrates' circuit court sittings - from 61% to 42% - along with the lack of financial management controls within the National Judiciary and the geographic challenge of reaching some venues.

The wholly inadequate supply of qualified and experienced SIG personnel to administer the law has become more pronounced since the reduction in TA, from 109 in 2008 to 60 in 2009, which coincided with budget constraints to fund other programs such as capacity development and infrastructure and the impact of the global economic crisis. Where previously the reduction in TA was taken as a proxy indicator for an increase in SIG capacity, it is now clear that as an indicator it is too simple to capture the complexity of capacity development. The lack

The Partnership Framework addresses concerns such as the lack of access to justice and recruitment and retention of lawyers. However, it is silent on the rate of phasing-out of RAMSI advisers and funding of the judiciary

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of focus in previous years on institution strengthening and capacity development now exposes the serious limitations of the justice system and of approaches to capacity development which focus on a small number of already overstretched staff. There are also unresolved issues around the deployment of in-line TA and the beginning of a debate about salary supplementation, especially for expatriate Solomon Islanders. In contrast to the RSIPF and CSSI there has also been little focus on the essential non-legal functions of finance, administration and human resources.

Information for planning has been limited to date. However, the 2009 People’s Survey asked several new questions about resolution of disputes. Overall 90% of people say that their Chief settles disputes. This ranges from 98% in Central, Choiseul and Guadalcanal provinces to around 65% in Honiara and Honiara Settlements. In the latter, the use of both police and family to solve disputes, and access to courts, is greater. Although RAMSI support for the traditional justice system has been limited to date, during 2009 the consultative process commenced for the Tribal Lands Dispute Resolution Bill and provincial workshops were held for the LRC Penal Code and Criminal Procedure Code Review. Workshops were also held in relation to the design of RAMSI support 2010-2013 which concluded that support for provincial justice would take priority.

In summary, 2009 proved a very challenging year for the justice sector. The shortage of legal personnel, the weakness of systems, the reduction in TA, and the lack of attention to the traditional justice system prompted renewed focus on strategic planning and priority setting in the second half of the year. This process, involving the provinces, also exposed the lack of baseline data on the number and types of cases and disposal rates with which to plan an appropriate justice system.

Economic Governance

The National Development Objective for the Economic Governance pillar is *MoFT has the capacity and capability to provide leadership in financial matters and high quality professional financial and economic services*. This objective has three SIG/RAMSI Targets:

1. Improved standards of living and economic opportunity for all Solomon Islanders;
2. Increased capacity, and capability, of MoFT to provide quality advice to government on economic and public financial management; and
3. Financial position of SIG stable and sustainable over the longer term.

Indicator	2008	2009	Progress
GDP per capita (USD)	1266	1290	↑
Percentage of Solomon Islanders (men and women) who perceive their standard of living (household financial situation) to have improved (in last 2yrs)	Men: 36.5% Women: 29.4% Total: 33.0%	20.0% 22.3% 21.2%	↓
Percentage of Solomon Islanders (men and women) who expect their standard of living to improve in next 2 yrs	Men: 37.9% Women: 21.5% Total: 29.8%	23.7% 14.7% 19.0%	↓

The Global Financial Crisis (GFC) has demonstrated that objectives 1 and 3 are largely beyond the remit of RAMSI to achieve as they are heavily dependent on the state of the global macro-economic environment for their achievement. While a number of key actions were performed by SIG in 2009, with support from RAMSI, that helped mitigate the effects of the GFC on Solomon Islands a number of indicators showed that Solomon Islands citizenry felt that their standard of living had decreased over the period or would decrease in the future – despite GDP/capita actually increasing from 2008 to 2009.

Indicator	2008	2009	Progress
Government budget position (surplus/deficit)	1.5% surplus	0.4% deficit	↓
Expenditure growth vs Medium Term Fiscal Strategy balanced budget limits	MTFS target: 20% Actual: 27.9%	MTFS target: 7% Budgeted: 14.9%	↓
Joint IMF-World Bank Debt Sustainability Framework - 'Debt Distress' rating	Medium risk	Medium risk	Static

Despite the impact of the GFC a number of solid points of progress were made by the Economic Governance pillar in 2009. The creation of a robust response to the GFC by SIG meant that despite a downturn in demand for key exports, particularly logs, SIG was still able to avoid a cash crisis in the short term and the national deficit was limited to only 0.4%. While expenditure growth went beyond the balanced-budget target in SIG's Medium Term Fiscal Strategy – when these numbers are viewed in light of the far-reaching impact of the GFC – the actual downward shift in numbers they portray is mitigated somewhat. This is upheld when one looks at the IMF-World Bank Debt Distress rating. Solomon Islands retained its medium-risk status despite experiencing a massive reduction in overall value of exports in 2009.

Indicator	2008	2009	Progress
Public Expenditure and Financial Accountability (PEFA) scores (average)	D+	-	-

One key area where much work is still required in Solomon Islands is in the area of Public Financial Management (PFM). In 2008 Solomon Islands achieved an average score of D+, one score above the lowest level achievable in the globally administered PEFA framework. This places Solomon Islands on about the same footing as a number of post-conflict states in Sub-Saharan Africa such as Sierra Leone or Rwanda. 2009 thus signalled the initiation of a renewed focus on enhanced PFM reform for Solomon Islands Government and RAMSI. The realisation by SIG and RAMSI of the need for an increased focus on a PFM reform agenda has led to increased donor engagement and helped MoFT to negotiate budget support from donors for 2010. As part of this reform agenda, in 2009 SIG also agreed to a World Bank-led Public Expenditure Review (PER) to be undertaken in 2010.

A number of new core systems – budget and payroll (the Aurion system) – were implemented with significant MoFT ownership in 2009. In order to maximise SIG ownership SIG staff were involved in the selection of all of the new systems. Training was also delivered for all of the new systems brought into service. The various systems established in 2009 provide a more stable foundation for capacity development efforts. They will allow some decentralisation of processing functions to line ministries, which will in turn provide an opportunity to enhance PFM capacity in ministries beyond MoFT.

This was an important development in 2009 as one of the main constraints to the continued progress of the capacity development within MoFT for the achievement of the high-level targets as set in the SIG-RAMSI Performance Framework is the quality and capacity of government agencies beyond MoFT to spend money. In an attempt to move forward on this issue MoFT began in 2009 to identify how increased PFM systems could be devolved to line Ministries. This shift is thus part of a broader recognition within MoFT that, to date, their work with RAMSI has been largely internally focused and there is a need to shift towards building the financial management capacity of the SIG public service as a whole.

Government Finance Statistics (GFS) reporting was included for the first time as part of the 2009 budget. This reporting took into account recurrent and development expenditure from SIG and donors. This shift provides greater clarity in understanding revenue and cash flow for SIG. A number of important pieces of legislation (Companies and Insolvencies Acts) were also passed in 2009. These

pieces of legislation help provide a more stable and transparent framework for both domestic and international investment in Solomon Islands.

Capacity development within MoFT has not been equal across the entire organisation. Some units, such as the Economic Reform Unit (ERU), have well developed capacity development initiatives such as their training club, which provides regular training on work systems (such as using Excel) and other practical bureaucratic skills (such as improving team members written English), while other units had little to no formal capacity development initiatives underway. As a result of this uneven approach, a capacity development workshop was held within MoFT in October 2009. The outcome of the workshop was a shift towards a 'whole-of-Ministry' approach to capacity development. The key instrument in this shift is the creation of Capacity Development (CD) plans by all sections within the Ministry which will be monitored by the MoFT Executive throughout the year. These plans will come into effect in 2010. As part of this broader shift regular monthly meetings were instigated at three different levels within MoFT in order to provide a more robust flow of information for managing the organisation. These three levels are Executive Meetings (the Permanent Secretary and the three Under-Secretaries); Management Meetings (each Under-Secretary with their Managers); and Team Meetings (with each Manager and their teams). In addition there has been a more explicit approach to capacity development with staff assessments made for 95% of all MoFT staff.

An issue which impacts heavily on the ability of MoFT to retain the momentum of their reform efforts is the inability of MoFT to recruit suitably qualified and experienced staff to senior positions. The issue is two-fold: there not being enough people with advanced financial training in Solomon Islands and public service salaries being so low that it is difficult for government agencies to attract the best and brightest. A graduate recruitment program was also initiated in MoFT with the initial focus being on attracting graduates within ERU.

Despite the negative impact of the GFC on Solomon Islands' macro-economic environment the SIG remained committed to the Honiara Club Agreement and did not pursue new debt to finance its operations. Instead a flat 10% reduction in operating expenses was made to all government agencies and greater focus was placed on revenue creation. The focus on revenue creation saw SIG increase taxes on alcohol and tobacco and establish a task force to work with government agencies to raise revenues. This comprehensive reform package was crafted largely from within MoFT with some input and support provided by RAMSI advisors. This reform package meant that while GDP growth was estimated to have fallen from 6.9% in 2008 to 0-1% in 2009, it did not turn negative, as had been estimated in early 2009. While expenditure commitments in 2009 exceeded SIG's own Medium Term Fiscal Strategy (MTFS) expenditure limits, the reform package resulted in a reduction in actual expenditure over estimates. These reforms, which included increased tax compliance and a variety of revenue reforms meant that domestic revenue collection actually increased by \$89m (6.5%) in 2009 over 2008 levels.

No new debt was taken on by SIG in its response to the Global Financial Crisis – a commendable achievement

Despite the GFC SIG still managed to undertake a range of important reforms to the country's economic management system including:

- The revision of draft Financial Instructions regulating the use of all public funds
- a new budget system was implemented
- the first Solomon Islands' Macroeconomic Model and a cash balance forecasting framework was developed
- Our Telekom's exclusive license ended and a new mobile entrant was selected

- a new telecommunications regulatory regime was implemented

SIG also committed through budget support negotiations with donors in 2009, to a range of regulatory and structural reforms to encourage economic activity and growth, including reforms to state owned enterprises, adoption of a National Transport Plan and operationalisation of a Franchise Shipping Scheme.

The broader shift towards revenue creation by SIG in 2009 led to a number of positive developments in terms of this aspect of the Solomon Islands Customs and Excise Division's (SICED's) remit. One of the most important activities for SICED in 2009 along these lines was the passing of the *Customs Valuation and Customs Offences Act*. The Act introduces World Trade Organisation General Agreement of Tariff and Trade (GATT) legislation which will enable SICED to use globally agreed methods for valuing transaction on imported goods as well as introduce stricter penalties for identified breaches. The passage of this Act will also help increase the ability of the SIG to raise revenue and provide a more transparent excise environment for business in Solomon Islands

Capacity development efforts within SICED progressed along a number of fronts in 2009. A joint Customs-Inland Revenue Division cargo examination taskforce led to a 39% increase in revenue collection over the five month operation of the taskforce. However, Customs revenue collection continues to fall short of budgeted targets. Twinning deployments to Australia contributed to an increase in the investigation ability of a number of Customs officers while valuation training was delivered to a range of Customs officers in preparation of the launch of the *Customs Valuation and Customs Offences Act* in 2010.

Under the SIG-RAMSI Partnership Framework there are a number of objectives relating to border security that Customs contributes to (which are part of the Law & Justice pillar). The National Development Objective is *improved and sustained border integrity and security*. This Objective has three SIG/RAMSI targets:

1. Trained Personnel in Police, Customs, Immigration and transnational crime to deal with these issues
2. There is appropriate housing and logistical support – office accommodation, communication systems, boats – in the Shortlands and Temotu to safeguard the borders of SI
3. New legislation available to be implemented if necessary.

The shift towards increased revenue creation in 2009 as a result of the GFC meant that Customs had to put on hold other aspects of their reform program – particularly reform of the *Customs and Excise Act*. In 2009 SICED was unable to open their new border posts in the Shortland Islands and Lata due to a lack of budget for infrastructure which meant that customs officials were not able to be deployed to these two areas.

Indicator	2008	2009	Progress
Joint Customs & Police maritime patrols	Not previously reported	2 patrols conducted	↑
Regular liaison with Police, Immigration and Quarantine	Not previously reported	3 meetings	↑
Customs Border staff equipped and trained in Border matters	Not previously reported	Border offices not staffed in 2009.	Static
Customs Officer stationed at Shortland Islands and Lata (Border) locations	Not previously reported	Not staffed.	Static

As the indicators show there were increased joint missions between SICED and the RSIPF with two patrols conducted in 2009. There was also increased liaison between SICED and other SIG

agencies including RSIPF and Immigration which has helped increase awareness within SICED of the importance of inter-agency cooperation and coordination in the achievement of their goal of effectively safeguarding the borders of Solomon Islands.

Twinning was also used for the creation of a post-clearance audit function within SICED. Mentoring for the Human Resource (HR) Manager was accompanied by support for developing processes for addressing corruption within the agency. This increased focus on HR also saw the recruitment and induction training of 23 new recruits. A SICED officer was also sponsored to Australia to attend the Pacific Customs Management Program in Australia.

Machinery of Government

The Machinery of Government pillar functions under the following National Development Objective: *A Government Administration that is strategic, professional, transparent and accountable in the delivery of services and priority programs of the government of the day and that is inclusive of the needs of Solomon Islanders and those residing in Solomon Islands.* The four SIG/RAMSI Targets that fit under this Objective are:

1. The people of Solomon Islands have trust in the honesty and professionalism of the Government's public administration and perceive it to be effective in adapting to changing demands for improved service delivery;
2. The relevant organs of government are acting effectively to remedy administrative shortcomings and improper official conduct; and
3. Effective national parliamentary representation.
4. Women's participation and representation in government strengthened, including through increasing the percentage of women at levels within the public service and reducing the barriers to women's elections.

In terms of achieving these targets, positive developments continued to emerge in a number of sub-programs in MoG in 2009. The continued growing strength of the country's accountability mechanisms is helping SIG to remedy administrative shortcomings. However, a lack of movement in some areas – particularly in relation to the work around Electoral Commission – is a concern given the target of bringing about effective national Parliamentary representation.

The Machinery of Government program is slightly different from the other two pillars in that it focuses on a range of sub-programs which do not necessarily have as strong an initial internal coherency as the Law and Justice or Economic Governance Programs may have. What this means in practice is that it can be difficult to see how these sub-programs combined can lead to the achievement of the program's four Targets as individual sub-programs. Developments in the Women in Government strategy have impacted positively on the achievement of Target 4 and the Accountability sub-program has impacted positively on the achievement of Target 2 in 2009. However, it is more difficult to see how the very many positive developments in the various sub-programs contribute directly to the achievement of Target 1.

Levels of TA within MoG increased in 2009. This can be attributed to a number of sub-programs, such as the Public Service Improvement Program (PSIP), coming online. During 2009, both PSIP and the Electoral Program reached full advisor numbers as per the program designs, resulting in an increase in advisors. What this means though is that the increase in numbers of TA does not allow us at this point to understand its impact on capacity development within MoG.

Indicator	2008	2009	Progress
Number of technical advisers in MOG-supported ministries/ agencies (Total and In-line)	Total: 16 In-line: 1	Total: 20 In-line: 1	↑

Capacity development plans were developed for all sub-programs under MoG in 2009 for the first time -although it should be noted that some of the sub-programs, namely the OAG, have had these in effect since 2007. Jointly agreed by SIG and RAMSI, these plans are designed to provide the key management instrument for advisor effectiveness in MoG. At a higher level, despite the ongoing success of the accountability sub-program within MoG the long-term nature of capacity development means that a number of the targets as set out for this sub-program in the SIG-RAMSI Partnership Framework are unachievable by 2013. As a key example, the OAG, even if staff training continues at the current rate, will not have a full complement of fully-trained staff by 2013.

Office of Prime Minister and Cabinet

In 2009 MoG re-engaged with the Office of Prime Minister and Cabinet (PM&C) for the first time since 2006. A design process for longer term support will begin in 2010. An Interim Support program was put in place as a holding measure in 2009 until the design is complete. Part of this included the recruitment of an adviser.

Information and Communication Technology Support Unit Transitional Support

Work continued in the Information and Communication Technology (ICT) Support Unit Transitional Support in 2009. The key achievement of the ICT Support Unit was the initiation of a planned SIG-wide roll-out of a new centralised database approach to IT. The ICT Support Unit relocated from MoFT and set up a wireless framework which agencies are able to use for their computing functions. To date, three agencies have adopted the new wireless framework: MoFT, Foreign Affairs, and OPM&C. Early indications show that this centralisation of IT function could lead to cost reductions of up to SBD 500,000 per participating Ministry.

The Public Service Improvement Program

The Public Service Improvement Program (PSIP) began to make progress in 2009 after considerable delays due the failure of the contracting process in 2007. One of the key highlights of 2009 was the MPS release of a Code of Conduct for SIG Public Servants. Another important shift in 2009 was increasing numbers of women receiving training by the Institute for Public Administration and Management (IPAM). In 2009 almost half of all Honiara-based public servants who received training at IPAM were women. More than one third of all provincially-based public servants who received IPAM training were also women. However, as the indicators show there was a decrease of roughly half the total number of public servants achieving training in 2009 at IPAM as opposed to those who received training in 2008. This downward shift can be attributed to an increased focus on quality of training at IPAM which raised its entrance requirements in 2009.

Indicator	2008	2009	Progress
Number of Public Service policy and legislative frameworks reviewed, updated and gender sensitive.	0	Code of Conduct launched November 2009	↑
Number of, and percentage of female, public servants trained by IPAM	1269 in Honiara (30 % women) 442 in the provinces (20% women)	724 in Honiara (47 % women) 206 in the provinces (37% women)	↓⇒

One of the key milestones achieved in the year was the running of the first baseline Human Resource Management (HRM) survey of SIG. One of the major findings of the survey was that only 36% of public servants said the General Orders were easy to interpret. This finding in turn then provided the impetus for the drafting and launch of a new Public Service Code of Conduct and SIG-wide human resource management (HRM) Vision in order to help provide clearer guidance for public servants of their roles and responsibilities as public servants. The survey also led to the allocation of MoG resources to other activities. The finding that 79% of all SIG HR managers had no formal system to determine job levels and pay scales will influence the design of a new activity for the improvement of SIG job evaluation processes.

An additional benefit of the introduction of the Aurion budget and payroll system at MoFT (under the Economic Governance program) is that it will allow for the cleansing of the irregularities which currently plague the SIG public service including the overpayment of allowances, ghost workers and individuals getting paid multiple times. This cleansing of the system had not yet begun by the end of 2009. TA was also provided to MPS and IPAM to undertake corporate planning at the agency level in order to better align budgets and planning within these two agencies.

In an effort to increase applicability of PSIP programs and activities to SIG goals the various agencies involved in the PSIP including the Public Service Commission and the Ministry of Public Service continue to meet on a regular five-six weekly basis at a program management group. In an additional new process to help improve SIG ownership of the program, the PSIP program design has been restructured into six-month rolling workplans that are jointly agreed by the Permanent Secretary, Ministry middle management and MoG.

The Public Service Housing Management program has continued to work to provide appropriate and affordable housing for SIG public servants. However, ongoing constraints within this program in terms of funding and personnel mean that a number of programs across the RAMSI-SIG partnership are being held back by a lack of appropriate housing and infrastructure. This lack is particularly evident in Customs where a lack of appropriate housing and logistical support has meant that customs officers are not able to be posted to the Shortlands and Temotu to safeguard the borders of Solomon Islands. A lack of housing has also impacted on the Department of Justice to attract and retain public officials in the Provinces.

Institutions of Integrity (Accountability)

The Accountability Program has continued to provide good results. All three accountability agencies – Office of the Auditor-General (OAG), Ombudsman Office (OO) and Leadership Code Commission (LCC) – continue to undertake investigations and audits and produce reports. As the indicators show, 2009 saw a number of amendments made to the governing legislation of these three bodies.

Indicator	2008	2009
Number and timeliness of Audit and Ombudsman reports tabled in Parliament	OAG – yes Ombudsman – yes	OAG – yes (on time) Ombudsman – yes
Office of the Auditor General, Ombudsman and Leadership Code Commission legislation amended.	Legislative deficiencies identified.	Legislation amendments drafted for OAG and proposal approved by Cabinet. Now with Attorney General for vetting Legislation amendments drafted for the Ombudsman’s Office. Drafting of amendments to LCC legislation in its final stages of completion.

In 2009 the OAG conducted all of its audits with only limited additional support provided by external advisors. A particularly noteworthy achievement in 2009 signalled in the indicators was the

signing off of government accounts by the OAG within the legislated timeframe. This was the first time this had been achieved since independence. 2009 was also the first year that audits of Provincial governments were completed in the history of the Office. A new Auditor-General commenced in 2009 and has maintained the steady development of capacity within the OAG.

The Ombudsman’s Office made significant headway into reforming its operations. More than 80% of backlogged cases were resolved in 2009. In order to catch up on reports that were not done during a vacancy in office, the Ombudsman initiated completion of a special report covering the period July to November 2008 which was tabled on 14 May 2009. Special Reports covering the period 1 August – 31 December 2008 and 1 January – June 2009 are now also being completed.

The LCC met regularly and have established a transparent process for Commission hearings. A major initiative was the utilisation of the Register of Leader’s Interests for the first time since 1978, with over 800 letters sent to leaders in the second half of 2009.

Technical Assistance for strategic planning was also provided to the three accountability agencies during 2009. The resulting plans have helped provide a clearer linkage between planned agency activities and their budgets.

Electoral Commission

There was little progress in improving electoral processes in the Solomon Islands Electoral Commission (SIEC) in 2009. While the indicators show that the 2006 national election was declared ‘free and fair’ in 2008 the lack of movement on reform in SIEC means that this may not be the case in the forthcoming 2010 elections.

Indicator	2008	2009
Widespread acceptance of 2010 National election as free and fair	2006 national election declared free and fair	N/A

This lack of progress can be traced back to factors such as delayed counterpart mobilisation. Part of the delay was also attributed to the increased focus in 2009 on the build-up towards the 2010 election. One positive note within the reform of SIEC was the initiation of the office’s new graduate recruitment program which is based on the Parliamentary Strengthening program’s successful approach. In 2009 the first intake of the program consisted of four new graduates. One additional graduate staff member who started at SIEC in 2008 was also integrated into the program.

National Parliament

A number of positive developments occurred in 2009 in the Parliamentary Strengthening Project. As the indicators show the number of Parliamentary Committee Meetings have continued to increase. This included the first meetings being held outside Honiara. Forty public hearings were held across all nine provinces in 2009. Committee Meetings were also televised in an attempt to promote a broader public understanding of how Parliament functions.

Statistics gathered from the People’s Survey show that less people than in 2008 see the MP’s role as being to assist particular individuals within the electorate in 2009. Associated statistics though show that there is a growing sense amongst Solomon Islands citizens that it is increasingly difficult to access their MPs. This could in turn be attributed to the fact that increased sitting of Parliamentary Committees means that MPs necessarily spent more time in Honiara than they may have in 2008.

Indicator	2008	2009	Progress
No. of Parliamentary Committee Meetings	80	133	↑
Increased community awareness of MP's roles and	66% think MP role to assist individuals in electorate; 37% easy to meet MPs; 39% MP has visited community.	43% think MP role is to assist individuals in electorate, (increase to 55% people who think role is to represent in parliament); 34% easy to meet MPs; 18% MP has visited community	↑↓

Despite these gains the lack of recruitment of a successor to fill the role left vacant in September 2009 by the departure of the Parliamentary Project Manager places the continued development of this program at risk.

Provincial Government

Some progress was made in the Provincial Governance Strengthening Program (PGSP) in 2009. As the indicators show, improved public financial management meant that all nine provincial governments met the minimum conditions and were therefore eligible to access the Provincial Government Capacity Development Funds (PCDF) for 2010-2011. This was an increase on the previous two years where only five and six provinces qualified in the first round respectively.

Indicator	2008	2009	Progress
Percentage of Provincial Government Capacity Development Funds Disbursed.	87% disbursed across 7 provinces.	98.5% disbursed across 9 provinces	↑

This improved capacity of provincial government for financial management can be attributed to PGSP's support for a range of initiative including development and approval of a new Financial Management Ordinance and a standardised accounting software program (MYOB) which was introduced in eight provinces. Western province had already installed other software. As a result of these new reforms provincial accounts in 2009 were up to date and able to be audited for the first time. However, despite these reforms continuing progress in this program is uncertain as there is a lack of any clear SIG policy directive on the role of provincial governments. Similarly, while the absolute level of funds dispersed across the provinces has grown as the provinces have reformed their financial systems the impact of this increased spend on service delivery – which is the overall goal to which these reforms are meant to contribute to in the Partnership Framework – is not expected until later in this ten year program timeframe.

Women in Government

A number of positive developments occurred in 2009 as a result of the Women in Government strategy. The indicators presented do not help us see the positive developments that occurred in this sub-program in 2009. The indicators point to an overall decline in the number of women in Permanent Secretary positions. However, this masks the fact that the actual total number of women in these positions remained constant. Instead, the relative decline can be attributed to the increase in the number of total government agencies between 2008 and 2009 – with no women being appointed to head any of these new agencies. As of the writing of this report data on the percentage of women holding senior and junior Public Service positions in 2009 was not available.

Indicator	2008 (2006)	2009	Progress
No. of women in Public Service senior, middle management and graduate positions.	30% PS 6% senior 60% junior	19% PS 13.9% senior 33.72% junior	↓

The Women's Mentoring Program trained over 80 public, private and community sector participants in 2009. However, the high workload of senior women leaders means that the

mentoring program run under the Women in Government sub-program negatively impacts on their ability to undertake their work. As a result the effectiveness of this program in terms of the broader goal of increasing women's participation at high levels within the public service may be questionable.

A number of Strategic Planning Workshops occurred in 2009 with over 200 women from emerging provincial and Honiara-based women's organisations undertaking this training. In addition to this, the CV database created to identify women to participate in SIG and donor consultations and to be appointed to government boards led to two women being appointed in 2009. The women were appointed to the SIG Economic Advisory Working Group and to the Board of the Central Bank Solomon Islands.

Issues that cut across all pillars

With the advent of the Partnership Framework, and the introduction of a new Independent Experts Team, there is a new approach to reporting in which cross cutting issues will be explored in greater depth in the middle of the year. This means that this first Annual Report has focused mainly on the program areas. Whilst some performance information has been gathered, in general reporting of capacity development, anti-corruption and gender equality is less well developed than that of the programs themselves. This means that it is difficult, in this report, to assess the extent to which performance has improved since the Annual Performance Report 2007/2008.

Capacity Development

The National Development Objective is that *All Ministries and Agencies involved in RAMSI programs have the capacity and capability to sustain their performance after the drawdown of RAMSI of relevant areas.* In the Partnership Framework the two targets supporting this are:

1. a strengthened capability within Ministries, agencies and public servants
2. RAMSI support for capacity development is based on, and contributing to, SI agency plans, accountable to ministry and agency heads, jointly monitored and aligned with the objective of an effective and independent public service

Awareness of capacity development as the main objective of RAMSI support is high. Although a range of methods are used to varying degrees across programs, the main means of developing capacity is still through Technical Assistance (TA). RSIPF and CSSI have successfully reduced the numbers of advisers and SIG staff have demonstrated their capacity by continuing the functions to an acceptable level. In the Law and Justice program, as discussed in the relevant section, the reduction in TA is not an indicator of increased capacity but has rather demonstrated the limited capacity resulting from scarce specialist skills. In Corrections there was early recognition of the inability to recruit and retain well educated candidates so the focus has been on the continuing professional development of existing staff. This has worked very well in operational areas where staff had existing skills which could be upgraded but, in the corporate functions of finance, administration and human resource management where officers were relatively unskilled, it is a longer process to develop capacity to the required standard. However, good progress has been observed by other programs and RSIPF are copying aspects. This indicates that the capacity developed is considered appropriate.

The Foreign Relations Committee Report¹ described the achievements of the Officer of the Auditor-General as 'one of the true successes' of the RAMSI intervention which has done much to improve transparency and accountability in government. However, it went on to note that 'the failure of the Public Accounts Committee of the National Parliament to meet regularly to receive and review the reports should be addressed as a matter of urgency'. This highlights one of the main challenges in developing capacity, that improvement in one part of the system may not be supported in another. RSIPF have noted this in relation to their dependency on the broader SIG system which has left them, at times, unable to respond to incidents. They are also unable to retire a number of officers because of lack of funds at central level for pensions and this limits their potential to recruit new officers.

In the Economic Governance pillar an indicator of capacity development is that all meetings are held within the MOFT structure compared with previously ad hoc meetings between advisers and teams or only between advisers. The performance culture is exemplified by the fact that 95% of staff have completed performance appraisals. There has been increased use short term overseas training and twinning to good effect and there is in house training in the new budget and payroll systems. However, there is still reliance on some advisers for sophisticated policy and strategy ideas and advice because SIG either does not have staff with the skills or they are not yet sufficiently experienced. Overall, the approach to capacity development is increasingly sophisticated with plans providing greater clarity about 'doing' compared with capacity development

Anti-Corruption

The National Development Objective for anti-corruption is: *The establishment of an effective and cohesive approach to address corruption in Solomon Islands*. This is supported by five SIG/RAMSI Targets:

1. Development of the national Anti-corruption Policy (ACP)
2. Establish a permanent Anti-Corruption Taskforce for developing and implementing the ACP and coordinating government anti-corruption efforts
3. SIG becomes a state party to the United Nations Convention Against Corruption (UNCAC)
4. Establish a lead agency on anti-corruption which is independent, effective and responsive
5. In partnership, mainstream anti-corruption across government and SIG programs

Anti-corruption activity spans the range of pillars of RAMSI as it is currently constituted. The signing of a Memorandum of Understanding (MoU) between RAMSI and SIG on an increased anti-corruption focus provided a focal point for those involved in anti-corruption activity to begin to work together more effectively. However, apart from the establishment of the Anti-Corruption Taskforce in 2009 little progress was made against the other four targets. One point of progress was the completion of a feasibility study for the creation of an Independent Commission Against Corruption (ICAC) in Solomon Islands in late 2009 which contributes to the achievement of target four. Another point of progress was the holding of four anti-corruption workshops around the country in late 2009 to raise awareness about the issue of corruption and to undertake public consultations for the development of a national Anti-Corruption policy.

An important ongoing activity within SIG is the meeting of the Integrity Group Forum (IGF). The group consists of senior representatives (often head of agency level) from the following agencies: Leadership Code Commission; Office of the Ombudsman; Office of the Auditor General; Royal

¹ *Report on the Inquiry into the Facilitation of International Assistance Notice 2003 and RAMSI intervention*. NP-Paper No.37/2009, presented on 12 November 2009

Solomon Islands Police Force; Correctional Services Central Bank of Solomon Islands; Office of the Director of Public Prosecutions; and Customs and Excise Division.

The IGF meets every two months to provide a forum where members of the group can meet to share information of mutual interest including upcoming investigations or where possible cooperation and coordination might occur between the participating agencies. One of the key areas of focus of the forum is the increase of information flow between the various agencies. In pursuing this they have encouraged participants to enter into MoUs in order to clarify the relationship and governance of information flows.

Advancing Gender Equality

The National Development Objective is that *SIG policy commitments to gender equality are advanced consistently across government*. It is supported by two targets:

1. SIG agencies have increased capacity to collect sex disaggregated data for HR planning and systematic reporting on training opportunities, recruitment and promotion, and women's participation
2. RAMSI programs SIG partner agencies jointly agree on relevant gender outcomes consistent with SIG policy and indicators for reporting on progress towards them against a 2009 baseline

Where gender disaggregated data is currently being collected it is proving meaningful in terms of demonstrating progress. In RSIPF another woman was promoted to a senior position in 2009 and 7 out of 31 new recruits were women. One of those graduated from the course in the top position. In MoFT, there has been an increase in women on the payroll from 34% in 2008 to 37% in 2009. This is slightly higher than the public service average of 32%. Women constituted half of internal promotions and 45% of new staff. Of advisers, 29% were women.

On the program side there has also been some good progress. In MoFT an equity principle has been included in revised the revised Financial Instructions which will allow auditors to assess the extent to which the use of public funds benefits women and whether projects explicitly consider gender in their design. In Corrections, the new Auki Correctional Centre has 10 separate cell facilities for women.

In the Machinery of Government program 54 women from government, church, community and business trained to mentor women aspiring to leadership positions and a review of the pilot program reported major impacts in their personal and work environment. MoG also assisted the Ministry of Women, Youth and Children in a number of ways: coordinating donor funding for the new Gender Equality and Women's Development Policy; supporting the Ministry's creation of a strategic taskforce for advancing women in parliament which prepared three Cabinet Submissions on reserved seats, Constitutional Reform, and Political Party Reform; training 50 women as potential members of Boards and Commissions and developing a senior women's CV database which was used by the Office of Prime Minister and Cabinet to appoint two women including to the Economic Advisory Board.

In November RAMSI appointed an international Gender Adviser to assist all programs to meet the commitments on gender. This has long been requested and work began in 2009 to do a 'Stocktake' of gender within RAMSI pillars in order to enhance the quality of programming for advancing gender equality.

Monitoring and evaluation

The Partnership Framework states that both SIG and RAMSI are committed to performance measurement and improvement. It contains the objective that *a draft Performance Matrix will be developed jointly to enable joint monitoring of progress towards achieving the targets set out in the Partnership Framework.*

The targets for M&E are:

- Future RAMSI annual reports will seek evidence of progress towards targets set out in the “SIG/RAMSI target” column of the Partnership Framework
- For each agreed target, RAMSI programs will be responsible for identifying, in consultation with SIG partners, the information that will be used to judge whether there has been progress and where the information will come from

An excellent start has been made on these targets in late 2009 and January 2010. A Performance Matrix was developed by the Secretariat which links the National Development Objective and Targets of the Framework with Indicators which were developed by the programs themselves. Given the short space of time to achieve this, and competing pressures of other priorities on the SIG side, the Performance Matrix has proved a valuable way of approaching annual reporting.

The Framework contains a large number of carefully considered targets. Whilst it is important that these are reported against, they are too numerous – more than 180 – to form the basis of the Matrix. Each program therefore developed a set of indicators. In some cases the indicators proved very valuable in that they combined to tell a coherent story. In others, further work is needed to be able to report effectively on performance.

The area which is currently under-developed is the cross-cutting issues. However, the next mission of the IET will focus on the cross-cutting issues and the program teams, in the meantime and with specialist support on capacity development and gender, can consider how they might be able to demonstrate progress.

The new Partnership Framework and the development of the Performance Matrix have marked a significant and positive change in the way RAMSI and SIG work together. It is now clear that the targets are to be achieved jointly and this provides an opportunity to explore, over time, the ways in which each contributes to success or failure and contributes to mutual accountability.

Performance measurement - or monitoring and evaluation - is particularly important in providing the technical information which will enable decision makers to consider the question of exit. The Introduction to the Partnership Framework is clear that, in identifying specific verifiable targets and indicative timeframes for their achievement, the intention is *to reduce RAMSI's engagement as Solomon Islands capacity grows.* This means that the information provided both in routine program monitoring and in these independent annual reviews needs to be oriented to the kind of information that enable such decisions to be made. In some cases, where targets are really achievable and verifiable, decisions relating to exit strategy can potentially be made. In other cases the targets are framed as long term development goals which, whilst admirable as goals, require long term strategies for generational change and are not within the scope of a RAMSI/SIG partnership to achieve.

A finding of this report is that, although there are high level objectives and aspirations as well as many targets which are achievable within the timeframe, there is a ‘missing middle’. This means that the pathway to the higher level objectives and targets is not necessarily spelled out. Where that is

the case it is impossible to know whether or not the various activities being undertaken are actually leading to long term change in the direction of the aspirational objectives or long term targets.