

**NZAID SOLOMON ISLANDS PROGRAMME  
REVIEW  
2003-2008**

**Review prepared for NZAID**

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# EXECUTIVE SUMMARY

## The Desk Review

This review considers impacts and outcomes of the NZAID bilateral programme to the Solomon Islands over 2003-2008, and lessons learned from the programme's implementation. It is based on a rapid assessment of evaluative material and programme documents, supplemented by interviews with programme staff.

Part A of the review report provides a brief summary of the strategic framework for the programme agreed in 2003, the development context for the programme over the review period, and introduces the connections between the programme and the Regional Assistance Mission to the Solomon Islands (RAMSI). Part B looks at the programme's achievements and proposes specific lessons learned for the sectors in which NZAID has been engaged. Part C draws these together into overall lessons learned from 2003-2008. It also discusses the evaluation questions posed in the terms of reference for the review (covering issues of resourcing, relevance, aid modalities; cross-cutting issues, aid effectiveness and the influence of the OECD fragile states pilot on the programme).

## The review period: 2003-2008

In 2003, the Solomon Islands was close to being a failed state. The ethnic conflict had rolled back most of the progress the country had been able to achieve in the twenty years since independence. The Solomon Islands Government was unable to ensure basic services for its people or restore law and order. The deployment of RAMSI brought about a rapid change in the lawlessness, extortion of public monies and breakdown in public institutions which had prevailed before July 2003.

The period under review was one of major change for the Solomon Islands. Alongside this change, the bilateral programme has expanded significantly, reflecting developments on the ground, as well as the evolving policy framework and approaches being taken by NZAID. The story of the bilateral programme to the Solomon Islands over this period encapsulates many of the bold new approaches of New Zealand's new aid agency. The atmosphere within NZAID in 2003 was characterised by a major change in the agency's style of engagement and policy settings. The reorientation in the wider agency carried through into bold new approaches in the Solomon Islands bilateral programme.

## Strategic framework – *Man Talem Duim*

While a focus on poverty was being built into NZAID policy at the time, the strategic framework for the programme focussed on helping the Solomon Islands

Government restore law and order and key functions of government. The vision for the programme set out in *Man Talem Duim* called for NZAID to “empower the government of the Solomon Islands and Solomon Islanders to create an environment conducive for economic recovery and growth, and for addressing basic needs”. Five sector goals covered education, economic governance, law and order, capacity building and sustainable livelihoods. A “strategic approach to poverty elimination” was identified as one of the strategy’s operating principles.

In 2007, the themes of *Man Talem Duim* were reaffirmed in a *Strategy Update*, and three pillars emphasised: improving education, achieving broader-based growth and improving livelihoods; and strengthening governance, law and justice, and civil society.

### Key programme achievements

NZAID has made a consistent commitment to a long-term engagement in the Solomon Islands throughout the review period, which has resulted in a strong development partnership with the Solomon Islands Government, anchored in the relationship built with the Ministry of Education and Human Resource Development (MEHRD). The sector-wide education programme forms the cornerstone of the bilateral programme and has made a substantial contribution to programme goals in getting the education sector back up and running and beginning to improve the quality of education for Solomon Islands children.

Other parts of the programme have also made solid progress towards programme goals, notably support for restoring fiscal and financial stability and for strengthening of the Inland Revenue Division; rebuilding of land transport links under PCERP/SIRIP (some 100km of new roads); improvements to Honiara services under the HCC strengthening project; support for restoring law and order and ensuring progress in hearing tensions trials; and the establishment of crime prevention committees under one of the NGO projects. There has also been progress with exploring rural income opportunities under two sustainable livelihoods projects and in setting up an institutional strengthening programme with the Ministry of Fisheries and Marine Resources.

NZAID has prioritised local leadership and effective capacity building throughout the programme. This has been notably successful within the education programme, where MEHRD has in the last twelve months begun to take the lead in policy development and sectoral coordination. NZAID’s approach of emphasising long-term capacity-building goals over short-term performance gains has been a successful one.

### Key lessons learned

Overall lessons learned from the Solomon Islands programme over the 2003-2008 period are clustered under the following key issues: partnership;

programme management, resourcing and capacity; monitoring and evaluation; and development of sector-wide approaches.

PARTNERSHIP - NZAID's emphasis on multi-donor approaches, direct channels of communication with the Solomon Islands Government and a high profile commitment to long-term engagement have been particularly effective aspects of its engagement. An emphasis on relationship-building and local leadership has been highly effective. Such an approach takes a lot of programme management resources and time, and needs to be planned for from the outset. NZAID staff managed to take this approach during the review period, despite the programme not being resourced for such an intensive style of engagement.

PROGRAMME MANAGEMENT, RESOURCING & CAPACITY - Outside of education, other areas of the programme have not been resourced or in place long enough to see major gains in capacity building or local leadership. These are not the sole goals of the programme, obviously, and in other areas NZAID assistance has emphasised differing approaches such as capacity supplementation to make progress, for example, with the hearing of tension trials. In addition, differing approaches by other partners (an emphasis on in-line advisors, for example), major staffing gaps in counterpart agencies or an absence of local commitment to proposed reform has impacted on capacity and leadership development.

NZAID's management of the programme was under-resourced for much of the review period. This appears to have been due in part to NZAID staff recruitment lagging behind the expansion that has taken place in bilateral allocations for Melanesia, however the following factors also contributed to significant pressure on programme staff and their SIG counterparts:

- the HR resources required to manage a SWAp were significantly underestimated;
- resources absorbed by engagement with RAMSI have consistently exceeded relevant time allocations in operational planning; and
- the fragile state environment also impacted on programme resourcing, particularly with respect to the time and work required to develop and maintain new initiatives, and with respect to difficulty in recruiting and retaining appropriately skilled local staff

Because the increases in programme funding which occurred over the review period were not matched by increased programme management, this had an impact on the time and management resource NZAID had available to dedicate to design and planning of new initiatives. As a result, there appears to be scope for some of the management and reporting arrangements in place for the programme could be strengthened in terms of efficiency (to reduce their transaction burden on NZAID and SI partners) and effectiveness (so they provide more information on impact).

The devastating impact of the ethnic conflict on capacity and capability with the Solomon Islands public service has endured for the entire review period, and extends to big capacity gaps within civil society as well. Elements of the programme would have benefited from a more comprehensive capacity assessment undertaken at the outset, with SIG participation. The widespread nature of the problem suggests it would be useful for donors to consider a coordinated dialogue with SIG on national HRD needs, examining options for strengthening public sector HRD processes, as well as prioritising, sequencing and budgeting the filling of staff gaps, and considering opportunities for donors to support these processes.

**MONITORING & EVALUATION** - Despite very stretched programme management resources, there has been a determined effort to maintain monitoring and evaluation activities. Of particular note are the efforts of staff at post to maintain a thorough oversight of the financial management of the civil society organisations to which NZAID provides core funding (although there appear to be some issues with burdensome management and reporting arrangements here).

But while M&E activities are carried out, there is then a gap. Programme documentation does not make clear how lessons learned from M&E are being fed back into implementation. A range of M&E activities occurred during the review period but there was little information available on how the conclusions from this were shaping subsequent work. Comments from the post do confirm learning is taking place and the programme changing, but as this is not documented, it becomes dependent on the institutional memory of a staff team which is always changing. This suggests that NZAID is not adequately resourcing the programme team to complete these M&E activities and/or not providing effective, efficient programme tools to use (in documenting the link between M&E work and subsequent programme change).

Current arrangements for managing civil society projects produce little information on the impact of NZAID's assistance. This needs to be taken into account in considering how management of these projects could be strengthened.

**SECTOR-WIDE APPROACHES** - The experience in developing a sector-wide approach in the Solomon Islands education sector has provided many lessons for future SWAp work by NZAID. These are set out in detail in the education section of Part B. Key lessons were:

- prioritise relationship-building and local leadership
- a consistent, high-profile commitment to long-term engagement encourages local commitment

- be willing to sacrifice short-term performance gains in favour of longer term progress with local leadership and capacity building
- undertake a comprehensive capacity assessment at the beginning
- be aware that considerable programme management resources will be required, and that expenditure tends to be slow to start\
- the fundamentals of financial management and accounting for funds are critical



## PART A: INTRODUCTION

### Desk Review

1. This document is the result of a desk review of NZAID's bilateral programme to the Solomon Islands during 2003-2008. The desk review is required to identify impacts and outcomes of the programme, and lessons learned from its implementation. The Desk Review Report will inform development of a new ten-year country strategy for NZAID's Solomon Islands programme.
2. The conclusions of the desk review are based on a rapid assessment of programme documents and evaluative material, supplemented by interviews with programme staff, past and present. In-country consultations have not been undertaken, although the draft Desk Review will be discussed in-country by the team developing the new country programme strategy. NZAID will also consider options for obtaining the views of Solomon Islands Government (SIG) officials who have been involved in the programme during the period under review.
3. The review report focuses on impacts and outcomes of the 2003-2008 bilateral programme and identifies lessons for the new country strategy. The review describes the environment in which the bilateral programme was rebuilt and expanded over 2003-2008, including the evolving NZAID policy framework, the development context within the Solomon Islands, and NZAID resourcing. It describes how the areas in which NZAID assistance has made a difference, what interventions have worked well, and those that have not worked so well.
4. The programme review section is structured according to the five specific sector goals of *Man Talem Duim*, NZAID's Solomon Islands programme strategy agreed at the outset of the review period.. This section flags any unintended outcomes of the programme (positive or negative) and identifies lessons for the subsequent strategy. It then discusses programme resourcing, aid modalities used, relevance of the programme, integration of cross-cutting issues and implementation of the Paris principles on aid effectiveness, the 'do no harm' principle, and fragile states principles.
5. Annexes to the report include additional information on: the Solomon Islands conflict which preceded the period under review; the Regional Assistance Mission to the Solomon Islands (RAMSI); and the education sector wide programme. Also included in the annexes are two timelines, one of key events and programme developments during the review period, and the second setting out in detail programme activities, including their management arrangements. Finally, the annexes include a chronological overview of the rebuilding and expansion of the bilateral programme over the 2003-2008 period.

## Solomon Islands in 2003

6. (The first annex of this report describes more fully the development context in the Solomon Islands immediately prior to the period under review,)

7. 2003 assessments note that the Solomon Islands was close to being a failed state. The Government's 2004 Millennium Development Goals report assessed that "*(w)hilst much progress has been made over the years in improving people's lives, the ethnic conflict disrupted, halted and rolled back much of that progress*".<sup>1</sup> The prolonged period of lawlessness which followed the 'tensions' was characterised by violent crime, extortion of public monies and a breakdown in virtually all institutions of government, continuing the downward spiral of increasing hardship for Solomon Islanders.

8. Prior to the conflict, the Solomon Islands economy was characterised by macroeconomic instability but the tensions managed to worsen this situation substantially, bringing virtually all economic activity to a standstill and provoking the departure of many foreign investors.<sup>2</sup> Real GDP and GDP per capita fell every year from 1999 until 2003, with the largest drop (of some 14%) occurring in 2000.<sup>3</sup>

9. By early 2003, the NZAID programme had contracted significantly to a set of small-scale projects in the fields of education, assistance to the police, private sector development and support for civil society. There were few functional government departments with which donors could effectively work, as public servants had returned home to their villages to escape the violence and departments had had their operational budgets looted. The Government was unable to ensure even basic health and education services for its people. The Prime Minister had stopped leaving his home, because of the threats against him. The two remaining banks were considering closing.

10. In early 2003, Prime Minister Kemakeza determined that law and order could not be restored to the Solomon Islands without outside assistance.

## RAMSI

11. (Annex 2 sets out a fuller description of events leading up to the deployment of RAMS1 and the subsequent nature of the mission.)

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<sup>1</sup> Solomon Islands Government/UNDP, 2004. Solomon Islands Millennium Development Goals Report: Scoring Fundamental Goals. Honiara: Department of National Reform and Planning/UN Country Team for the Solomon Islands, page 10.

<sup>2</sup> See Clarke et al, 2003: Man Talem Duim: Strategic Framework: NZ-Solomon Islands Bilateral Development Cooperation Programme 2003-2006. NZAID 2003. The review team notes that GDP dropped by approximately 30% as a result of the closures of key firms such as Solomon Islands Plantation Ltd, the Gold Ridge mine, Solomon Taiyo and the collapse of the copra marketing authority.

<sup>3</sup> Solomon Islands Government, 2003. NERRDP. Op cit, page 23.

12. In April 2003, Prime Minister Kemakeza wrote to the Australian Prime Minister, John Howard, seeking assistance with the restoration of law and order in the Solomon Islands. Following intensive bilateral (A/NZ) and regional discussions, the Australian Cabinet in June authorised deployment of Australian resources to support a regional mission. Later the same month Forum Foreign Ministers meeting in Sydney agreed on the need for a concerted regional response to the situation in the Solomon Islands, as envisaged by the Biketawa Declaration.<sup>4</sup>

13. On 7 July, the Solomon Islands Parliament passed the Facilitation of International Assistance Act, providing the legal basis for deployment of foreign troops and officials, and, on the same day, the New Zealand Cabinet agreed in principle that New Zealand should participate, and contribute NZODA, police and military resources. New Zealand ministers announced this decision on 15 July and just under ten days later, on 24 July, the Regional Assistance Mission to the Solomon Islands (RAMSI) was deployed in Honiara.

14. New Zealand's initial contribution comprised defence assets, defence personnel, police and NZODA of up to \$14 million. The original military contribution was a detachment of four Iroquois helicopters plus staff officers based at RAMSI headquarters. This was joined by an infantry platoon later in 2003, bringing the number of New Zealand military personnel with RAMSI to 222. RAMSI's military component peaked at 1,700 in 2003, before being drawn-down to around 650 personnel. Around 35 New Zealand Police have been deployed with RAMSI's Participating Police Force (PPF) at any one time, working alongside Royal Solomon Islands Police counterparts. A New Zealand Police office has also filled the role of Deputy Commissioner of Police with the RSIP.

15. The change brought about by the arrival of these considerable resources was felt literally overnight in Honiara, and rapidly spread out to the provinces. The lawless *status quo*, during which public monies were regularly extorted at gunpoint, experienced a quantum change. A climate of security was established in Honiara and in key areas such as the Weathercoast of Guadalcanal province and Malaita province. 15 police posts were set up in eight of the nine provinces. A weapons amnesty, which concluded in August 2003, brought 3,680 weapons under RAMSI control. Ex-militants and the 'warlord' Harold Keke were captured or surrendered, and restoration of a functioning justice system began.

16. Australian advisors appointed to key positions in the Treasury, Finance Ministry and Inland Revenue Department were able to halt the constant drain of public monies that had been facilitated by the breakdown of accountability systems.

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<sup>4</sup> Forum Leaders meeting in Kiribati in 2000 had agreed that in the event of crisis in the region, action would be taken "within the Pacific family".

17. The initial vision for RAMSI was that it would enforce a “security pause”, which would enable systems of government to begin functioning again and provide an environment in which development cooperation could go ahead. This was a resounding success.

18. New Zealand has played a substantial role in RAMSI from the time of its deployment through to the present day, and has been active in RAMSI’s central planning processes, including filling the RAMSI Deputy Coordinator position. NZAID has been active in ‘New Zealand Inc’ contributions to and dialogue on RAMSI. NZAID, with other departments, participated in discussions on the transition from RAMSI’s initial security phase to the second, more complex civilian state-building work, and has emphasised throughout the importance of RAMSI and development partners focussing on transferring skills and ownership of RAMSI-initiated reforms and processes to Solomon Islanders. Subsequently, NZAID has contributed to the development of RAMSI’s performance and capacity development frameworks. NZAID participates in RAMSI’s Performance Assessment Working Group and is represented in the Annual Planning Meetings.

19. Direct NZAID funding assistance initially contributed to RAMSI law and justice and accountability work. A TA was deployed to the Economic Reform Unit set up by RAMSI towards the end of 2004 and other assistance was provided for RAMSI’s Machinery of Government programme, including support for the Auditor-General’s office and Statistics office, and the Customs Service.

## Development context 2003-2008

20. The deployment of RAMSI restored law and order and some political stability, although both would remain fragile over the whole review period. RAMSI provided a secure environment in which aid practitioners could safely work and was also a key tool by which New Zealand engaged in the Solomon Islands over the review period, providing the framework within which support for several of NZAID’s strategic goals was delivered – namely law and justice and economic governance. The initial phase of RAMSI was completed by mid-2004 and a second, more complex phase begun, during which RAMSI attention turned to civilian state-building activities, including its machinery of government programme, as well as further work on economic governance and law and justice.

21. Prime Minister Kemakeza became the Solomon Islands’ first prime minister to complete a full term in office when Parliament was dissolved in December 2005, in preparation for national elections. The election of Snyder Rini as Prime Minister in April 2006 was the catalyst for rioting and unrest that led to massive destruction of property in Honiara. Rini subsequently resigned and was replaced by Manasseh Sogavare. Difficulties in the relationship between Prime Minister Sogavare and the major donors, particularly Australia (and, by

extension, RAMSI) also affected New Zealand, slackening progress in programme implementation.

22. Programme progress was further affected by the April 2007 earthquake and tsunami which struck the Western and Choiseul provinces. Significant programme team time was dedicated to assisting with the coordination of the relief effort and developing rehabilitation and recovery programmes.

23. A vote of no-confidence in December 2007 led to the election of a new government, led by (former Permanent Secretary of Education) Derek Sikua, who pledged the commitment of his Coalition of National Unity and Rural Advancement (CNURA) to stronger bilateral ties with development partners and the preparation of a national development strategy. It is now 18 months until the next scheduled election.

## NZAID Programme Strategy

24. In 2003, following the deployment of RAMSI, NZAID responded quickly with work on a new strategy framework for the bilateral programme. The same month in which RAMSI was deployed, NZAID submitted a short strategy document to the Solomon Islands Government setting out the key areas in which NZAID proposed to assist. This document, named *Man Talem Duim* after the 2002 Strategy Study on which it was based, was endorsed by the Solomon Islands Government and approved by New Zealand Ministers in August 2003.

25. *Man Talem Duim* (MTD) was produced at a time of considerable uncertainty. RAMSI had just been deployed, securing rapid change in the law and order situation and within key institutions of government. In May 2003, when urgent pre-RAMSI discussions were beginning, NZAID took a decision to delay finalising the country strategy, pending the outcome of the Multi-Donor Economic Governance Mission meeting with the Solomon Islands Government. Presumably, it was also clear by this time that events were moving fast and committing something to paper in May could well be redundant by June or July. When the Strategy was finalised, in August, it did not include a direct reference to RAMSI's mandate. However the bilateral programme was clearly dependent on RAMSI to secure the environment for aid so in addition to referring to NERDP<sup>5</sup>, NZAID policy and the MDEGM, it also notes that the strategy should be read in conjunction with the SAP (the strengthened assistance programme, i.e., RAMSI).<sup>6</sup>

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<sup>5</sup> The Solomon Islands Government National Economic Recovery and Development Plan (NERDP).

<sup>6</sup> While NZAID retained provision in the bilateral programme for support for a multi-donor economic governance process, the MDEGM process was overtaken in the end by RAMSI's economic governance work.

26. The 2002 *Man Talem Duim* Strategy Study recommended support for a programme of support to the education sector, including responding to immediate needs (for example short-term grants to keep primary schools open). A rural development programme and governance programme was also recommended, alongside support for education.

VISION To empower the government of the Solomon Islands and Solomon Islanders to create an environment conducive for economic recovery and growth, and for addressing basic needs.

27. This vision has a strong emphasis on economic growth – subsequent NZAID policy documents such as the Pacific Strategy emphasise the reduction of poverty and hardship, and set support for broad-based growth and sustainable livelihoods alongside support for education and health, governance and reducing vulnerability.

28. Five sector goals were identified in *Man Talem Duim*:

EDUCATION Support SIG to achieve universal primary education for all children and eliminate gender disparity at all levels of education by 2015  
ECONOMIC GOVERNANCE Assist SIG to restore fiscal and financial stability, reform the public sector & rebuild infrastructure required to support the productive sector  
LAW AND ORDER Support SIG to restore the rule of law & normalise the law and order and security situation  
CAPACITY BUILDING Provide SIG with flexible resources to identify the human resource needs of the country & develop initiatives to build the necessary capacity  
SUSTAINABLE LIVELIHOODS Support SIG to revitalise productive sectors of the economy including development of sustainable & rural livelihood opportunities.

29. Neither MTD nor other programme documents of the time considered the division of responsibilities between the bilateral aid programme and the work programme of RAMSI. For both the AusAID and NZAID bilateral programmes differences of opinion and/or confusion as to what RAMSI was responsible for, and what was purely a bilateral initiative, would continue throughout the 2003-2008 period. . But what was clear at the time, and remains obvious now, is that the RAMSI intervention was essential to establishing a situation in which development cooperation could safely and effectively take place. In addition, RAMSI-run programmes provided for means by which NZAID supported several of its strategic goals, particularly economic governance and law and order. Additionally, RAMSI work on central government institutions, particularly in the field of financial management, was one of the key factors enabling NZAID's approach in the education sector.

30. The anticipated timeframe for *Man Talem Duim* was 2003-2006. In 2006, NZAID did not have any new funding planned and there was limited interest and capacity within SIG at the time to engage in a full revision of the Strategy. During 2007 the Solomon Islands Programme Team developed the 'Strategy Update' which was intended to clarify NZAID's current work and to guide any developments to the programme over the coming period. It was also seen as an update and reaffirmation of the themes contained in *Man Talem Duim* and translated MTD's vision into three prioritised areas, set out below. Whereas *Man Talem Duim* set out specific sector goals for economic governance, law and order and capacity building, most activities under these headings were consolidated under *Strengthening Governance, Law & Justice, Civil Society* in the Update.

IMPROVING EDUCATION achieve universal primary education for all Solomon Island children and eliminating gender disparity at all levels of education by 2015 ACHIEVING BROADER-BASED GROWTH & IMPROVING LIVELIHOODS promote broad-based economic development through improved infrastructure, sustainable fisheries management and rural income generation STRENGTHENING GOVERNANCE, LAW & JUSTICE, CIVIL SOCIETY improve provision & demand for good governance, access to justice & strengthened civil society
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31. Over the latter part of the review period, it appears that the detailed strategic planning and performance framework of the RAMSI programme has replaced the need for specific objectives within the NZAID programme for some activities still funded by the bilateral programme. For example, the programme provides approximately \$6 million in funding to RAMSI's Participating Police Force programme, in support of New Zealand police seconded to RAMSI. It is also working on a substantial new programme of support for the Inland Revenue Division and has continued to fund assistance to RAMSI's Economic Reform Unit (although this may be under review). It would be inefficient to duplicate the system of objectives and monitoring set up RAMSI's Performance Framework, but would be useful for NZAID strategic planning to specify linkages between the programme and RAMSI objectives, and the specific goals NZAID intends to support. It would also be useful to clarify the distinct ways in which NZAID's new strategy will emphasise different priorities, compared to those of RAMSI. RAMSI's overarching goal is:

A peaceful, well-governed and prosperous Solomon Islands
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32. While NZAID would obviously support those objectives, its engagement will be importantly shaped by the poverty and hardship lens which it applies to all of its programmes.

33. The Strategy Update was considered a very helpful exercise by the programme team and proved a very useful document for NZAID to be able to

better articulate the focal areas in which they were working. Prior to the preparation of the Strategy Update, NZAID had begun working with other donors and the OECD on analytical work with respect to assistance to 'fragile states', and programme documentation reflects the thinking of this work. NZAID considered that the programme focus on basic education, broad-based economic development, and governance were well-aligned to tackling the root causes of conflict in the Solomon Islands, which was seen as related to land, competition for resources and power, unsustainable development and limited economic opportunities as a result of poor education. As well as fragile states thinking, preparation of the Strategy Update also factored in the principles of the Paris Declaration on Aid Effectiveness.

## PROGRAMME OVERVIEW & KEY THEMES

34. Annex 5 to this report sets out a chronological overview of development of the bilateral programme during the 2003-2008 period, flagging key changes to the programme, the political context and developments in programme management.

35. In 2003, the beginning of this review period, NZAID's programme allocation for the Solomon Islands was NZ\$8 million. There had been no agreed country strategy since 2000, when the programme had contracted significantly, following the coup, to a range of small-scale projects<sup>7</sup> in the fields of education (principally scholarships and the Teachers' College), assistance to the police, private sector development (the Small Business Centre) and assistance to civil society (basic needs and conflict resolution). Five years later, in 2008, the Solomon Islands programme is NZAID's largest bilateral aid programme, with an allocation of \$27 million. Just under half of the programme budget for the 2008/09 financial year will be allocated to the sector-wide approach to education, implemented with the SIG and EU.

### Agency change

36. As an agency, NZAID has undergone major change over this review period. At the beginning of 2003, the new agency was only six months old and deeply engaged in a major work programme to map out new policies and ways of working. The policy development process was bringing in new approaches and thinking, as was the recruitment of new staff, many development professionals. The OECD DAC 2005 review of New Zealand development cooperation notes the agency's deliberate recruitment of staff with sector-wide approach and poverty reduction experience, to strengthen agency capability in these areas.<sup>8</sup> The combined effect of new staff and new policy was to strongly influence the

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<sup>7</sup> Approximately NZ\$300,000 allocated for the Police Project; approximately NZ\$250,000 allocated for tertiary scholarships; all other projects considerably smaller, e.g. SICHE \$97, 400; SISBEC \$80,000.

<sup>8</sup> OECD (2005). DAC Peer Review of New Zealand. Paris, OECD, page 72.



bilateral programme to the Solomon Islands. The story of the Solomon Islands bilateral programme over this period encapsulates many of the bold new approaches of New Zealand's new aid agency.

### Development change

A number of factors appear to have shaped the very new approach taken in the Solomons Islands. One was how far the Solomons had fallen. One staff member interviewed for this review noted that what took place in the Solomon Islands from the beginning of the conflict to just prior to RAMSI's arrival was development change of a degree never before experienced by NZAID, or its predecessor DEV. This development change was particularly intense during the post-conflict tensions. In a very short period, the country went backwards over almost all of its post-independence 20-year development. Every single government agency and office was affected and many public servants fled the capital to escape the violence. The aid programme contracted to a collection of small projects with little government-to-government contact. The situation had deteriorated to such a degree that substantial external assistance was required – both financial and human resource.

### New policies & staff

37. Another key factor was the new policy approach being developed within NZAID, which reflected international developments as well as the outcomes of the review<sup>9</sup> which initiated the separation of the aid role from a division within the Ministry of Foreign Affairs and Trade to a semi-autonomous agency, NZAID. The new policy approaches prompted by this review set the framework for rebuilding the bilateral programme in the Solomon Islands. The atmosphere within NZAID at the time was characterised by a major change in the agency's style of engagement and policy settings. The radical reorientation in the wider agency carried through into bold new approaches in the Solomon Islands bilateral programme.

38. Trying out new approaches which the agency had not, at that time, tested anywhere else did mean that initial planning for some activities substantially underestimated the staff resources that would be required, or realistic timeframes for implementation. The momentum of the programme was pushed along rapidly by an ever-increasing programme budget. A regular pattern emerges during the review period of launching into new areas with programme funding in place but no new staff resources, as well as time-lags in the development of programme and financial management systems. Short-staffing on the NZAID side was generally matched by gaps in personnel or capacity on the Solomon Islands side, both within government and civil society counterparts. Capacity gaps (both

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<sup>9</sup> Ministerial Review (2001). Towards Excellence in Aid Delivery – a review of New Zealand's ODA Programme. Report of the Ministerial Review Team. Wellington, March 2001.

systems and people) on both sides were particularly intense for within the education sector during development of the sector-wide approach.

### Resourcing pressures

39. The pressure caused by substantial programme funding increases and inadequate programme management resources intensified in 2005. During this year, NZAID was examining new areas in which to assist, including within the expanding RAMSI work programme, but it was clear from the beginning of this year that additional programme management resources would not be available until the end of the year. There was just one NZAID Manager in Honiara throughout this time, and frequent gaps in local staffing. The capacity issues which have affected the Solomon Islands public service and other organisations have also impacted on the ability of NZAID to recruit experienced local staff to support the seconded managers. A second NZAID Manager in Honiara was planned for the end of 2005, but was not fielded under mid-2006. The 2005 OECD DAC review noted that NZAID faced difficulties in ensuring adequate field capacity<sup>10</sup>, a situation that was definitely the case for the Solomon Islands programme.

40. While the DAC review noted the innovative use of a 'virtual team' for managing the programme and facilitating decision-making, it was also the case that programme resources (people and systems) in Wellington were stretched as well, with only one Programme Manager up until 2006, when an additional Manager was added. The Solomon Islands programme team now comprises a dedicated Team Leader, two Programme Managers, a Programme Officer and a part-time administrator, and a Country Manager is to be added to the staff of the post. Notably, there is still considerable systems development work being done.

41. Compounding the capacity issues, when rebuilding of the bilateral programme started, the people with whom NZAID was working in the Solomon Islands had all, without exception, been personally affected in one way or another by the conflict<sup>11</sup>. They were completely unused to a situation in which operational funds were available, indeed, plentiful. And they (like NZAID) had no direct experience of the new development modalities being set up. Not surprisingly, it took some time for everyone to get used to the new way of working. The process of learning and implementing new modalities together has resulted in a strong development partnership between NZAID and SIG.

42. The somewhat unplanned nature of the expanding programme is reflected in the annual Forward Aid Programmes (FAPs) which set out allocations for individual activities. Until the 2007 Strategy Update was finalised, annual FAPs were not structured according to the goals of *Man Talem Duim* but used a variety of sector headings, some of which (Machinery of Government, for example)

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<sup>10</sup> OECD (2005), op cit, page 66.

<sup>11</sup> Observation by programme staff.

reflect the close links between the bilateral programme and RAMSI mechanisms for assistance. Some activities also migrated between FAP headings. Once the 2007 Strategy Update was finalised, however, activities were consolidated under three FAP headings which directly reflected the Update's strategic goals, underlining the role the Strategy Update played in clarifying the key areas of NZAID effort.

43. New Zealand had long supported the education sector in the Solomon Islands. Like bilateral programmes in the wider Pacific region, this support had emphasised funding for tertiary education. But in 2002, when the new agency was mapping out its policy agenda, the international consensus had shifted in favour of basic education<sup>12</sup>. NZAID's new education policy, *Achieving Education for All*, was not published until March 2004, but an emphasis on promoting Universal Basic Education and the EFA goals permeated agency thinking much earlier. *Man Talem Duim* states that New Zealand will be "a key donor of the education sector". By the end of 2003, the country strategy was being interpreted as committing New Zealand to being "a lead donor"<sup>13</sup> in education, an example of how the scale of New Zealand's assistance was evolving. In 2008, the Solomon Islands Government has asked NZAID to officially assume the role of lead donor in the education sector.

44. New Zealand announced its support for the Education Sector Investment and Reform Programme (ESIRP) at a donor conference in November 2003. Substantial work was done over the final months of 2003 on ESIRP work programmes for 2004 and a work programme for 2004 was signed in January 2004. Education was the primary focus of programme staff and resources through 2003-2004. In 2005, as additional programme funding was allocated, planning began on widening the sectoral spread of the programme. Discussions began on potential support to the rebuilding of land transport infrastructure, in order to support economic development and an institutional strengthening project on marine resources was begun. In addition, from 2005 diverse activities in support of law and justice, capacity building and machinery of government were being consolidated under the governance heading and, in some cases, received additional funding.

Solomon Islands bilateral programme 2003-2008		
YEAR	BUDGETED	ACTUAL SPEND
2003/04	\$14 million	\$13.62
2004/05	\$16 million	\$10.781
2005/06	\$18.1 million <sup>14</sup> [1]	\$17.056
2006/07	\$18.1 million	\$22.101

<sup>12</sup> The international consensus as expressed in documents such as the Millennium Development Declaration and the Education for All (EFA) Goals agreed in the 2000 Dakar Framework for Action.

<sup>13</sup> MFAT (2003) *Briefing for the Prime Minister's visit to the Solomon Islands*. September 2003.

2007/08	\$25 million <sup>15</sup> [2] 31 – needs to include police	\$21.093 (est.) – need to add police spend
2008/09	\$33 <sup>16</sup> include police	Current year

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<sup>16</sup> \$25 million programme funding + \$6 million allocation to cover DAC-able costs of the Police deployment with RAMSI.

## PART B: PROGRAMME REVIEW

45. This section of the Review Report considers impacts and outcomes of the 2003-2008 bilateral programme and identifies lessons for the new country strategy. It focuses on identifying the areas in which NZAID assistance has made a difference, and on describing what interventions have worked well as well as those that have not worked so well.

46. The section on impacts and outcomes is structured according to the five specific sector goals identified in *Man Talem Duim*: education; economic governance; law and order; capacity building; civil society & civic education; and growth and livelihoods. Each section includes a summary of review and evaluation material on activities funded by NZAID within the sector. Conclusions follow, which set out key findings with respect to impact and outcomes, and lessons learned for the subsequent strategy.

47. Activities in support of *Man Talem Duim*'s goal for economic governance, law and order and capacity building were generally consolidated under the Strengthening Governance goal of the Strategy Update, with the exception of capacity building work in the fisheries sector, which was included under Growth and Livelihoods. This section also flags any unintended outcomes of the programme (positive or negative) and identifies lessons for the subsequent strategy.

48. The programme review section then discusses programme resourcing, aid modalities used, relevance of the programme, integration of cross-cutting issues and implementation of the Paris principles on aid effectiveness, the 'do no harm' principle, and fragile states principles.

49. The overarching vision of the 2003 Country Strategy was "*to empower the Government of the Solomon Islands and Solomon Islanders to create an environment conducive for economic recovery and growth, and for addressing basic social needs*". The 2007 Strategy Update did not attempt to revise this vision, but confirmed the three focal areas for the programme which had evolved during 2003-2006, and revised the objectives set for promoting growth and governance (the education objective remained the same as that set in 2003).

50. In assessing the impact and outcomes of the bilateral programme over 2003-2008, it is important to recognise that in 2003 the Solomon Islands was close to being a failed state. Accordingly, much of the period under review needs to be seen as a rebuilding phase. Nonetheless, many achievements can be identified over the period. Both NZAID and the three SIGOV administrations with which it has worked over 2003-2008 (but particularly the current government of Prime Minister Sikua) have been conscious of the importance of demonstrating progress, in order to maintain commitment and motivation within local partners.

51. It also needs to be recalled that the period under review was one of enormous programme expansion but limited staff expansion. Considerable time and effort was being devoted to analysing and discussing new initiatives, for which there was scarce resources to implement, let alone look at monitoring and evaluation.

52. Current international thinking on post-conflict or fragile states suggests that it can take, on average, 56 years for a country to move beyond fragile state status. NZAID has been conscious of the need for a long-haul commitment during the review period and much of the work during this period has aimed to lay the foundations for longer-term goals.

## EDUCATION

*Man Talem Duim Goal:*

Support SIGOV to achieve universal primary education for all children and to eliminate gender disparity at all levels of education by 2015.
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### Summary of review materials

53. During the initial years of the review period, NZAID strongly prioritised assistance to this sector (*"if it wasn't education, then we didn't do it"* was the comment of a staff member at the time). While the programme has now diversified considerably, assistance to education by means of a sector-wide approach remains a critical component of the programme.

54. The objective for assistance to education in both *Man Talem Duim* and the 2007 Strategy Update has remained the same, reflecting the fact NZAID's strategic objectives in this area were aligned to the Education Strategic Plan 2004-2006 (and its successors, the National Education Action Plan 2007-2009 and the Education Strategic Framework 2007-2015) of the Solomon Islands Government. The objective set is long-term – the timeframe for its expected achievement is well beyond the timeframe for the strategy - and its achievement is obviously not entirely within NZAID's control- reflecting NZAID's approach of working in partnership with the Solomon Islands Government and other donors, over the long-term, in support of national development goals which reflect the MDGs.

55. The Strategy Update also includes more specific description of the focus of NZAID assistance: "Improving Basic Education". NZAID's work in the education field over the review period has been focussed on rebuilding and reforming basic education, led by the Ministry of Education, with a view to long-term achievement of the strategic objective.

56. The Solomon Islands Ministry of Education and Human Resource Development (MEHRD) Annual Report for 2002<sup>17</sup> painted a bleak picture. It noted many children were denied their right to education and the Ministry was unable to carry out activities planned in the Education Strategic Plan, because of the Government's financial position. Urgent assistance by donors, including NZAID, during 2003 saved a system in danger of complete collapse.

## ESIRP Phase I

57. The Education Sector Investment and Reform Programme (ESIRP) was established in 2004, and right from its earliest years, sought to establish a completely new approach, founded in strong relationships and dialogue right across the sector. The ESIRP was based on the principles of a sector-wide approach, with the key characteristics being the existence of a government owned sector-wide strategy, alignment of the key sector donors (namely EU and NZAID) to that strategy, commitment by donors to align with SIG procurement and financial management systems and to engage in joint monitoring, review and reporting mechanisms where ever possible, and for SIG to be in the "driver's seat" in terms of implementation, policy development priority setting, resource allocation and other key decision making processes. In being "sector-wide" there was also an important recognition of the need for 'whole of government' engagement and support (in particular Ministries of Finance and Public Service) and the need to include civil society stakeholders. It is important to note that "ESIRP" was essentially just the 'name' used to describe this particular way of working adopted by SIG, NZAID and EU – rather than a label for donor-designed development intervention as is usually referred to be the term "programme". Over time the term ESIRP has been increasingly supplanted by reference to SIG's National Education Action Plan (NEAP) and the general term of sector-wide programme instead, which better reflects the reality of what donor funding is being directed by and towards.

58. Education Sector Coordinating Committees took place from the first year of the ESIRP, and involved large numbers of stakeholders. NZAID placed the highest priority on a strong, direct relationship with MEHRD, based on daily contact and regular meetings between the NZAID Manager in NZHC Honiara, plus regular visits from NZAID staff in Wellington. While there was some pressure, including from within NZAID, for MEHRD resources to be bolstered by significantly more externally-recruited technical assistance, this was resisted on the basis that it would undermine the partnership relationship, undermine the confidence of MEHRD staff, and be detrimental to the primary goal of growing SIG capacity to manage the sector itself.

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<sup>17</sup> SIG (2002). Annual Report. Planning & Implementation Unit, Ministry of Education; Honiara.

## ESIRP I Mid Term Review

59. The first phase of ESIRP had dual objectives: rehabilitating and reforming the education system. The immediate goal was to restore and then maintain delivery of education services at the levels prior to the tensions, during which time the sector had almost collapsed, with longer-term goals to provide equitable access of quality basic education for all children. From the early years of the programme, it was clear that the rebuilding element had been significantly underestimated and that goals set were too ambitious given the rebuilding required, the level of capacity within the sector (within MEHRD, the other key SIG Ministries, Education Authorities and schools) and limitations on NZAID and EU human resource. The July 2005 Mid Term Review<sup>18</sup> suggested that “*NZAID has not had enough time to engage effectively with MEHRD. The original staffing allocation was not filled, additional responsibilities were added to the Post and there was too little appreciation of the multitude of tasks needing attention. This has limited the flow of high quality information between MEHRD and NZAID.*”<sup>19</sup>

60. The Mid Term Review concluded that SIG capacity for implementing the programme was not properly assessed before implementation got underway and, also, that various important constraints on implementation (such as geography, demographics and the demoralised teaching service) were underestimated<sup>20</sup>. NZAID was aware that the objectives set in the early years of the education programme were fairly ambitious, but took the view that it was important to support the locally-agreed Strategic Plan for education and demonstrate in practical terms confidence in MEHRD, with both partners gaining over time a more realistic appreciation of what could be done with the time and resources available.

61. Despite the ambitious goals and lack of capacity, substantial progress was achieved in the programme’s early years.

62. The Mid Term Review found that, while it was too soon to be able to assess what impact ESIRP was having on access to and equity in education, there had been big progress with improving education quality and institutional strengthening. The Review found that the Solomon Islands Government had been put firmly in the driving seat and an ESCC meeting later in 2005 noted MEHRD’s growing confidence in engaging in policy dialogue, planning and reporting.

63. The Mid Term Review sets out a significant list of achievements for the SWAp, including: curriculum review and reform underway (some new materials being printed and other texts under revision); introductory teacher training

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<sup>18</sup> Griffith, Schultz & Wilson (2005). Mid Term Review of NZAID’s Support to the Solomon Islands Education Sector Investment and Reform Programme (ESIRP). Wellington, NZAID.

<sup>19</sup> Ibid, page 18.

<sup>20</sup> Ibid, page 17.



underway; primary payroll reform underway; tenders for infrastructure work underway; provincial education plans being worked on; and SICHE (the Teacher's College) operating with 609 new teachers expected to graduate that year. The key word here is "underway" – MEHRD's Annual Report for 2005 confirmed the assessment of the Mid Term Review, that Phase 1 ESIRP work programme targets were too ambitious, that many activities were implemented but few successfully concluded, and that both NZAID and EC budget support funds were significantly underspent<sup>21</sup>.

64. The Mid Term Review confirms that a huge work programme had been set in motion by 2005, but a stocktake<sup>22</sup> of the Education Strategic Plan carried out a year after ESIRP's Mid Term Review found only 15% of the 267 individual activities mandated by the Strategic Plan had met milestones set for them. The stocktake identified limited capacity as a major impediment to timely and efficient implementation of the ESP, and noted delays in public service recruitment were seen as the major contributing factor for limited capacity.<sup>23</sup>

65. It should also be noted that there is often a trade-off between performance and capacity building during the short- to medium-term phases of a development intervention, with the longer-term, sustainability-oriented goals of capacity-building often typically being set aside in favour of achieving short-term outcomes. This was not the approach of the education SWAp, which could perhaps have achieved more in the short term with the insertion of external TA in greater numbers, but likely at the expense of longer-term sustainability, ownership, and potentially relevance of the outputs delivered.

## ESIRP I Progress Review

66. ESIRP Phase 1 was due to conclude at the end of 2006, and a Progress Review<sup>24</sup> of this phase was conducted in October of that year. This found that many of the expected benefits of the SWAp were already being realised but that significant constraints to progress remained.

67. In terms of SWAp benefits, the Progress Review assessed that there had been:

- Significant progress in encouraging country-driven leadership in the sector;
- Encouragement of result-oriented planning and budgeting;
- More predictable and transparent external funding for the sector; and

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<sup>21</sup> Grinstead (2006). *Progress Review of ESIRP Phase 1*. Wellington, NZAID, page 11.

<sup>22</sup> SIG (2006). *Stock Take Analysis of the Education Strategic Plan 2004-2006*. May 2006, MEHRD, Honiara. The Stock Take Analysis was prepared for the consideration of ESIRP's Monitoring & Evaluation Technical Committee.

<sup>23</sup> Ibid, page 8.

<sup>24</sup> Grinstead, op cit.

→ A clear increase in capacity within MEHRD.

68. The Review implies more limited impact in other areas however. Greater coordination of development partners was limited to NZAID and the EC (and even then the EC was maintaining some specific management processes outside of the ESIRP anyway), with at least six other donors active in the sector but not aligned with the priorities and systems of MEHRD nor committed to the working principles outlined in the ESIRP (JICA, UNICEF, AusAID, Taiwan ROC, Papua New Guinea, the World Bank and regional education projects). This suggests that another expected benefit of the programme, reduced transaction costs, would not have been realised during ESIRP Phase 1. The workload for MEHRD in getting the education system back up and running, learning to engage in a sector-wide approach in which they were leading and coordinating donors, while still being forced to manage more than six other project processes outside the ESIRP, would have been huge.

69. The Progress Review noted some negative trends observed in the sector during the period, which may have been avoided if different activities, reforms and/or approaches had been adopted or prioritised under the sector wide programme. Of particular note has been the undermining of community support for schools which had resulted in some areas following the announcement by the Minister for Education in late 2004 of fee-free primary education. This Review also emphasised very little progress made on teacher training and development. Work undertaken early on during ESIRP Phase 1 to cleanse the teacher payroll also highlighted significant concern amongst teachers about their situation and management by SIG. Delays in the work programme for teacher development suggest a lack of impact in this area. In summary, it appears that there were several areas that were not prioritised within ESIRP, that in hindsight perhaps should have been, and if so would have assisted with more successful achievement of objectives; namely community awareness and community participation programmes, strengthening of provincial education authorities, and more direct engagement with public service to ensure MEHRD vacancies were filled.

70. The Progress Review notes that one of the expected benefits of the programme was an emphasis on service delivery, with a particular focus on directly supporting schools, classrooms, teachers and learners. In terms of progress to date on this, the Review notes that activities "*funded under ESIRP Phase 1 have had this focus*". These activities have indeed had this focus and there are significant achievements in terms of school support, particularly the development and delivery of teaching materials to schools, support for provincial planning, the establishment of the SIEMIS system for collecting and managing data on schools, and the building up of MEHRD's capacity to support schools. The impact of this support for schools has varied between individual schools, as you would expect in a system being rebuilt almost from the point of collapse, with individual school leadership and the ability of the provincial education authority to

support the school influencing how schools have engaged with ESIRP. Information in the reviews suggests that the provincial education authorities suffer the same lack of capacity as MEHRD and are therefore often not able to support their schools in working through new ESIRP processes. Ensuring that the gains achieved during ESIRP I have a real impact at the school and community level was identified as a critical challenge for ESIRP II at the March ESCC this year.<sup>25</sup>

## ESIRP I Infrastructure & School Grants Programmes

71. MEHRD's Primary School Infrastructure Programme and Primary School Grants programmes were key components of ESIRP I and both programmes were reviewed in early 2007. Both reviews identified very positive outcomes for schools as a result of the considerable work on infrastructure and school grants undertaken during ESIRP I. The School Grants programme has increased the number of children attending primary schools, particularly those in remote and cash poor communities, and enabled schools to purchase resources. The Infrastructure programme has worked with 166 selected primary schools, 70% of which had either completed, or made substantial progress towards completing, a new permanent-materials building. The critical role of provincial education authorities in assisting with the delivery of ESIRP assistance out into rural areas was identified by both reviews.

72. The People's Survey carried out by RAMSI includes information on community perceptions of improved service delivery in schools. The Survey records 69.3% of people in rural areas assessing schools as better following RAMSI's deployment (compared to 23.8% considering them worse) and 49.2% rating them better in urban areas (compared to 37.9% considering them worse in urban areas).

73. Overall, the review material available on Phase 1 of the ESIRP confirms that NZAID's funding and support (through the constant, considerable efforts of programme staff, particularly in Honiara) has made a significant impact on capacity development and institutional strengthening. The school grants scheme has made considerable progress; the infrastructure programme was gathering pace and had made significant progress during 2006; curriculum review and reform was progressing steadily and the new education management information system (SIEMIS) had been successfully established and was providing valuable data.

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<sup>25</sup> New Zealand High Commission, Honiara: 13 March 2008 report on Supporting education in the Solomons.

## ESIRP Phase II

74. Programme documentation for ESIRP Phase 2 specifically addresses the recommendations of the Progress Review for Phase 1, noting that these and the Mid Term Review recommendations had been discussed at ESCC and AJR meetings, and solutions incorporated into the new National Education Action Plan (NEAP) for 2007-09. The SIG/EU/NZAID Letter of Arrangement for the Education Sector Investment and Reform Programme 2007-2009 was signed in April 2007. Significant progress has been visible over 2007 and into 2008 in the education sector, particularly in terms of stronger management and coordination being led by MEHRD, which has led negotiations on the new Letter of Arrangement and preceding workshops on the National Education Action Plan (NEAP), revived ESIRP's Technical Working Groups and established a new Coordination Team to support sector management and coordination, particularly on strategic and policy issues. NZAID Honiara reporting observed that the August 2007 Annual Joint Review was the first such meeting that was principally focussed on MEHRD requirements, rather than for the benefit of donors, due to MEHRD's focus on key policy issues and leadership role in directing AJR discussions.

75. Documentation for ESIRP Phase 2 acknowledges the current lack of a framework against which various activities can be evaluated in order to track progress towards the overarching ESP goals<sup>26</sup>. Good progress is now being made in addressing this, with the newly-revived Technical Working Group on monitoring and evaluation developing a Performance Assessment Framework for the NEAP. Identification of indicators to track within this framework has already started, and the SIEMIS system established during ESIRP Phase I will collate the data needed to track these indicators.

76. NZAID engagement during this phase of ESIRP has aimed at stepping back from day-to-day 'detail' discussions, focussing instead on policy engagement and resolution of key SWAp issues, such as mainstreaming of the EU's support and the structure of NZAID budget support. NZAID has also been emphasising realistic goal setting and strong prioritisation during ESIRP II, encouraging MEHRD to learn from the experience of ESIRP I when MEHRD set very ambitious objectives and over-loaded work programmes.

77. Review material does suggest capacity in provincial offices remains weak. Similarly, while there is some capacity in civil society for delivery of educational services, it is relatively weak. This poses the question of what would happen at the school-level if the security situation deteriorated and central government agencies were again unable to function. Of the considerable effort which has been directed to MEHRD, what new processes and systems would endure, and which would cease to function? The engagement of education authorities and of

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<sup>26</sup> NZAID (2006) Programme Documents for ESIRP 2007-2009, page 16.

civil society organisations, in particular churches, in education sector coordination from 2007 is an important step forward in this respect.

## Conclusions - EDUCATION

Support SIGOV to achieve universal primary education for all children and to eliminate gender disparity at all levels of education by 2015.

### Key indicators

78. The following indicators have been identified by MEHRD for tracking within the new monitoring framework for the sector.

- net and gross enrolment ratios in primary school through to junior secondary
- proportion of pupils starting primary who reach Form 3 (end of junior secondary, regarded as completion of basic education in Solomon Islands)
- literacy rates

### Key findings:

- **There is substantial evidence of strong support to the Solomon Islands education authorities**, principally MEHRD, but also Teaching Training College (SICHE)
- **MEHRD capacity has been demonstrably improved**: it has now taken over from donors in leading education sector management and coordination; better progress is being made in implementing work programmes; progress has been made with policy development and outreach to the education authorities; and work started on stronger monitoring and evaluation of implementation of the National Education Action Plan, and an education information management system established. A Human Resource Development plan for MEHRD has also been developed and implementation begun, with aims to expand this out to education authorities during 2009.
- **There have been significant achievements in working towards universal basic education** for Solomon Islands children, notably: 166 new primary classrooms built; new primary curriculum materials in all schools; training of new teachers recommenced; and implementation of new school grants scheme commenced, ECE sector expanded, in-service training of teachers commenced.
- **Budgeting and expenditure capacity has improved within MEHRD**, specifically: the quality of budgets has greatly improved; MEHRD has had good success in receiving significant funding increases from SIG; and its capacity to spend has greatly increased
- There has been a high profile, strong alignment between the NZAID programme of support to education and SI national education goals, as well as the NZAID education policy framework

- There is also **good evidence of *Man Talem Duim* operating principles** being put into practice in NZAID engagement in the education sector (notably partnership but also sustainability, coordination, and access and accountability)
- Good progress has been made in developing a performance framework and strengthening data collection, through the new education management and information system (SIEMIS) developed with NZAID support, for monitoring key indicators
- Using Solomon Islands Government systems has not resulted in any significant mis-use or mis-management of NZAID funds

#### Lessons learned:

- The strong relationships that NZAID built with SIG departments and key donors through the education programme has formed the **cornerstone of New Zealand development cooperation in the Solomon Islands**
- NZAID's emphasis on multi-donor approaches, direct channels of communication with SIG, and a high-profile commitment to **long-term engagement** have been particularly effective aspects of its engagement
- NZAID's approach has focussed strongly on **relationship-building and the development of local leadership**. Programme staff have stressed the importance of engaging with local champions of reform in developing a new sector-wide approach. Staff also noted that the policy dialogue, information-sharing and coordination required by a SWAp were new processes for the Solomon Islands public service and too time to develop.
- NZAID has been **willing to sacrifice short-term performance in favour of long-term gains in local leadership and capacity building**. It has allowed the timetable for the SWAp roll-out to be dictated by local capacity. Programme staff note discipline and patience was essential to such an approach (refraining from: pushing an external agenda or timetable; crowding out partner agency priorities; or supplanting the role of local actors with TA or NZAID staff.)
- The requirements of the education sector's rebuilding phase, and the **resources required to manage a SWAp, were significantly underestimated**. Review material suggests this limited the flow of quality information between NZAID and SIG. Programme staff recommended the undertaking of a comprehensive capacity assessment at the outset of a SWAp, led by the partner government.
- Staff also emphasised that a sector-wide approach or budget support **does not translate into a reduced management burden**. On the contrary, major engagement is still required (although at strategic/planning level, rather than day-to-day administration level)
- The programme team also found that SWAp expenditure was slow to start and noted that the fundamentals of planning/budgeting and accounting are critical

# ECONOMIC GOVERNANCE

## *Man Talem Duim Goal*

Assist SIGOV to restore fiscal and financial stability, reform the public sector and rebuild the infrastructure required to support the productive sector

79. Over the first half of the review period, NZAID and other donors specifically targeted support for restoring effective and accountable financial management within the Solomon Islands, given the widespread corruption and extortion which had marked the post-conflict tensions. RAMSI mechanisms were a key means for delivering assistance in this area.

80. NZAID's support for strengthening economic governance has involved cooperation with Inland Revenue, customs, statistics and audit offices within the Solomon Islands Government, and additionally with the Economic Reform Unit set up under RAMSI. NZAID also funded technical assistance from the New Zealand Treasury in 2005, to support the 'Honiara Club' process whereby SIG met with its external creditors to reschedule government debt.

81. A separate goal for economic governance was not included in the Strategy Update which instead emphasised the role financial management and accountability within government played in good governance generally. Support for stronger economic governance continued within the programme through to the end of the review period. Continuing assistance to the Solomon Islands Inland Revenue Division is planned for the future, with NZAID currently taking the lead on the design of a major new project in this area.

## Summary of review materials

### Inland Revenue

82. NZAID's assistance to the Inland Revenue Division has clearly made a significant contribution to the goal of supporting the restoration of fiscal and financial stability. The Solomon Islands Government attributes a significant improvement in tax revenue to this assistance. RAMSI reporting on assistance in the Inland Revenue area records strong progress through to last year<sup>27</sup>. Reporting from the NZAID team in Honiara has relayed SIG calculations that tax collections have grown by 60% over the period of this assistance, due in part to strengthened economic growth but also to the changes brought about by this

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<sup>27</sup> RAMSI Performance Report 2006/07, page 23.

assistance, including the reduction of tax exemptions, increased audit investigations, improved collections and voluntary compliance<sup>28</sup>.

83. Progress reporting from inland revenue advisors sets out a significant list of achievements, including:

- improved administrative policies and practices
- strengthened voluntary compliance through outreach, publishing of guidelines, and strengthened audit
- capacity-building of key SIG inland revenue staff
- building of public confidence in Inland Revenue Division work; and
- support for improved planning and reporting.

84. Inland Revenue advisors have also assisted with tax reform work being handled by the Division, including supporting consideration of the range of recommendations for reform made by the Pacific Financial and Taxation Assistance Centre (PFTAC). NZAID staff additionally report that NZIRD advisors have engaged well with them, keeping NZAID in the loop on developments and also appearing to work well with local counterparts.

85. Reporting indicates that the seniority of the TA supplied to IRD meant they were able to work on and influence the range of factors required to make progress with capacity building, such as: establishment of internal processes for staff to access training; introduction of change management support; mentoring of local staff into leadership roles; handling liaison with other donors on TA being offered; and representative work with local stakeholders to solidify support for reforms.

86. RAMSI's reporting on the revenue area does note that short term positive outcomes remained dependant on the presence of external TA. This is being taken into account in the design of a follow-on programme of assistance to the Inland Revenue Division. It should also be noted that, while external assistance is still required in some areas, progress reports indicate considerable progress with local capacity building, including the localisation of important roles previously performed by advisors and the movement of TA personnel from in-line to advisory positions; stronger management of tax exemption processes; promotion of local leaders within SIG IRD, and stronger capacity within core tax systems<sup>29</sup>.

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<sup>28</sup> New Zealand High Commission, Honiara: 29 January 2008 report on Solomon Islands: NZAID: Departure of Michael Hewetson from IRD

<sup>29</sup> Hewetson (2008). Memorandum on Capacity Building in Inland Revenue.



## Economic Reform Unit

87. Programme staff have observed that it is less easy to identify the nature of the impact that the NZAID-funded TA to the Economic Reform Unit has achieved. This is perhaps because this TA has been filled at a more junior level and also possibly because this TA has been working on issues (such as reforming the state-owned enterprise sector and introducing competition) that lack substantial local support and political commitment. RAMSI reporting<sup>30</sup> suggests some progress with the structural reforms being driven by ERU, but makes no specific comment on the NZAID-funded input, one of six international advisors. RAMSI's 2005 capacity building stocktake noted the ERU was a "*laudable and innovative attempt to fill an obvious technical and policy deficit*" but that the ERU mechanism must be questioned from a capacity building perspective, as there was "*a high risk that it will not be possible to develop personnel and policy capacity within the unit and simultaneously develop and manage an economic reform programme...certainly not in the short to medium term*".<sup>31</sup> This implies an absence of sustainability with this RAMSI input, notwithstanding the useful SIG policy work carried out. NZAID recognises the impact an absence of strong political commitment has had on the role of the ERU and is now considering withdrawing its support.

88. NZAID has also provided support for the Solomon Islands Customs Service, funding technical assistance for the introduction of PC Trade software, in cooperation with RAMSI.

89. Programme documentation indicates that implementation of the RAMSI technical assistance components of the bilateral programme has been handled by RAMSI staff, with NZAID maintaining a watching brief. RAMSI performance reporting available for this review provides some general information on the contributions being made by NZAID-funded components of RAMSI programme, but no specific information on performance or issues such as effectiveness. While there appears to have been little alternative to a minimalistic management approach early on in the review period, the new strategy process provides an opportunity to consider the conclusions of reviews of RAMSI performance and capacity building, and factor these into the design of new activities.

90. The need to strengthen RAMSI's contribution to capacity building, as opposed to filling gaps, has been identified as a key issue since the early days of the mission and NZAID has consistently engaged in capacity building discussions with other RAMSI partners.<sup>32</sup> RAMSI's capacity building stocktake in 2005 cited widespread evidence of discontent over "*the level of participation, the degree of*

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<sup>30</sup> Ibid, pages 28-29.

<sup>31</sup> Capacity building through the Regional Assistance Mission to the Solomon Islands (RAMSI) – A stocktake, September 2005, page 12

<sup>32</sup> See for example RAMSI's Performance Report for 2005/06, page 3.

*partnership, and the lack of continuity of advisers*".<sup>33</sup> An assessment by AusAID capacity development panel staff in mid-2007<sup>34</sup> raised a number of critical issues in RAMSI's approach to capacity development. It noted that RAMSI used a mixture of 'doing the work' itself (by-passing country systems) and a 'direct' approach to capacity development wherein the donor designs and controls the intervention, on the assumption developed capacity can be handed over at the end. A number of recommendations were made for improving the capacity development approach, including strengthening the partnership with SIG, improving in-country learning and management, improving engagement with SIG staff, using Solomon Islands learning processes, and putting less emphasis on the traditional 'outputs and outcomes' framework of the performance management system.

91. NZAID has identified the need to have greater clarity in management and reporting arrangements for RAMSI TA funded by New Zealand, and suggested this should be through RAMSI/SIG channels (i.e., not a duplicative, separate reporting stream). It is not clear how exactly this will work, as RAMSI reporting available for this review only contained general references to the NZAID-funded TA. As the new programme of support under development to SI IRD will potentially become the main NZAID contribution to RAMSI's civilian activities, it will be important to include clear provision for monitoring and reporting in arrangements for the new programme.

92. NZAID has also consistently raised the issue of strengthening RAMSI capacity development, although a discussion of specific ways in which to strengthen the contribution of the NZAID-funded TAs to capacity development, does not appear to have happened yet. This would seem to be a key issue for further consideration, given the limited evidence available on capacity impact to date. (These may also be issues under consideration by the RAMSI Performance Assessment Working Group, which NZAID Honiara is represented on.)

## Conclusions – ECONOMIC GOVERNANCE

Assist SIGOV to restore fiscal and financial stability, reform the public sector and rebuild the infrastructure required to support the productive sector
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### Key findings

→ NZAID provided valuable support for the restoration of fiscal and financial stability during the review period, particularly through

<sup>33</sup> 2005 Capacity building stocktake, page v.

<sup>34</sup> Morgan, P (2006). RAMSI and capacity development: Report on a field trip to the Solomon Islands.

assistance to Inland Revenue Division. Support has also been provided for public sector reform.

- There is good evidence of a strong capacity-building contribution from NZAID assistance to IRD, with good progress in localising key roles and moving TA to advisory rather than in-line positions
- Review material suggests progress was made with the reform programme supported by the ERU, but that limited impact was achieved in capacity building of counterpart agencies
- This suggests NZAID's contribution to the ERU has assisted RAMSI to reform the SI public service, although the degree to which this has been done in partnership with SIG may have been limited
- Clear arrangements for monitoring and reporting on NZ TA to RAMSI are yet to be addressed, although NZAID is discussing the issue within RAMSI
- The guidance in *Man Talem Duim* was broadly stated. Development of the new programme strategy offers the opportunity to identify more specific links between NZAID contributions to RAMSI and the agency's broader policy framework (for example, drawing on the specific objectives under Focus Area 1 of the Pacific Strategy<sup>35</sup>, on strengthening governance)

### Lessons learned

- Technical assistance delivered at senior levels did make good gains in capacity building. TAs need to be in a position to work on and influence the range of factors required to support capacity building, particularly where a sole advisor is deployed.
- Issues with the RAMSI approach to capacity building and local leadership over initial years of the review period have limited the degree to which NZAID's assistance has been delivered in partnership with SIG
- Progress in this area, and the development of a strong partnership, have also been affected by variable local commitment to reform

This reinforces the importance of NZAID's ongoing dialogue with RAMSI partners on issues such as capacity building and the role of SIG in taking forward public sector reform. Design of the new IRD project offers an opportunity for further discussion of these issues. It will be important to take into account the critical comments of AusAID's 2007 RAMSI capacity building report

## **LAW AND ORDER**

*Man Talem Duim* Goal:

Support SIGOV to restore the rule of law and to normalise the law and order and security situation

<sup>35</sup> NZAID (2007) Pacific Strategy 2007-2015. NZAID, Wellington, page 15.

## Summary of review materials

93. During the initial years of the review period, NZAID and other donors prioritised support for restoring law and order. Assistance in this area was consolidated within the Strengthening Governance goal of the Strategy Update, which promotes provision and demand for good governance, and access to justice.

### Police assistance

94. NZAID's bilateral programme has provided funding for the deployment of New Zealand Police officers to RAMSI since the Mission's deployment in 2003. No additional allocation was made to cover this funding initially, which was absorbed within the wider bilateral programme and included in the FAP under a 'Law and Justice' heading (which subsequently also included support for the secondment of judges and magistrates to the Solomon Islands). Since 2007, it has been agreed that a specific allocation can be made for the 'DAC-able' costs of the police secondment, although a clear provision for this in the FAP does not appear to be made as yet. The secondment of New Zealand Police officers to RAMSI is based on principles agreed with Ministers just prior to RAMSI's deployment in 2003. Approximately 35 NZPF are seconded to RAMSI at any one time, working alongside Royal Solomon Islands Police Force (RSIP) counterparts. New Zealand officers are assisting with RAMSI's Participating Police Force Strategic Capacity Development Plan for the RSIP. NZAID itself provides no input into the management or strategic guidance of NZ Police's involvement in PPF, and has minimal engagement in the strategic directions, approach and performance management of PPF overall.

95. NZAID's funding currently supports 80% of the costs of the New Zealand Police deployment with the Participating Police Force.

### Judges and magistrates

96. A donor funding arrangement concluded with AusAID in August 2005 provided for NZAID support for the secondment of a judge and two magistrates to the Solomon Islands. These secondments have directly supported restoration of law and order and, under the 2007 Strategy Update, access to justice. NZAID's key objective in this area has been to support the process of bringing to justice people involved in the post-conflict tensions. There is not a lot of information available on this element of the programme, as NZAID-funded TA has been working alongside a large number of other RAMSI TA, RAMSI

reporting does not distinguish between its various donor inputs, and NZAID has not undertaken any separate monitoring of its assistance, relying instead on the established RAMSI systems.

97. In terms of progress, improvements have been reported in the criminal justice system, with the backlog in cases from the tensions awaiting trial down to around 3 years (the backlog was 5 years at the beginning of 2005).<sup>36</sup> RAMSI reporting also notes that a key constraint to further clearing this backlog is SIG difficulty in recruiting experienced lawyers.

Support to the courts does come with an inherent set of values which makes a separate set of objectives, over and above promoting the rule of law, redundant and, where they might conflict with the independence of the judiciary, inappropriate. Nonetheless, NZAID should have a role to play in discussing the future of its support, particularly in terms of achieving sustainability and contributing to capacity-building of counterparts and partner government agencies. Development of the new programme strategy offers the opportunity to consider whether a different approach to this assistance would be more in keeping with the goal of supporting SIGOV. Or is NZAID comfortable with filling in-line positions? Wider agency approaches in law and justice fields are relevant. While it may be unrealistic to expect that all judicial and magisterial roles be filled by Solomon Islanders, it could be useful to consider options for strengthening local capacity to manage and resource this sector. The Pacific Strategy approach to this area emphasises the provision of assistance to *“capacity-building in the law and justice sector; where this contributes to better dispute resolution within communities, and enhanced community safety and access to justice”*.

## Children & Youth in Conflict with the Law (CYiCL) Project

98. Review materials flag some programme management issues with the CYiCL project. NZAID wrote to Save the Children New Zealand in 2007 to discuss concerns that inadequate programme management support had impacted on programme progress. NZAID noted there appeared to be inadequate programme support and a high level of management overhead costs, suggesting issues around effectiveness and value for money. These problems may not derive simply from ineffective implementation but may stem from a lack of clarity about respective roles and responsibilities right at the beginning of the CYiCL project. This lack of clarity is a common problem across bilateral programmes. NZAID may want to consider, if it is not already doing so, a process for extracting lessons-learned from these small-scale NGO-implemented projects, in order to develop a best-practice approach.

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<sup>36</sup> RAMSI (2006) RAMSI Annual Report 2005/06, page 10.

99. These management issues aside, the CYiCL project has made some good progress, with programme staff reporting anecdotal evidence that juvenile crime in certain Honiara communities fell during 2007, as a result of the establishment of community Crime Prevention Committees supported by the project. Programme staff also note that the project has begun some provincial outreach, with provincial crime prevention committees starting to be established.

100. Capacity constraints have been a key factor impacting on implementation of this project. CYiCL implementation was also considerably affected by the tsunami.

## Conclusions – LAW & ORDER

Support SIGOV to restore the rule of law and to normalise the law and order and security situation

### Key findings

- NZAID's assistance, via RAMSI channels, has made a significant contribution to restoration of law and order.
- NZAID's Pacific Strategy emphasises the provision of assistance to "*capacity-building in the law and justice sector; where this contributes to better dispute resolution within communities, and enhanced community safety and access to justice*". To date, the objective in funding assistance from a New Zealand judge and magistrates has been to assist in processing tensions cases, not build local capacity. RAMSI reporting identifies constraints with capacity building within its law and justice programme.
- NZAID been participating in RAMSI performance management and capacity building discussions.
- Given NZAID is now funding the DAC-able element of the New Zealand Police contribution, the new programme strategy could clarify the links between the RAMSI elements to which NZAID contributes and NZAID policy (making a connection, for example, between the funding for New Zealand Police and NZAID's Pacific Strategy emphasis on safer, more resilient Pacific communities which have strengthened capacity to manage conflict and respect human rights.)

### Lessons learned

- As with other RAMSI inputs, NZAID's contribution is not differentiated in reporting, so it is difficult to track achievements and impact. NZAID has discussed this reporting issue with RAMSI.

## CAPACITY BUILDING

101. NZAID initially maintained a separate funding window for capacity building, in order to be able to respond flexibly to the major capacity gaps in a range of sectors. The *Man Talem Duim* goal for this area was to:

Provide SIGOV with flexible resources to identify the human resource needs of the country and to develop initiatives to build the necessary capacity.

### Summary of review materials

102. Several areas of capacity-building assistance supported in the early years of the review period went on to become major elements in the bilateral programme, particularly support for the Department of Fisheries and Marine Resources (this project is considered under the Growth and Livelihoods section, below). Assistance to the Honiara City Council, now included in the programme as a Strengthening Governance activity, was initially funded from the capacity building budget line. Programme documents note that there were some difficulties in managing capacity building as a separate budget line. Subsequently, capacity building activities that were maintained within the programme were fitted under either the Strengthening Governance or Growth and Livelihoods goals of the 2007 Strategy Update.

103. In the early days, however, the specific funding window for capacity building was clearly a flexible facility which enabled NZAID to respond to a diverse range of urgent needs, including support for the Honiara electricity supply, support for peace and reconciliation initiatives through the Church Association Peace Office, and support to the Solomon Islands Broadcasting Corporation. NZAID also initially funded its contribution to the RAMSI law and justice programme from the capacity building budget line, despite the fact capacity building was not intended as a key element in this assistance (clearing the tension trials backlog was the objective).

104. NZAID assistance in other areas of the programme has clearly also contributed to achievement of this goal; notably the technical assistance facility for capacity building activities under ESIRP I and II and the assistance through RAMSI to the SI Inland Revenue Division.

## Honiara City Council

105. NZAID expected this project to be chiefly managed by the Commonwealth Local Government Fund (CLGF).<sup>37</sup> It was anticipated that the project could provide some visible evidence of what good governance looks like for the people of Honiara. NZAID's initial appraisal of the project flagged potential risks around delays in appointing staff to the city council; potential difficulty in finding the right staff; the 'fly in/fly out' nature of CLGF oversight; and possible lack of strong ownership of the project by Honiara City Council.

106. There is no review material available on this project yet, although programme reporting has flagged progress, for example, in 2007 the Honiara City Council was able to improve its revenue collection three-fold and regular rubbish collection services were re-established in the capital, vast improvements in the management of the central market, production of balanced budgets for the Council and repayment of Council debt.

107. Comment from staff suggests transaction costs associated with the project have been considerably more than what was expected at the outset. Given the capacity issues and delays in filling key staff positions which have impacted on other projects right across the programme, it seems likely the same problems affected this assistance. On the other hand, AusAID's 2007 review of capacity building (in connection with RAMSI) briefly cites this project as offering a model of good local engagement and management, without explaining what positive examples it provides.

## Conclusions – CAPACITY BUILDING

Provide SIGOV with flexible resources to identify the human resource needs of the country and to develop initiatives to build the necessary capacity.
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### Key findings

- Substantial flexibility of support was evident – a diverse range of activities has been assisted, with NZAID often rapidly processing requests at short notice
- It is difficult to gauge impact where inputs have been short term and across a wide variety of activities
- Capacity building activities tied to longer-term, broader programmes of support have clearly had impact – but then resources have been put into monitoring and reporting of these programmes, in contrast with shorter-term

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<sup>37</sup> August 2005 SAEG notes on reviewing the initial project proposal for the Honiara City Council project.



activities for which review material was simply not available (i.e. there could have been impact, it just hasn't been documented)

- As SIGOV and donors continue to rebuild human resources and systems of government, a more organised approach to capacity building would assist more substantial donor engagement
- Issues to clarify: (1) status of national HRD planning or any training needs analysis work (2) the specific good examples of capacity building within the Honiara City Council project cited by the AusAID capacity building team<sup>38</sup>

### Lessons learned

- In the case of the Honiara City Council project, it was unrealistic to expect a multilateral agency based in Suva (and London) was going to take significant management overheads off NZAID (the risks of the 'fly in/fly out' nature of CLGF management of the project identified by NZAID in the initial phase of the project were realised).
- NZAID should not underestimate the demand for its active engagement in projects involving organisational reform of government agencies. NZAID can have an important role to play in facilitating links between different donor interventions.
- Programme staff have also stressed the importance of taking a long-term view in dynamic and volatile organisations such as the Honiara City Council
- Programme staff have also noted that some local organisations cannot be rebuilt and reformed over the short term, and that a longer-term approach which incorporates capacity supplementation over the short term, while aiming for capacity development in the future, can be the right approach.
- The impact of ad hoc, diverse, short term assistance activities is going to be difficult to track. NZAID can either accept that this is case and that there may be little information on impact, or allocate funding for outsourcing review work (for example, engagement of a local consultant who visits all projects while underway and collates information of achievements/impacts/problems).

## Civil society and civic education

108. The specific sector goals of *Man Talem Duim* did not include a reference to civil society, although the document did flag that NZAID would continue to support a range of “*good governance activities, including the restoration of law and order, and strengthening economic governance and civil society*”. The Strategy Update included as one of its three strategic goals **Strengthening Governance, law and justice, civil society** and clarified that NZAID would:

Promote provision and demand for good governance and access to justice
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<sup>38</sup> Morgan, P (2006) *RAMSI and Capacity Development*, page 18: “Another model with promise is that employed by NZAID in its support of the Honiara City Council”.

## Summary of review materials

109. While NZAID programme documentation recognises the role Solomon Islands civil society played in supporting an end to conflict, during the initial years of the programme there was a strong focus on engaging with and capacity building for institutions of central government. NZAID was however supporting links with civil society within New Zealand, regularly convening a discussion group with New Zealand-based NGOs active in the Solomon Islands (the Solomon Islands Reference Group, which included representation from NZAID, CID, World Vision, VSA, Transparency International and UNICEF). Dialogue with some of these groups was clearly built on in subsequent projects which assisted Solomon Islands-based NGOs.

110. While a specific objective for assistance to civil society was not included in the programme strategy initially, NZAID clearly prioritised work in this area and funding for Solomon Islands civil society organisations was a component of the programme from 2003. Because of limited human resources and the generally disproportionately high management demands of civil society organisational support, however, NZAID could only provide intensive support to a limited number of organisations.

111. Reporting on the two NGO core funding arrangements, with Development Services Exchange (DSE) and the National Council of Women (NCW) raises a number of issues around efficiency and effectiveness of programme management. First of all, modest funding is involved but project documentation and staff comment suggests considerable transaction costs for both the NGOs/project staff and NZAID. Quarterly reports are required from both NGOs. These reports focus on progress with work programmes and financial acquittals. LOVs are required whenever there is a deviation from agreed work programmes.

112. The impact achieved by the core funding provided to the DSE and NCW is hard to ascertain. NZAID support has ensured survival of these organisations which could be considered a positive impact in itself, from the perspective of supporting a healthy civil society sector in the country. However, the relatively unfavourable operating environment for civil society organisations in the Solomon Islands, combined with limited organisational capacity and limited sector capacity, has meant that DSE and NCW have produced little in the way of measurable results.

113. Capacity constraints are not just a major issue for the Solomon Islands Government – they are clearly shared by the civil society sector. Indeed, arguably the civil society sector suffers greater capacity constraints than government, and also suffers much more from external agenda-setting and burdensome reporting demands of donors. Recruitment and retention of quality

staff in civil society sector is perhaps the number one issue, and progress reports show it has been the major constraint to the performance of DSE and NCW. Stronger links could be considered between the programmes training resources, both short-term and tertiary awards, and wider programme objectives. Innovative thinking on ways to assist civil society organisations to address the ubiquitous problems of inadequate salary and housing allowances would also be useful.

114. Programme reports indicate that the civil society sector has substantial amounts of funding and a relatively large number of donors, proportional to the size and absorptive capacity of the sector. It is important to note however that most of this funding is for the implementation of project activities only, and largely only in the area of community development, training and awareness raising. NZAID is the only donor that provides core funding for civil society organisations in Solomon Islands. There is little support available for civil society capacity development nor is there much funding available for the important advocacy, information sharing, networking and policy dialogue roles of civil society.

115. Where does NZAID's niche support fit in? Could it be managed by another donor or organisation with a more comprehensive engagement in the sector? In addition, modalities for managing support to civil society raise a number of issues: what do donors and NGOs need/want from civil society relationships? The key requirements for donors would seem to be accountability for funds and evidence of impact, whereas NGOs need predictability of funding, an efficient project management arrangement (that doesn't mean there is no time left to do the actual work) and support to address capability issues. Reporting on the NGO-focussed governance projects focuses heavily on accountability for funds and work programme progress, but considerably less so on impact and assistance with capability-building. NZAID has sought to make funding commitments which offer predictability, but arrangements for releasing funds have lent themselves to delay, which tends (for NGOs running a tight budget) to undermine the benefits of predictability.

## Civic education programme

116. This programme predated the strengthening governance strategic goal identified in the 2007 Strategy Update, but was clearly aimed at improving demand for good governance.

117. Review material<sup>39</sup> identifies a number of significant achievements for the Civic Education programme that was delivered in 2005. These, include delivery of a civic education programme that was community-based, well targeted, appropriate to the Solomon Islands and which assisted Solomon Islanders to

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<sup>39</sup> Gray, Dorras and Pollard (2006). Solomon Islands Civic Education Programme Evaluation. NZAID, Wellington.

participate in the 2006 election. The review also found the project team had applied lessons learned from early phases of the project to subsequent implementation; the project was well managed, with a strong focus on achieving outputs; and there was good donor oversight.

118. Lessons to be learned identified by the review included:

- Consideration of project ownership being limited to input rather than outcomes (while there was good local input to the project, the review found no evidence of ongoing involvement in decision-making and management, nor commitment to sustainability and continuation of the project.
- No provision for ongoing use of education materials developed during the project.
- An over-ambitious and sophisticated programme design, which did not allow enough time to test and review education materials.
- Too short a timeframe.
- Other capacity building and management issues, and
- The need for civic education to include a practical element, either providing a practical outcome or focussing on a practical issue of concern to the community.

119. This suggests this activity was relevant, efficient and reasonably effective in promoting participatory democracy in 2006 before the election, but that continued positive impacts from the project will be limited.

120. A draft strategic framework for supporting civic education in the Solomon Islands has subsequently been produced (February 2008) for the consideration of AusAID, NZAID and RAMSI. The strategic framework proposes ongoing support for civic education through assistance to social networking and the uptake of information and communication technology. The new framework is intended to provide a comprehensive, sustainable approach to support civic education

## Conclusions – CIVIL SOCIETY

Promote provision and demand for good governance and access to justice
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### Key findings

- It is difficult to gauge the impact activities in this area have had on provision and demand for good governance, as reporting, particularly from the NGOs receiving core funding, focuses on outputs and accountability requirements
- NZAID support has ensured the survival of the NGOs receiving core funding, in an environment which is extremely challenging for civil society groups

- Capacity constraints are as significant for Solomon Islands civil society groups as they are for the public sector
- Review material on the civic education programme suggests this did support demand for good governance effectively, however its positive impact appears to have been limited to the pre-election period in 2006
- Reporting on NGO core-funding projects focuses heavily on accountability for funds and work programme progress, with considerably less attention to impact and capacity building
- NZAID has sought to make funding commitments which offer predictability, but arrangements for releasing funds have lent themselves to delay, which undermines the benefits for NGOs of predictability
- NZAID has also tried to avoid burdensome management arrangements which drain NGO's already limited capacity; however it is not clear that this has been successful.
- NZAID staffing constraints that have affected the whole programme (including the difficulties in recruiting and retaining the post's local staff) have impacted on the planning and management of this sector
- The civil society sector in the Solomon Islands is well-funded but strong coordination and efficient and effective management do not appear to be features of the sector.

### Lessons learned

- Management and reporting arrangements for NGO projects needed more attention at the initial planning and design phase.
- NZAID needs to consider options for sharing learning on management of these small-scale civil society interventions across the agency, so that programme managers are not having to 'reinvent the wheel' each time a core funding arrangement for an NGO is being developed within a bilateral programme.
- Little information on impact was available. In considering options for more efficient project management, it would also be useful to look at how reporting arrangements could be modified to provide the information NZAID needs.

## GROWTH & LIVELIHOODS

121. Reflecting the prevailing policy interest in the agency at the time, work under this pillar of the programme was initially directed to supporting a sustainable livelihoods objective with fairly limited funding:

Support SIG to revitalise the productive sectors of the economy, including the development of sustainable and rural livelihood opportunities.

122. The economic governance objective of *Man Talem Duim* (see the section above) also flagged work on infrastructure.

123. Under the Strategy Update, the objective was revised to highlight the specific areas in which NZAID was already engaged:

Promote broad-based economic development through improved infrastructure, sustainable fisheries management, and rural income generation.

## Summary of review materials

124. NZAID has supported a range of economic development initiatives under this pillar of the programme (listed below). A range of options for expanding the programme's economic development component were under consideration from 2004, although dedicated significant staff resources for this part of the programme were only available from mid- 2006. Once the initial phase of RAMSI was complete and law and order restored, attention increasingly turned to the need to re-start economic development, in particular, the needs of the rural areas. There has been pressure on RAMSI itself to expand into economic development. However, RAMSI partners have determined this is not appropriate, although there is a need to better demonstrate that RAMSI programmes do have a flow-on effect for rural development.

125. NZAID has increasingly put significant resources into economic development over the latter part of the review period, including the following:

- Post-conflict infrastructure rehabilitation plus, more recently, institutional strengthening of SIG infrastructure development capacity, under PCERP and SIRIP
- Institutional strengthening and sector development for fisheries and marine resources
- Support for small business
- Support for community-level sustainable livelihoods work on the Weathercoast, Temotu, Makira and Western Province, implemented by World Vision and World Fish.

126. While support for sustainable livelihoods has been a priority throughout the review period, resource constraints and the focus on education during the early years, as well as the need to rebuild key institutions of government, took precedence early on. Many of these economic development activities have only been operational since 2006/07 so it is early days to be identifying achievements. The productive sectors have also been significantly affected by vested interests, corruption and political interference, which has had a major impact on the ability of government departments to develop and implement national development priorities for their sector. NZAID and its implementing partners have had to

operate in an environment in which the reforms and capacity building of government departments happening elsewhere in the Solomon Islands has not had a great impact as yet.

## PCERP/SIRIP

127. While an economic development policy was being put together within NZAID at the time it became involved in these ADB projects, NZAID or its predecessor DEV did not have a significant history of involvement in major infrastructure projects. So, like the SWAp, there was an element with these projects of major resources going into an untried area, although – also, as with the SWAp – there was international experience to draw on in determining what should work.

128. NZAID has monitored PCERP implementation since agreeing with SIG and ADB on contributing (with AusAID) additional funds to enable the expansion of the project. A monitoring visit conducted with ADB in November 2006 indicated that the project was at that time 46% complete, with road improvements well advanced in Honiara and making good progress in Malaita and Guadalcanal. The repaired road links were enabling remote communities to travel to provincial centres in order to access health and education services, and get to markets. The monitoring visit also identified the need for effective consultation with communities, prior to construction getting underway and NZAID has sought better reporting on community consultations in quarterly reporting on PCERP progress.

129. PCERP's focus was more on getting infrastructure rebuilt, whereas SIRIP is to contain a stronger capacity-building element for the SIG Ministry of Infrastructure Development (MID). Notwithstanding this, programme staff believe cooperation between the contractors carrying out PCERP rebuilding work and MID staff has led to some strengthening of local capacity. The major focus, however, was on carrying out the civil works contracts.

130. The ADB's self-assessment of the project states that it was very effective in achieving its planned outcome (rehabilitation of basic transport links) and that a significant positive difference has been made to the lives of Solomon Islanders in rural areas, from both an economic and social standpoint. The ADB suggests there is a strong likelihood the outputs of the project will be sustainable, provided that basic maintenance practices are put in place. NZAID's monitoring of the project has tracked the maintenance issue, with MID being encouraged by donors to develop a maintenance plan during 2006 meetings of the Project Steering Committee (PSC). NZAID has also recommended the involvement of communities in contributing to ongoing maintenance work at PSCs.

131. ADB project reporting timelines have meant that the PCERP Completion Report will not be finalised until later this year, well after SIRIP is designed and underway. SIRIP planning apparently takes account of lessons learned during the PCERP process. NZAID is continuing to monitor this, recommending that a thorough impact assessment of PCERP be undertaken and lessons learned incorporated in SIRIP planning. Ongoing tracking of the maintenance issue would also appear to be critical, given the absence of a clear plan from MID for funding and carrying out maintenance. NZAID has already recommended the involvement of communities in maintenance – it would be valuable, during early implementation of SIRIP, to ensure the community consultation recommendations already made by NZAID are followed through, so that communities are on board with their own responsibilities for ensuring the road improvements are sustained through maintenance, rather than an expectation of donors returning in the future to fund more repairs. NZAID has recommended that a thorough impact assessment be undertaken on PCERP work, and the results fed into implementation of SIRIP.

## SIMROS

132. Programme staff noted that this project had unfolded in a way significantly different to that envisaged by NZAID at the outset. While the Project Implementation Document (PID) agreed in 2006 included a strong component of organisational and staff capacity-building for the SIG Ministry of Fisheries and Marine Resources (MFMR), progress in this area has been hampered by lack of capacity and commitment within MFMR. A March 2008 survey<sup>40</sup> of MFMR staff skills highlighted very limited capacity within the Ministry and programme staff noted that the PID had considerably overestimated the Ministry's capacity at the time the project commenced, in 2006. The delays in filling staff gaps which have prevailed through the Solomon Islands public service for the whole of the review period substantially impacted on this project.

133. At the start of the project, MFMR sought clarification as to how the project will run and how advisors will work with their counterparts, and also asked that staff development and training be given priority in implementing the PID<sup>41</sup>. It does not appear to have been possible to reach a common understanding between the partner agency, NZAID and project advisors on these key issues. MFMR's contribution to the project appears to have been severely constrained by staff changes (there have been 3-4 changes in Permanent Secretary since 2006). It has also been suggested that lack of capacity, corruption and political interference are critical issues for the fisheries sector. A new Permanent Secretary has recently been appointed and has been working well with the MSC's advisors – work is now being done by the advisors, with the Permanent

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<sup>40</sup> Referenced in the April 2008 [NZAID SI Programme Review of SIMROS](#).

<sup>41</sup> April 2006 cable from NZHC Honiara, reporting discussions on the SIMROS PID.



Secretary, but there programme documents note a lack of wider ownership with MFMR staff.<sup>42</sup> The PID sets out a carefully-balanced consideration of the risks around advisers “*becoming part of the job the department has to do*”<sup>43</sup>, and it appears some of these risks have been realised during the initial years of the project.

134. A Project Coordination Committee was envisaged in the PID, which could have offered a forum in which to discuss and take decisions on issues such as capacity building and ownership, however this Committee has not been operational to date.

135. Management arrangements for the project appear to have resulted in considerable transaction costs for NZAID. The contracting file includes six LOVs required since the Management Services Contract was concluded with Lincoln International in 2006.

136. Notwithstanding the project management and capacity-building issues, programme documentation reports some good progress. This is consistent with the MSC’s emphasis on securing “*early win activities*”<sup>44</sup>, as a means of improving work incentives for MFMR staff. MFMR now has a two-year work programme 2008-09, a new organisational structure, a new Fisheries Act and a new statistics management programme for catch data (however MFMR involvement in and ownership of all of these new resources is considered to be very limited). Work done by project staff on access negotiations for foreign fishing nations has resulted in SIG securing record revenues from quota payments<sup>45</sup>.

137. NZAID’s April 2008 review of SIMROS identifies recruitment of new senior staff into MFMR as critical to further project progress, as existing staff are considered to have little interest in changing and implementing new practices. SIG’s commitment to the project obviously needs to be underpinned by an appropriate number of staff within MFMR who have relevant training and experience. It would important to confirm that this commitment is a firm one by SIG, and that staffing issues within MFMR are being resolved. No new staff have been recruited as policy advisors for MFMR, as was originally envisaged.

138. NZAID has recommended urgent attention to capacity development during the final year of this project. Issues to be addressed would appear to include the MSC’s approach to capacity development; alternative means for stronger engagement with MFMR staff; improved in-country learning and management; and additional avenues for supporting systemic change and organisational capacity building.

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<sup>42</sup> April 2008 NZAID SI Programme Review of SIMROS.

<sup>43</sup> NZAID (2006). Project Implementation Document for the Solomon Islands Marine Resources Organisational Strengthening Project (SIMROS). Page 9.

<sup>44</sup> Ibid, page 8.

<sup>45</sup> Discussion with programme staff.

## SISBEC

139. SISBEC has been operational since it was established in 1998 with NZAID funding. It provides advice and training to small enterprises as well as services for demobilised ex-militants, to enable their transition to being productive members of society.

140. A 2005 review of SISBEC concluded the Centre was achieving the objectives set out in the grant funding arrangement with NZAID, with a good reputation in the small business community and good demand for its courses. Some adjustments to Centre operations, including an expansion of its mentoring role, were recommended, which were budget neutral for NZAID funding. The 2005 bilateral talks with SIG confirmed the Government's strong support for SISBEC.

*\*\*Subsequent review material on SISBEC not available as yet.*

## WorldFish Livelihoods Project

141. This five-year project is based in the Western Province, and aims at enhancing rural livelihoods by providing income-earning opportunities through environmentally-friendly aquaculture and trade. The project is run by WorldFish in conjunction with WWF and the Marine Aquarium Council. A mid-term review of the World Fish project was carried out in April 2008.

142. This review found that the project had been managed effectively, had responded well to the tsunami, and met most of its objectives and milestones. Some 44 growers were now involved in the project (mostly men), for whom it has established a new (albeit heavily subsidised) source of income.

143. This review identified a number of issues with project design and implementation. It suggested that the commercial underpinnings of the project had not been properly established, including issues such as the projected profitability of growers involved in the project; the longer-term viability of the industry; and planning for the transition beyond direct project support to growers to non-subsidisation of their costs. The review noted that NZAID had made a substantial investment (S\$3.7 million) in the project, for a modest and (at the time of the review) uncertain return.

144. The review identified environmental concerns with the project (such as growers taking cuttings from reefs, rather than establishing their own stock). It also recommended steps to strengthen grower ownership and project engagement with communities (noting that the involvement of women in the

project had been overlooked in project design). The review questioned the adequacy of project monitoring of commercial, livelihood, and environmental outcomes and impacts.

## World Vision Sustainable Livelihoods Projects

145. Two World Vision progress reports were provided for these Projects but no review material. One of the progress reports refers to an NZAID evaluation conducted seven months after the project got underway, which evaluation the World Vision in-country agriculture advisor raised several issues about, including the short time period reviewed.

146. NZAID programme documents from November 2007 noted NZAID management of these projects was fairly hands-off and observed that project progress was uncertain (quantitative data looked OK but no qualitative assessments had been offered). This was perhaps why an evaluation was conducted during 2008. NZAID has also noted that the project was significantly reduced in scope, due to unrealistic design and that the projects had been fairly resource-intensive at times, despite the small scale.

## Conclusions – GROWTH & LIVELIHOODS

Support SIG to revitalise the productive sectors of the economy, including the development of sustainable and rural livelihood opportunities.

### Key findings:

- NZAID worked with other donors and SIG to develop approximately 100km of roads for provincial communities, in support of the rural economy
- NZAID also engaged actively with civil society organisations in New Zealand and the Solomon Islands to seek to identify sustainable ways of supporting rural income-earning opportunities
- Progress has been made in exploring rural income opportunities, although review material has also identified significant issues around commercial and environmental sustainability
- NZAID engagement, particularly through the PCERP and SIRIP projects, has supported stronger donor coordination and a strategic approach which prioritises poverty objectives
- Weakness in the broader machinery of government has constrained capacity building progress under SIMROS project, which has also had limited impact in rural areas to date

## Lessons learned

- As with work in other areas (for example, the Economic Reform Unit), NZAID needs to address its approach in sectors where strong local commitment is not evident. Does it wish, nonetheless, to engage in the sector and if so, what are the objectives of this (support for isolated 'reform agents'?; support for transferring lessons from other sectors where progress has been possible?, etc). Or is the approach to be that assistance is contingent on strong, visible local support (e.g. filling staffing gaps; assigning and deploying counterparts to TA; etc).
- Contributing to a project run by a locally-represented, well-organised agency (e.g. ADB) has worked well in terms of limiting degree of engagement required from NZAID
- The need to reach agreement with SIG counterparts and project advisors on definition of and approach to capacity building has been identified as an issue in the RAMSI context – this issue is relevant to work in the fisheries sector as well
- Implementation of the SIMROS project appears to have prioritised performance over capacity building. NZAID is conscious of the potential trade-off between these two issues. Issues to discuss include: working in close collaboration with counterparts; utilising local systems/working on improving them; working at a pace counterparts can accommodate (NB: rebuilding a system which went to the brink of total collapse, not tweaking a highly performing system); awareness of cultural and motivational issues, and the need for change management support.

## **2007 Tsunami and Earthquake**

147. This event in April 2007 had a major impact on the programme, redirecting resources and attention to recovery and rehabilitation work. NZAID is providing \$7.5 million for tsunami recovery work.

148. The strengthened capacity of the Ministry of Education and Human Resources (MEHRD), built during the ESIRP programmes, was evident in the aftermath of the disaster, as MEHRD was reported to be one of the first government departments which had visited its sites affected by the disaster, and had also coordinated closely with other government departments and provincial authorities during the relief phase. Subsequently, NZAID has worked with MEHRD to develop a Recovery and Rehabilitation Plan (RARP) for schools affected by the earthquake and tsunami, which was launched in March this year.

149. NZAID is also providing assistance through World Vision, which was already working in Western province at the time of the disaster and has developed a recovery project which is building permanent shelters through the province. This project works with communities, which must identify their existing

resources and what needs remain outside of these, and must contribute to the rebuilding process. World Vision is assisting with coordination and needs assessment, and with the provision of advice on future-proofing shelters being constructed against further natural disasters.

## **PART C: DESK REVIEW CONCLUSIONS**

150. This section sets out the overall conclusions of this desk study, covering key findings with respect to impact and outcomes, and lessons learned for the new programme strategy, grouped under five themes: relationships; management/planning/capacity; strategic planning; monitoring and evaluation; and development of sector-wide approaches.

151. This section also considers the key evaluation issues identified by NZAID in the terms of reference for this desk review: relevance, resourcing, aid modalities, integration of cross-cutting issues and implementation of the Paris principles for aid effectiveness.

## **KEY FINDINGS**

- The cornerstone of the programme – the sector-wide and deep support for education – has been able to make a substantial contribution towards the overall vision for the programme set out in *Man Talem Duim* as well as towards the specific goals set for the education sector. ESIRP I and II have also mainstreamed NZAID’s key cross-cutting issues and a number of the operating principles (from the NZAID Policy Statement) set out in *Man Talem Duim*
- NZAID has made a high-profile, constantly visible commitment to a long-term engagement in the Solomon Islands throughout the review period, which has resulted in a strong development partnership with the government, anchored in the relationship built with the Ministry of Education and Human Resource Development
- While *Man Talem Duim* did include ‘a strategic approach to poverty elimination’ as one of its operating principles, neither its five specific sector goals nor the strategy’s overarching vision included any poverty reduction goals. Poverty analysis has not been a major component of programme work to date. Other factors - particularly SIG development objectives, NZAID’s conflict and peace-building policy, work with SIG and other donors on the OECD fragile states principles, and cooperation with RAMSI - appear to have shaped NZAID’s approach more actively than poverty reduction strategies over the review period.

- NZAID has emphasised local leadership and effective capacity building, with considerable success in some parts of the programme – in other areas of the programme there is still room for improvement in terms of local leadership, ownership and capacity building (as there is with a number of other mechanisms for donor support, including RAMSI)
- NZAID has also emphasised long-term capacity building over short-term performance, which has been a successful approach. In some areas however, the absence of short- or medium-term goals have made it difficult to gauge programme progress.
- Aside from ESIRP, other elements of the programme have demonstrated solid progress towards their specific strategic goals: notable achievements are the strengthening of the Inland Revenue Division; rebuilding of land transport links under PCERP/SIRIP; improvements to Honiara services under the HCC strengthening project; progress in clearing tension trials; and the establishment of crime prevention committees.
- Programme management was under-resourced for much of the review period – field resourcing was particularly weak, a point which was identified in the 2005 OECD DAC review but not able to be addressed until the middle of 2006
- The devastating effect of the ethnic conflict on capacity and capability right throughout the SIG public service has had a continuing impact throughout the review period. While excellent progress has been made in rebuilding government departments – for example, MEHRD – some parts of the programme have found it difficult to make progress in the face of continuing staff gaps, and an absence of local enthusiasm for/interest in capacity building and reform work.
- There is a need for a coordinated dialogue between donors and SIG on addressing capacity constraints and delays in public service recruitment and performance management, given the substantial investments donors are making in supporting some government departments.
- Considering the substantial amount of work required to rebuild the programme, alongside SIG rebuilding of virtually every government office and system, plus the work required to design and implement the completely new (to NZAID, SIG and the region) modality of a sector-wide approach, there has been a determined attempt to maintain monitoring and evaluation throughout the review period.
- As with other NZAID programmes, programme documents produced during the review period did not always explain how lessons learned from M&E activities were being fed into implementation. Discussions are underway with SIG on a joint monitoring framework for ESIRP. A challenge for the future is developing a wider M&E plan for the whole programme which incorporates evaluation work at earlier stages in the activity cycle (e.g.: design and implementation) – and then resourcing this work.

## LESSONS LEARNED

### PARTNERSHIP

152. NZAID's emphasis on multi-donor approaches, direct channels of communication with the Solomon Islands Government, and a high profile commitment to long-term engagement were particularly effective aspects of its engagement.

→ These were key factors in the approach to the education programme, which is now the cornerstone of NZAID's development cooperation partnership with SIG.

153. An emphasis on relationship-building and local leadership was very effective within the education programme over the period under review. This approach takes a lot of programme management resources and time and needs to be planned for from the outset. NZAID staff managed to apply this approach during the period under review, despite not being resourced for such an intensive style of engagement.

→ Strong partnership and local leadership is evident within the education programme, where MEHRD is now taking the lead on sector coordination and planning

→ Other areas of the programme have not been resourced to take this approach, or had sufficient time to put it in place

154. Building relationships with local champions of reform contributed to programme achievements over the review period.

→ Successive Permanent Secretaries of Education worked closely with NZAID in support of ESIRP I and II

→ The absence of local champions of reform within the fisheries sector has limited progress with the SIMROS project, particularly in terms of building local capacity and leadership

### PROGRAMME MANAGEMENT, RESOURCING & CAPACITY

155. NZAID's management of the bilateral programme 2003-2008 was under-resourced for much of the period. This was probably due in large part to staff recruitment lagging behind the expansions in bilateral allocations but the following factors were also relevant and should be taken account of in future planning:

- HR resources required to manage a SWAp were significantly underestimated at the outset. Major NZAID engagement is required to support such a programme, particularly at the level of strategic and policy planning.
- Resources absorbed by engagement with RAMSI have consistently exceeded time allocations in operational planning. A revision of these allocations should be considered.
- The fragile state environment also impacts on programme resourcing, both in terms of recruiting local staff and in the work required to develop and maintain new initiatives. NZAID needs to be aware of the likelihood that initiatives will be slow to start

156. Substantial increases in programme funding over the review period were not matched by additional resources for programme management. This impacted on the amount of time and management resource NZAID has had available to devote to planning of new programme initiatives.

- Management and reporting arrangements for civil society projects needed more attention at the initial planning and design phase
- The CYiCL project appears to have been affected by a lack of clarity about respective roles and responsibilities (of NZAID and SCF New Zealand). Role clarification and concise TOR are an important part of the planning process.

157. Devoting more time and resources to initial planning and design could have produced more efficient and effective management arrangements. A more comprehensive assessment of existing capacity and any gaps (within both NZAID and the partner agency or organisation), during initial planning, is also recommended.

158. Issues with achieving effective management of civil society projects appear common across NZAID bilateral programmes. Additional work on sharing best practice approaches across programmes and providing useful tools for programme managers could assist.

159. Capacity and capability gaps affect all SIG agencies and impact on all donors. This suggests it would be useful for donors to consider a coordinated dialogue with SIG on national human resource needs, examining progress with strengthening public sector human resource processes, options for prioritising and sequencing the filling of staff gaps, and options for support from donors.

## STRATEGIC PLANNING

160. The area of the programme which had the most time and resources put into initial planning and design demonstrates strong alignment with NZAID policy and the operating principles set out in *Man Talem Duim*. This underlines the importance of resourcing the initial planning and design stages of project/programme development, in order to support good alignment with NZAID policy frameworks.



- Review materials on the education programmes provide good evidence of the MTD operating principles: partnership, sustainability, coordination, access and accountability

## MONITORING & EVALUATION

161. Programme documentation needs to make clear how lessons learned from M&E activities are being fed back into implementation. NZAID needs to consider resourcing this work, given stretched staff resources.

- A range of M&E activities occurred during the review period, but there was little information available on how the conclusions from this were being fed back into programme management
- For example, documentation setting out how the 2005 review of SISBEC was implemented was not available

162. The impact of ad hoc, diverse, short-term assistance is always going to be difficult to establish. NZAID could either accept this is the case for a certain number of programme activities, or consider options for collating information on such activities (such as the engagement of a local consultant to undertake project visits and compile feedback on achievements and problems).

163. Current arrangements for managing civil society projects do not produce much information on the impact of NZAID's assistance, against the background of the programme's strategic framework. This needs to be taken into account in considering how management of these projects could be made more effective.

## SECTOR-WIDE APPROACHES

164. The experience in developing a sector-wide approach in the Solomon Islands education sector has provided many lessons learned for future SWAp work. These are set out in detail in the education section, above. The key lessons were:

- Prioritising relationship-building and local leadership pays longer-term dividends....
- Although planning needs to take account of the highly resource-intensive nature of this approach...
- And the fact is can require a willingness to sacrifice short-term performance gains in favour of longer-term progress with leadership and capacity building
- Maintaining a constantly visible commitment to long-term engagement encourages local commitment to a long-haul process

- Undertaking a comprehensive capacity assessment (looking at both donor and partner agency capacity) is a critical part of initial planning
- NZAID should be aware that considerable programme management resources, at the strategic and policy planning level, will be required to develop a sector-wide approach
- NZAID should also be aware that expenditure tends to be slow to start...
- And getting the fundamentals of budgeting and accountability correct at the start are critical.

## Relevance

165. The ToRs for this review require an assessment of the relevance of the objectives and approach set out in the Strategy to Solomon Islands' development needs. AusAID's recent review of its bilateral programme provides a useful comment here: "*(a) challenge in very poor and aid dependent countries such as the Solomon Islands is that donors can select almost any activity in the knowledge that it will be useful*".<sup>46</sup> *Man Talem Duim* aimed to provide a strategic framework for the bilateral programme, in accordance both with NZAID policy and SIG development goals. SIG's 124-page National Economic Recovery, Reform and Development Plan (NERDP) produced in 2003 set out such a wide-ranging work programme that it would be difficult for NZAID to come up with a programme that was not relevant to SIG goals.

166. NZAID did try to be firmly selective in the first two years of the review period. "*If it wasn't education, we didn't do it*" was the comment of one staff member about that time. Subsequently, the expanding programme budget dispersed the programme much more widely. Nonetheless, the Solomon Islands Government has confirmed several times during the period under review that it regards the New Zealand programme as closely aligned to national development priorities (see for example comments by the Minister of National Planning & Aid Coordination at bilateral aid talks in September 2005; and reporting on NZAID programme talks in Honiara in early 2008).

167. In terms of the NZAID policy framework, the Solomon Islands programme has been the testing ground in which some of the key new policy approaches of the new agency have been put into practice – hence the selection of the Solomons programme for inclusion as a case study in each of the last OECD DAC reviews of New Zealand's development assistance programme<sup>47</sup>. The period under review predates NZAID's Pacific Strategy 2007-2015, but the priorities of both *Man Talem Duim* and the Strategy Update align closely to the

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<sup>46</sup> Gilling, J (2007). Desk Review of Solomon Islands Bilateral Strategy. AusAID, Canberra. Page 11.

<sup>47</sup> OECD 2000. New Zealand Development Co-operation Review. OECD, Paris; and OECD 2005. New Zealand DAC Peer Review. OECD, Paris.

focal areas emphasised by the Pacific Strategy. Development of the sector-wide approach to education in the Solomons paralleled the development of NZAID's education strategy, Achieving Education for All, which prioritised support for basic education by means of an approach which strengthened local leadership of education sector development. At the time that Achieving Education for All was finalised in 2005, only the Solomon Islands and Tonga were in a position to receive direct support from NZAID for their national education strategy.

### *Poverty policy & analysis*

168. The goal of NZAID's Pacific Strategy is reduced poverty and hardship in the Pacific. The Solomon Islands' 2004 Millennium Development Goals report highlights the impact of the ethnic conflict in rolling back progress and identifies a key challenge as bringing human development indicators back to pre-conflict levels. The report also notes that a national poverty survey may be required to determine the nature and level of poverty and specific policy targets and indicators for the Solomon Islands.<sup>48</sup>

169. NZAID programme documents during the review period also noted the potential need for more detailed poverty analysis longer term. A Participatory Poverty Assessment was undertaken by the ADB in 2007, which consulted individuals and communities to establish perceptions of poverty and hardship, and sought to validate these with national-level workshops. This work was interrupted by the April 2007 tsunami, leading to the cancellation of the national-level consultations, however a final report was prepared identifying major causes of poverty and hardship. SIG intended to circulate the report amongst government departments and civil society organisations. Workshops held as part of the OECD DAC fragile states policy pilot project also flagged the need for poverty analysis.

170. The country analysis work which will underpin the new strategy will presumably confirm that development needs in the Solomon Islands continue to be wide-ranging. The challenge for NZAID programme going forward will be selecting areas in which NZAID wishes to concentrate its resources, and identifying effective means to address the specific development needs of those areas.

## Resourcing

171. The rebuilding, implementation and monitoring of the NZAID programme throughout this review period have been constrained by capacity issues on all sides. NZAID had insufficient programme management resources allocated to the Solomon Islands for much of the review period, due to staff shortages across the growing agency and possibly also a tendency to underestimate the resources

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<sup>48</sup> SIG/UNDP (2004); MDG Report, page 15.

required in a post-conflict environment like the Solomons. Throughout the period NZAID was still in a development phase in terms of programme, procurement and financial management systems, which added to the limited capacity and ability to manage programmes efficiently. There also appears, from reviews in the education sector, to have been a tendency to underestimate the time and depth of engagement required to get a sector-wide approach up and running, and then to maintain its progress. The OECD DAC 2005 report on New Zealand's aid programme noted that strengthening its field presence was critical for NZAID<sup>49</sup> and questioned whether the agency had the resources to manage 19 core bilateral partners

172. The operating context in the Solomon Islands has also made programme management unexpectedly resource-intensive. The resources required to engage with RAMSI were not apparent at the outset of the review period, and there have also been periods when local developments (pre-election slow-downs, April '07 tsunami, 2007 riots) have meant the programme team have been largely reacting to developments rather than proactively managing programme implementation, monitoring progress and planning for the future.

173. The devastating effect of the ethnic conflict on capacity and capability within the Solomon Islands public service has had a continuing impact right throughout the review period, although some agencies have made strong progress with rebuilding their staff, systems and policy (for example, MEHRD, Inland Revenue Division), others have made a good start on this (such as the courts and the Ministry of Infrastructure Development), while other sectors have not come to grips with reforms. There is strong competition for qualified, experienced Solomon Islanders, and the NGO sector has found it hard to get good staff (competition for staff has also affected the recruitment of local staff to the NZAID office in Honiara).

## Aid modalities

174. NZAID has been committed to multi-donor approaches to development assistance in the Solomon Islands from the beginning of the review period. Early on in the review period, there were no Management Services Consultants engaged with the programme, and NZAID's approach emphasised direct lines of contact with partner agencies (rather than an engagement which was channelled through advisors) in order to build strong partnerships built on trust and doing a lot of work together. This approach has been particularly successful in the sector-wide approach to education, which has become the cornerstone of New Zealand's relationship with the Solomon Islands.

175. The model offered by the education SWAp has been endorsed by the partner government and examined by other countries in the region interested in sector wide approaches. This model also appears to have avoided many of the

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<sup>49</sup> OECD, 2005, op cit, page 22.

pitfalls experienced by other donors employing different modalities, such as institutional strengthening programmes or programmes marked by heavy use of external technical assistance. NZAID's approach to the SWAp also appears to have been effective, with its strong focus on relationship-building, willingness to let MEHRD take the lead, and acceptance of a timetable with which partner agencies could cope.

176. The one MSC-managed project has experienced considerable difficulties, however there appears to be a range of reasons for this, not simply that this modality was not going to work. The MSC had to work in a sector where there is limited support for widespread reform and capacity-building. Additionally, the public-service wide problem of slowness in filling staff gaps meant local counterparts were not available to work with the advisors. Some of the issues with this project could perhaps have been avoided by greater clarity about baseline requirements for the project to commence, such as the staffing of vacant policy positions within MFMR. Other project management and oversight tools, such as the Project Coordination Committee, have not functioned – again, perhaps this should have been insisted on before proceeding further with the project.

177. Modalities used for managing the projects implemented by NGOs have also experienced management problems, which could potentially have been mitigated by greater clarity at the outset as to roles and responsibilities. However, NZAID's unique approach of providing core funding to NGO's has been greatly valued and allowed NZAID to engage with those organisations more at a strategic rather than activity/project level. The HCC strengthening programme is also an innovative programme management approach; based on a professional partnership between CLGF, its international network of local government, and HCC.

## Integration of cross-cutting issues

178. Cross-cutting issues required to be mainstreamed tend to vary across NZAID documents, which makes the task of mainstreaming a little vague – which ones are essential and which ones are the 'nice to haves'? The TOR for this review are not specific, asking how has "*NZAID integrated into the programme cross-cutting issues such as gender, governance, conflict prevention, health, environment, human rights and emergency management and disaster relief*" and noting NZAID is mandated by Cabinet to mainstream a much shorter list, comprised of gender, human rights and the environment.

179. *Man Talem Duim* set out a list of operating principles, which are taken directly from NZAID's 2002 Policy Statement, namely: protection and promotion of human rights; a strategic approach to poverty elimination; sustainability; equity; partnerships; participation; coordination and access and accountability. The Strategy Update finalised in 2007 references the policy statement, plus

NZAID policies on human rights, gender and the environment, and then goes on to specify a short list of different “*cross cutting themes*” which are to inform NZAID’s work on the bilateral programme. These themes are aid effectiveness, peace and conflict resolution, and young people.

180. The cross-cutting issues set out in the TOR for this review, *Man Talem Duim*, and the Strategy Update add up to a long list. In terms of their integration across the programme, as would be expected with such a long list, some issues have a high visibility, and others are much less apparent. Neither *Man Talem Duim* nor the Strategy Update set out a monitoring and evaluation framework, either for tracking progress on cross-cutting issues, or for the programme as a whole.

181. Those issues with the highest visibility across programme documentation are conflict resolution, governance and gender. Peace building and conflict resolution has been explicitly considered by NZAID since the earliest days of the review period, reflecting the events which preceded the deployment of RAMSI and the rebuilding of the bilateral programme. The policy development process in which NZAID was engaged alongside rebuilding of the Solomons programme, recognised the links between poverty and conflict, and NZAID sought to apply international thinking on these issues to the bilateral programme, at the strategic planning level. Annual operational plans also highlight the importance for this programme of implementing NZAID’s Preventing Conflict and Building Peace policy.

182. The RAMSI Machinery of Government programme considers conflict and governance issues in detail, including the relationship between certain indicators of weak governance and conflict. RAMSI MOG documentation flags the Solomon Islands high score on certain governance indicators for conflict, including corruption in government, women’s lack of participation in government; dissatisfaction with provision of government services and inability to participate in government decision-making. Supporting the rebuilding the core functions of government have been one of the focal areas of the programme since RAMSI’s deployment, with consideration of governance issues central to the activities supported under this pillar.

183. Aside from assistance channelled through RAMSI, many other components of the programme have had a strong governance focus, given the need to rebuild and re-staff nearly every office in the SIG public sector and given that one of the programme’s strategic objectives focuses on governance. Thus, for example, support for education has included substantial capacity-building to improve sector planning and management; support to the transport sector has encouraged the strengthening of the Ministry of Infrastructure and better coordination and management of government infrastructure works; and the SIMROS project has sought to rebuild and reform government management of the fisheries sector. Outside of the public sector, NZAID assistance has aimed at

strengthening demand for good governance, through core funding for two umbrella NGOs and support for civic education. The core funding projects have also included work on improving the governance structures of the NGOs receiving funding.

184. Gender targets have been integrated into design of the education SWAp, and evidence of planning taking account of the role of women is visible in project documentation for other activities across the programme. Mainstreaming of this issue has been variable, however, with the review of the World Vision sustainable livelihoods projects noting that involvement of women was overlooked at the design stage, with the result that project beneficiaries have been mainly men to date. NZAID has been providing core funding for the National Council of Women, seeking to strengthen its governance structures.

185. The young people theme identified in the Strategy Update has been supported by assistance for the Children & Young People in Conflict with the Law project, but there is little evidence of this being integrated as a theme within planning for other activities. . This theme is to be built into development of the new programme strategy.

## Implementation of Paris principles for aid effectiveness

### *Ownership*

186. NZAID's approach has emphasised the building of strong local ownership and leader throughout the review period, with good achievements visible particularly in the education sector and Inland Revenue Division. There have been difficulties in working with the advisors and counterpart agency to build local ownership during the initial year and a half of the SIMROS project – measures to address this have been identified as a priority for the remaining period of the MSC contract.

### *Alignment*

187. Political instability and weak capacity throughout the review period has clearly impacted on NZAID's ability to align behind a government-led strategy in several areas of the programme. OECD fragile states material recommends aiming for partial alignment at the sectoral level where a government policy vacuum exists. A government-led strategy for the fisheries sector has not been available to shape implementation of the SIMROS project to date, however a national strategy is now being developed with the assistance of project advisors. Building in the OECD guidance to the SIMROS work might mean consultations with stakeholders (non-governmental, as well as central and provincial government representatives) in the fisheries sector, in addition to supporting the development of a national fisheries strategy with MFMR.

### *Harmonisation*

188. Programme staff report a complex donor environment in Honiara and weak donor coordination. This is the case even for the sector-wide approach in education despite NZAID putting in a lot of effort to encourage greater coordination and harmonisation. NZAID engagement in the Tsunami response is a good example of NZAID's commitment to and efforts in donor harmonisation, at the same time as demonstrating the major challenges it poses. The annual plan developed for the programme's 2007/08 years flags the risk of donor support being retargeted or not aligned with the NZAID programme and notes strengthened donor coordination will be pursued as a management strategy for this risk.

### *Managing for results and mutual accountability*

189. There has been good progress towards this in some parts of the programme – notably the SWAp, where strong ownership has reinforced mutual accountability. Neither *Man Talem Duim* nor the Strategy Update provided a results framework. Developing such a framework, jointly with the Solomon Islands Government, should be one objective of the country strategy process.

## OECD DAC Fragile States Pilot

190. During the review period, NZAID (along with AusAID) assisted the OECD in piloting principles it had developed to improve aid effectiveness in fragile states. A series of workshops were held in 2005 and a donor survey conducted in 2006. The aim of the exercise was to 'ground-truth' the OECD's fragile states principles, in other words, establish whether they provided useful guidance for donors working in fragile states. The 'principles for good donor engagement in fragile states' were:

- Take context as the starting point
- Move from reaction to prevention
- Focus on state-building as the central objective
- Align with local priorities and/or systems
- Recognise the political-security-development nexus
- Promote coherence between donor government agencies
- Agree on practice coordination mechanisms between international actors
- Do no harm
- Mix and sequence aid instruments to fit the context
- Act fast...
- ...But stay engaged long enough to give success a chance
- Avoid pockets of exclusion



191. The fragile states workshops did lead to agreement amongst donors and SIG on some joint work to improve aid effectiveness in line with the principles – examining further poverty analysis; developing a successor to NERRDP; undertaking drivers of change analysis and peace and conflict analysis – however a number of these initiatives were not subsequently supported by the Sogavare Government. Nonetheless, the fragile states principles were frequently referred to in NZAID programme planning and policy development, and have been a key reference point in elaborating a whole-of-government approach to ongoing work within and engagement with RAMSI. The OECD process led to an ongoing dialogue between AusAID and NZAID on fragile states principles which continue this year. NZAID has been working with AusAID’s Fragile States Unit, and has this year been discussing how the OECD principles will be implemented, taking into account how they interlink with the Paris principles on aid effectiveness and the MDGs.

## ANNEXES

### Annex 1: Brief overview of the pre-review period

In the early 1990s, the bilateral programme to the Solomon Islands had a programme strategy (a fairly rare document, at that time), which focussed on provincial/rural development, with two cross-cutting themes – gender and rural development. A number of agriculture activities were supported (bees, quarantine, forestry, women in development). NZODA was active in the provinces, particularly Malaita, Isabel and Western Province. Some basic education initiatives were also being supported. The programme was going well and the Solomon Islands Government was a fairly effective development partner, particularly under the leadership of Prime Minister Bart Ulu'fa'alu. Then civil unrest broke out.

#### *The conflict period 1999-2000*

The 1999 tensions were focussed on ethnic conflict, although subsequent assessments point to the role of political and business elites in deliberately fanning the flames of ethnic conflict in order to disrupt government reform processes which could have spelled an end to their prosperity.

A militant group, the Guadalcanal Revolutionary Army (later renamed the Isatabu Freedom Fighters), emerged and began chasing settlers from other provinces, mainly Malaitans, out of Guadalcanal. Killings and disappearances occurred, and over 30,000 people were internally displaced.<sup>50</sup> In 2000, the Malaita Eagle Force, a militant group formed from displaced Malaitans, emerged seeking compensation for lost property. The MEF and supporters within the police paramilitary fought the GRA and took control of Honiara. In June 2000, the MEF overthrew the Ulu'fa'alu government, placing the Prime Minister under house arrest and forcing his resignation. A new government was formed following the coup, and negotiations assisted by Australia and New Zealand led to the Townsville Peace Agreement in October 2000. But a GRA faction, the Guadalcanal Liberation Front led by Harold Keke, did not support the peace agreement and maintained a vicious stronghold on the Weathercoast.

#### *Post-conflict lawlessness - donor activity*

A multi-donor mission during November-December 2002 (the MDEGM or multi-donor economic governance mission) tried to put together a strategic framework for improving economic governance in the Solomon Islands. At this time, the Solomon Islands Government was managing its cash obligations on a day-to-day

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<sup>50</sup> Solomon Islands Government, 2003. National Economic Recovery, Reform and Development Plan (NERRDP) 2003-2006: Strategic and Action Framework. Honiara: Department of National Reform and Planning, page ix

basis and was frequently unable to meet financial commitments. Salary payments to public servants were in arrears and corruption and misuse of public funds was rife. National financial institutions were seriously weakened and the national budget process was unrealistic. The MDGEM identified a list of key economic governance challenges and sought a commitment from the Government to implement reform policies to ensure improved economic governance and produce a new medium term development strategy, which donors could then support.

While New Zealand and other donors persevered for some time with traditional development approaches, it rapidly became clear that this was a situation in which standard approaches would not work. NZAID had deployed a team to the Solomons at the end of 2002, to develop a new strategic plan for the bilateral programme. This team did not report back until March 2003, by which time the security situation had deteriorated even further. Discussions with the Government became somewhat surreal. New Zealand's High Commissioner in Honiara<sup>51</sup> at the time recalled an occasion in early 2003 when donors and SIG representatives were meeting to consider the MDEGM report. While discussions went on in the Prime Minister's office, outside the sound of high-powered weapons being fired into the air could be heard, following looting of the police armoury.

The MDEGM process stalled from this point. A further meeting with the SIG on MDEGM was put off until the middle of the year, and then further postponed until November 2003.

#### *An almost failed state*

While open civil unrest had ceased, scarcely any mechanism of government functioned as it should. The Government did not have the support of the Solomon Islands Police Force (SIPF) and was incapable of delivering basic services to its people. Salary payments to teachers, health workers and the police were several paydays in arrears. Ex-militants and criminals, with the direct collusion of corrupt police officers, were regularly siphoning millions off the government at gunpoint. The SIPF armoury was comprehensively looted and thousands of high-powered weapons found their way into the hands of ex-militants and criminal gangs. Some of these weapons crossed the border into nearby Bougainville, contributing to instability in the wider region, as well as at home. Criminal gangs roamed Honiara and in the provinces, atrocities were being committed.

NZAID withdrew from provincial projects. Contacts with central government officials became rare, as people fled to their villages. Travel and monitoring of projects was next to impossible.

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<sup>51</sup> Heather Riddell, New Zealand High Commissioner to the Solomon Islands, 2001-2003

New Zealand assistance was maintained to the Solomon Islands Police Project, as it was recognised that a key enabling element in the lawlessness was corruption at the top of the Police Force. The British Police Commissioner, William Morrell, appointed in February 2003 was not able to address the corruption alone and in March asked for additional New Zealand assistance, in the form of ten in-line police officers. The view of New Zealand Police was that such assistance would require military back-up. Commissioner Morrell's request for help was then overtaken by a plea from even higher up.

Schools had closed. The Government was not able to maintain even basic health services. Honiara's electricity supply was becoming sporadic and the two remaining banks were considering closing.

The Solomon Islands Government determined that it could not restore law and order without help.

## Annex 2: The Regional Assistance Mission to the Solomon Islands

### *Background to the deployment of regional assistance*

In April 2003, Prime Minister Kemakeza wrote to the Australian Prime Minister, John Howard, seeking assistance with the restoration of law and order in the Solomon Islands. The Australian Government sought New Zealand views and support for a 'strengthened assistance programme' (SAP), and wider regional discussions were initiated. In early June, a scoping mission by New Zealand officers (MFAT, NZAID, NZDF and Police) visited the Solomons. On 25 June, Cabinet approved a set of principles to guide New Zealand's contribution to a SAP and the Australian Cabinet met the same day to authorise deployment of Australian resources. NZAID was playing an active role in developing the policy framework for strengthened assistance supported by New Zealand.

Australian and New Zealand Ministers held bilateral discussions 25-27 June to consider the nature and scale of the intervention. There were further officials consultations through to the end of June, and Cabinet delegated Power to Act to a small group of Ministers, in the event decisions were required in a timeframe that did not allow for a paper to be put through the Cabinet process. On 30 June, Forum Foreign Ministers meeting in Sydney agreed on the need for a concerted regional response to the situation in the Solomon Islands, as envisaged by the Biketawa Declaration.<sup>52</sup>

On 7 July, the Solomon Islands Parliament passed the Facilitation of International Assistance Act, providing the legal basis for deployment of foreign troops and officials, and the Solomon Islands Government produced a Policy Statement on the offer of strengthened assistance. The Policy Statement identified key issues for the restoration of law and order: strengthening the courts & judiciary; bringing criminals to justice & improving relations between the public and the police; reinforcing security in trouble spots; putting an end to threats and compensation demands; strengthening the prison service; reintroducing community policing; demobilising the special constables; and providing logistical support for the police.<sup>53</sup>

On the same day, the New Zealand Cabinet agreed in principle that New Zealand should participate, and contribute NZODA, police and military resources. A senior NZDF commander visited the Solomon Islands and briefed Ministers with Power to Act on 11 July. On 14 July, Cabinet approved the detailed shape of the New Zealand contribution, setting out defence assets, defence personnel, police and NZODA of up to \$14 million. Ministers jointly

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<sup>52</sup> Forum Leaders meeting in Kiribati in 2000 had agreed that in the event of crisis in the region, action would be taken "within the Pacific family".

<sup>53</sup> 2003, Solomon Islands Government: National Economic Recovery, Reform and Development Plan 2003-2006: Strategic & Action Framework (NERRDP), page 16.

announced this decision on 15 July and just under ten days later, on 24 July, the Regional Assistance Mission to the Solomon Islands (RAMSI) was deployed in Honiara.

### *The RAMSI mandate*

Strengthened assistance represented a very different approach for New Zealand.

RAMSI's mandate was closely linked to the Solomon Islands' Government Policy Statement issued in July 2003 and initially focussed on four areas<sup>54</sup>:

restoration of law and order in Honiara and the rest of the country, including reforming the Solomon Islands Police (SIPF); confiscating illegal weapons; investigating & prosecuting new criminal offences; strengthening courts & prisons systems; and protecting key government ministries  
stabilisation of government finances, including securing revenue collection & controlling expenditure; strengthening financial administrative safeguards; and obtaining donor & IFI support  
promotion of economic recovery and the revival of business confidence, including implementing economic reform; dealing with corruption; and improving debt management, and  
rebuilding the machinery of government, by reforming key government functions, including Parliament, Cabinet, the public service & electoral processes.

### *RAMSI resources*

A Special Coordinator<sup>55</sup> was made responsible, on behalf of the Forum, for overseeing RAMSI operations. The head of the RAMSI police contingent was sworn in as a Deputy Commissioner of the Solomon Islands Police Force (SIPF).

By September 2003, there were 280 RAMSI police officers in the country, drawn from Australia, New Zealand, Fiji, Samoa, Tonga, Kiribati and the Cook Islands. There were also 1840 military personnel<sup>56</sup>, 16 civilian advisors in the Department of Finance, and a growing number of in-line and advisory positions being filled in the justice sector. In addition, external advisors were being deployed by New Zealand and Australia under their ongoing bilateral programmes.<sup>57</sup>

New Zealand's initial military contribution to RAMSI was a detachment of four Iroquois helicopters with crew and support staff, plus staff officers based in RAMSI headquarters. In August 2003, an infantry platoon joined the mission,

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<sup>54</sup> August 2005: Regional Assistance Mission to Solomon Islands (RAMSI) Performance Framework

<sup>55</sup> RAMSI Special Coordinators: Nick Warner (2003-2004); James Badley (2004-2006); Tim George (2006-present)

<sup>56</sup> From Australia, New Zealand, Fiji, Papua New Guinea and Tonga.

<sup>57</sup> 2003, SIG: NERRDP, page 16

bringing the number of New Zealand military personnel in the field to 222. RAMSI military personnel peaked at a total of 1,700 in 2003, before military numbers were drawn down to around 650 personnel.<sup>58</sup>

### *Impact of RAMSI*

The change brought about by the arrival of these considerable resources was felt literally overnight in Honiara, and rapidly spread out to the provinces. The lawless *status quo*, during which public monies were regularly extorted at gunpoint, experienced a quantum change. A climate of security was established in Honiara and in key areas such as the Weathercoast and Malaita province. 15 police posts were set up in eight of the nine provinces. A weapons amnesty, which concluded in August 2003, brought 3,680 weapons under RAMSI control. Ex-militants and the 'warlord' Harold Keke were captured or surrendered, and restoration of a functioning justice system began.

Australian advisors appointed to key positions in the Treasury, Finance Ministry and Inland Revenue Department were able to halt the constant drain of public monies that had been facilitated by the breakdown of accountability systems.

The initial vision for RAMSI was that it would enforce a "security pause", which would enable systems of government to begin functioning again and provide an environment in which development cooperation could go ahead. This was a resounding success.

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<sup>58</sup> Source: [www.army.mil.nz/army-overseas/operations/Solomon+Islands](http://www.army.mil.nz/army-overseas/operations/Solomon+Islands).

### Annex 3: Background to development of the education SWAp

At the time of RAMSI deployment, NZAID was already supporting some urgent education needs. In mid-2003, New Zealand offered emergency funding for immediate priority needs in basic education. By the end of 2003, these funds had supported the commencement of an Education Strategic Plan review at the Solomon Islands College of Higher Education (SICHE – the teachers' college), salaries for probationary teachers and primary education materials and supplies.

NZAID was well aware that the situation in the Solomon Islands' education sector was dire. A funding crisis in the sector developed during the 1990s when, despite rapidly increasing enrolments, the Government spent less and less on basic education. The conflict which began in 1999 compounded the crisis, as the rapidly contracting economy further reduced government spending. The most significant and adverse impact was on basic education. In the three years prior to 2004, primary schools received no funding support from the Government at all, beyond the payment of teachers' salaries (and, in some months, not even those). Statistics were particularly bad on Guadalcanal and Malaita, as a result of the ethnic conflict. Figures from 1999 show both Guadalcanal and Malaita had more than half of their school-age female population not attending school, and Guadalcanal also had more than half of its male population of school age not attending.<sup>5960</sup>

Initial discussions about the education sector were underway and then a new Permanent Secretary of Education, Dr Derek Sikua, was appointed. Like NZAID, Dr Sikua had a vision for big changes in his education sector and was highly motivated to achieve them.

Clearly, well-coordinated, substantial donor assistance was required, simply to re-establish education services and get children back into schools. NZAID had recently recruited an education expert<sup>61</sup> with experience in the new approach of sector-wide approaches to education, who with NZAID AIDPAC undertook consultations with the Solomon Islands Government, AusAID and RAMSI and carried out an appraisal for undertaking education sector support. The appraisal process drew on the Budget Support Programme which had been put in place by RAMSI.

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<sup>59</sup> SIG/UNDP, 2002. 2002 Solomon Islands Human Development Report, page 36.

[www.hdr.undp.org/en/reports/national\\_reports/asiathepacific/solomon\\_islands](http://www.hdr.undp.org/en/reports/national_reports/asiathepacific/solomon_islands)

<sup>60</sup> The crisis in basic education undercut significant gains made by the Solomon Islands in the twenty years since independence, during which time primary and secondary school enrolments expanded significantly and adult literacy rates were doubled. See MEHRD, SIG & NZAID, 2004: Education Sector Investment and Reform Programme (ESIRP) 2004-2006; Annex 5, Technical Appraisal.

<sup>61</sup> Michael Ward, SAEG advisor NZAID, 2002-2005



The World Bank had earlier funded the development of a strategic framework for the education sector. NZAID provided funding for a national consultation process, culminating in a National Education Planning Forum in late 2003, which set key directions for the education sector. It was decided that NZAID would support the finalisation and updating of a strategic plan for the education sector, drawing on the World Bank study, and that this strategic plan would provide the framework for NZAID's future support for the sector. Financial and economic analysis developed by RAMSI's Budget Support Programme was also drawn on.

By late 2003, the process of finalising a financing modality for delivering NZODA budget support to education was well underway and NZAID was working with SIG education officials to finalise work plans underpinning the sectoral support. NZAID's initial assistance was directed to supporting the primary education sector, including contributing towards teachers' salaries, infrastructural needs and instructional material development.

ESIRP's Programme Submission sets out a comprehensive rationale and structure for the new education SWAp, including a technical education sector appraisal, as well as appraisals of economic and financial issues, institutions, social issues and risk. Notwithstanding this analysis and planning, this was without doubt a radical new direction for NZAID, and key officials working on the programme were very conscious that this was a bold approach, untested in the Pacific and completely new for the agency. The same officials were also convinced that this represented the best chance for reviving the Solomon Islands education sector and the best basket in which to put a substantial portion of NZAID's eggs, at that time. "*We just went for it*" was the summation of one NZAID official working on the programme at the time. Kind of true but there was a lot of work done here by the Educ advisor so let's not create the impression that it wasn't planned and structured.

### Annex 3: PROGRAMME TIMELINE

TIMEFRAME	ACTIVITY	PARTNERS	BUDGET
<b>EDUCATION</b>			
2003-early '04	Funding for urgent education needs	MEHRD	\$3.5M
2004-2006	<i>Phase 1 ESIRP:</i> (1) Budget support for Education Strategy Plan (2) TA facility ESIRP Proj doc – Blue Book	MEHRD EU	\$30M – up to \$10M p/a
APRIL 2004 MOU SIG/EU/NZAID FOR ESIRP; July 04 ANNUAL JOINT REVIEW (AJR); Nov 05 Ed SECT COORD CTTEE (ESCC); Feb 06 ES MARTIN GRINSTEAD REVIEW PHASE 1			
2007-2009	<i>Phase 2 ESIRP:</i> (1) Budget support for ESP (2) TA facility & Educ Sector Coordinator	MEHRD EU	
PROJECT DOC; April 07 Review of Phase 1 Infrastructure Project; May 07 Review of School Grants Scheme			
2003-2008	NZAID NZDS (study in NZ) NZAID NZRDS (in region) NZAID In-country training (agreed in 05 to phase out ICT in 07) NZAID STTA	MEHRD National Training Unit	c.\$1.25M p/a
<b>GOVERNANCE</b>			
<b>ECONOMIC GOVERNANCE/MACHINERY OF GOVERNMENT</b>			
2004-2006	Assistance to National Statistics Office	SPC implementing agency. Co-funded by A/NZ.	A\$400K
Nov 2004 EXCHANGE OF LETTERS WITH SPC . SHOULD BE A PROJECT COMPLETION REPORT ON FILE			
2004 – 2009	Support to Economic Reform Unit (ERU)	RAMSI Machinery of Govt project SIG MFT	\$1.25M
DEC 2004 MOU NZAID/NZ TSY ON TA TO ERU 2004-2005; Nov 06 LOV extended end date to DEC 06; FEB 07 LOV 2 replacement of BA by MH			
2005-2008	TA to SI Inland Revenue Division from NZIRD		
NOV 2005 MOU NZAID/NZIRD COVERING TA SUPPORT TO SI IRD ; MAR 06 LOV 1 (LALA); JUN 06 LOV 2 (HEWETSON); OCT 06 LOV 3 (HEWETSON)			

(O"KEEFE); procedural LOVs; OCT 07 LOV 9 extending TAs MH to Jan 08; Lala to Jun 08; Dec 07 LOV 10 extended MF to Jun 08				
2005	Honiara Club SIG Debt rescheduling	NZ TSY		
2006-08	Customs Modernisation – PC/TRADE	Statistics NZ, SI Customs & Statistics Office		
NOV 06 MOU NZAID/NZ STATS 2006-2007; Aug 07 LOV 1 extending end date to MAY 08; procedural LOVs during 07; MAR 08 LOV 4; MAY 08 TSY to support PC/TRADE Customs modernisation – equipment for SI Customs				
2006	Election monitoring	Aust, UN, Commonwealth		
June – Oct 2007	Financial Management Strengthening Project Review	RAMSI, SIG	\$20K	
<b>LAW &amp; JUSTICE</b>				
2005-2008	Donor harmonised programme of support for SI Law & Justice Sector	AusAID, RAMSI, Dept of Justice & Legal Affairs	2005-07 \$2.3M	
AUG 2005 DONOR FUNDING ARRANGEMENT NZAID/AUSAID; JULY 2006 LOV 1 extending end date to July 07 & adding one more High Court judge; March 2008 both judges extended; JAN 2008 LOV 3 end date extended to March 2009, both judges extended to 2009.				
2006-2008	Children & Youth in conflict with the law (CYICL)	Ministry of Justice & Legal Affairs, Save the Children	?	
DEC 2006 FUNDING ARRANGEMENT NZAID/SCNZ FOR JULY 2006-JUNE 2009, REQ 6 MONTHLY PROGRESS & MONITORING REPORTS FOR LOV 1 APPROVING ADDITIONAL ACTIVITIES & AMENDING REPORTING & PAYMENT SCHEDULE				
2005-2008	Civic education project: Phase 1 2005? Phase 2 started 2008??	AusAID, SI civil society networks, Ministry of Home Affairs		
<b>CIVIL SOCIETY/LEADERSHIP DEVELOPMENT</b>				
2004/05 2006-2009 current phase	Solomon Is National Council of Women core funding	Ministry of Women, Youth & Children's Affairs	No SIG contrib.	
2004/05 funded TA to NCW; MAY 2006 NZAID/SINCW GFA TO COVER NZAID CORE FUNDING; GFA REQUIRES QUARTERLY REPORTS TO SINCW; OCT 2007 TA TO SINCW				

2004-2008	Development Services Exchange core funding	Ministry of Home Affairs	NZAID core funding – no SIG contribution
MID 2005 GFA NZAID/DSE; GFA REQUIRES INTERIM & ANNUAL REPORTS & PROJECT COMPLETION REPORT JULY 2008			
<b>CAPACITY BUILDING/MISCELLANEOUS</b>			
2004 onwards	Support for a range of capacity building activities		No SIG contrib? Individual GFAs managed by NZAID/NZHC?
2006-2008	Honiara City Council Institutional Strengthening Project	Commonwealth Local Govt Forum	April 06 budget \$1.58M
APRIL 06 GFA with CLGF for 2006-2007; JAN 07 LOV 1 extending end date to Feb 2010, based on PROJECT DESIGN DOCUMENT for Capacity additional activities & costs for 2008			
2006-2008	Contract with GRM to provide logistical support services to NZ TAs in Solos		
2008	Development of SIG Medium Term Development Strategy (MTDS)	MDPAC	A\$64K
<b>GROWTH &amp; LIVELIHOODS</b>			
1998-2009	Small Business Enterprise Centre (SISBEC)	Dept of Commerce, Industry & Employment	\$250K/pa?
OCT 2003 FUNDING ARRANGEMENT NZAID/SBEC Oct 03 – Jun 05; regular reporting req'd; NOV 2005 CONTRACT TO REVIEW SBEC; MAR 2005-06 progress reports required; OCT 2006 FUNDING ARRANGEMENT NZAID/SISBEC covering June 2006-June 2009			
2005-2008	World Fish Solomon Is Sustainable Livelihoods Project	ICLARM/VT	Y1 \$292K Y2 \$236K Y3 \$252K
June 2005 NZAID/WORLDFISH CONTRACT for 05-08; MARCH 2008 REVIEW OF WORLDFISH PROJECT; ANNUAL REPORTS REQ'd UNDER MARCH 2008 GFA NZAID/ICLARM for March 2008-April 2009			
2006-2009	Ministry of Fisheries & Marine Resources (MFMR) Organisational Strengthening Project (SIMROS)	MFMR, Lincoln Int'l	NZ\$6.2M for 5 years
MAR 2005 CONTRACT WITH MAVROMATIS CONSULTING FOR MFMR INST STRENGTHENING; AUGUST 2006 MANAGEMENT SERVICES C IMPLEMENTATION DOC 2006-2009; APRIL 06 CONTRACT WITH MAVROMATIS TO DO DFMR CORPORATE PLAN & HRD; LOV 1 LINCOLN FEB 07 ADDING 06/07 WORKPLAN & BUDGET+MILESTONES JAN-JULY 07; LOV 3 OCT 07 APPROVING WORKPLAN, BUDGET MILESTO BUDGET & MILESTONES; LOV 5 FEB 08 WORKPLAN BUDGET & MILESTONES			
2007-08 & ongoing	MFMR New Building		

APRIL 08 NZAID CONTRACT WITH REEVES CONSTRUCTION TO PROJECT MANAGE BUILD.				
2004-2007 but ongoing	Post-Conflict Reconstruction (PCERP)	Emergency Project	ADB, Ministry of Infrastructure Devt	NZAID funding began 05
PCERP DESIGN; QUARTERLY PROGRESS REPORTS FROM ADB; ADB COMPLETION REPORT; MAY 2006 CONFINANCING AGREEMENT				
2007-2011	SI Rural Infrastructure Project (SIRIP)		ADB, Ministry of Infrastructure Devt	
SIRIP DESIGN DOC; QUARTERLY PROGRESS REPORTS FROM ADB; MARCH 2006 MOU FOLLOWING SIRIP APPRAISAL MISSION				
2006-2009	Rural Food Security Project Weathercoast & Reef Islands		World Vision Solomon Is	\$3.5M
JULY 2006 GFA NZAID/WORLD VISION NZ 2006-09				
2006-2009	Makira Sustainable Livelihoods	Rural	World Vision Solomon Is, Makira/Ulawa Prov Govt	
<b>TSUNAMI</b>				
1. INITIAL EMDR RESPONSE				
2. WORLD VISION SHELTER PROJECT				
3. EDUCATION RECOVERY PROGRAMME				
4. FISHERIES/LIVELIHOODS RECOVERY				
<b>HOMF</b>				
Ongoing				

## Annex 4: TIMELINE OF KEY EVENTS

1978	Solomon Islands gained independence from Britain Records of NZODA to Solos start with 1972/73 expenditure of \$16K. Rose to \$450K by 1978/79 and to \$2.6M by 1988/89
1998-1999	Prime Minister Ulufaala
1999-2003	'The Troubles' 1999 Commonwealth Secretariat mediation 1998/99 NZODA expenditure = \$5.8M
2000	The Coup Partial peace settlement – A/NZ International Peace Monitoring Team (IPMT) established Forum's Biketawa Declaration agreed: states that action will be taken "within the Pacific family" in times of crisis in the region <i>NZAID programme overhauled: lot of project activities suspended; focus on humanitarian assistance &amp; conflict resolution process.</i> OECD DAC review of NZAID covered Solomons programme <b>00/01 expenditure was \$9.2M</b>
2001	
<b>01/02</b>	<b>Expenditure was \$7.2M</b>
September	NZ Govt decision to establish NZAID
December	NATIONAL ELECTIONS Sir Allan Kemakeza elected PM
2002	
<b>02/03 FAP</b>	<b>Expenditure was \$4.8M</b>
July	NZAID formally established: NZAID Policy Statement issued – "fewer, deeper, longer"
	SIG Solomon Islands Human Development Report 2002 – Building a Nation (UNDP) UN Common Country Assessment – Office of Resident Coordinator Fiji – 2002
October	NZAID review team developing new country strategy began work
December	Multi Donor Economic Governance Mission (MDEGM) began
2003	
<b>03/04 FAP</b>	<b>Programme allocation = NZ\$14M (75% (\$8M) increase on previous year's programme. Expenditure data?</b>
February	EU-funded Police Commissioner (Morrell) arrives
March	<b>MDGEM report</b> back to SIG NZAID submission to AMFAT setting out direction for aid programme, following MDEGM mission Solos Police protesting pay claims, stealing weapons

April	PM Kemakeza letter to PM Howard requesting assistance
	<b>SIG National Economic Recovery, Reform &amp; Development Plan (NERRDP) 2003-2006</b> produced
June	<p>9 June Cabinet noted Kemakeza/Howard dialogue &amp; Aust request for significant NZ contribution &amp; authorised officials scoping mission</p> <p>10 June MFAT/NZAID/NZDF/NZP officials scoping mission to Solomons</p> <p>NZ Cabinet considers “strengthened assistance programme”</p> <p>25 June: Cabinet approves set of principles to guide NZ engagement. Australian Cabinet meets same day to consider go ahead.</p> <p>25-27 June: NZ Ministers meet Australian counterparts; discuss nature and scale of intervention</p> <p>26 June: MFAT submission to Ministers with Power to Act: concept paper for delivering strengthened assistance</p> <p>27 June: NZAID submission to AMFAT on NZAID role in strengthened assistance, outlining key development components/NZ focus (budget support/govt stabilisation; primary education; criminal justice; eco governance &amp; civil society)</p> <p>30 June: Cabinet discusses situation again; officials preparing concept paper; NZDF meeting Australia officials on basis NZ yet to decide on nature &amp; scale of support</p> <p>30 June Pacific Forum Foreign Ministers met in Sydney: agreed on need for concerted regional response as envisaged in Biketawa Declaration</p>
	SIG produces a Policy Statement on proposed strengthened assistance programme
July	<p>SIG formal request to the Forum for assistance to restore law &amp; order</p> <p>2 July CAB ERD Cttee considers strengthened assistance to Solos; invited further paper from MFA for Cabinet on NZ involvement</p> <p>7 July CAB Business Cttee agreed in principle that NZ should participate &amp; contribute ODA, police &amp; military support</p> <p>7 July SI Parliament passes <b>Facilitation of International Assistance Act</b></p> <p>Brigadier Clive Lilley visits Solos and then briefs Ministers with Power to Act on 11 July</p> <p>14 July Ministers with Power to Act met: agreement outline of NZ contribution (defence assets, defence personnel; police; ODA of up to \$14M for 03/04)</p> <p>15 July Joint Ministerial announcement of NZ contribution</p> <p>24 July RAMSI deployed</p> <p><b>Man Talem Duim</b> officially agreed with SIG</p>

August	8 Aug <b>Man Talem Duim</b> (short paper) approved by Minister 29 Aug NZ AMFA approves \$1M to stabilise power generation in Honiara through SIEA
October	13 Oct AMFA approved immediate assistance of \$3.5M for urgent needs, including \$575K for school grants not paid since 2001 15 Oct NZ AMFA agrees in principle to provide \$10M/pa budget support to basic education, subject to finalisation of programme documentation
December	24 Dec Letter of Understanding NZHC/SIG on NZAID support for basic education, to cover Jan-Mar 04 period, pending conclusion of formal MOU with SIG and EU
Key people/resourcing	NZHC, HCEr Brian Sanders then Heather Riddell (2001-03) NZAID Manager Honiara John Mataira then Julie Affleck NZAID Wgtn Glenys Karran, Pati Gagau Angela Hassan-Sharp RAMSI Special Coordinator Nick Warner AHCer Patrick Cole
<b>2004</b>	
<b>04/05 FAP</b>	<b>FAP allocation = \$16.1M (additional \$2M on previous year's allocation). Spend = \$9.9M</b>
January	NZ AMFA approves NZ\$2.04M 1 <sup>st</sup> tranche budget support for education in 2004
TBC	<b>UN/SIG Millennium Development Goals Report 2004</b>
March	NZ AMFA briefed on expenditure of \$2.25M for school supplies from within bilateral allocation 30 March
May	<b>SIG Education Strategic Plan 2004-2006</b> NZ Cabinet approves NZAID \$30M for Solos basic education over 3 years 2004/06, supported by \$1M TA facility Phase 1 Education Sector Investment & Reform Programme (ESIRP) (2004-06) commences
	Whole of government consultations – development of objectives trees for RAMSI
June	NZ MFA visit to Solomons: signature of <b>Education MOU</b>
July	7 July: Hon Nathaniel Waena sworn in as SI's 5 <sup>th</sup> Governor General First annual education sector review
TBC	OECD DAC review of NZAID – visited Solos (Marilyn Waring did as well for her NZAID-commissioned review)
<b>2005</b>	
<b>05/06 FAP</b>	<b>FAP total = NZ\$21.7M (programme allocation of \$18.1M + roll over of \$3.6M). Spend?</b>
2005-2007	<i>Post-Conflict Emergency Roading Project (PCERP)</i>



	commences (NZAID/ADB funding arrangement)
TBC	NZAID major budget increases
April	AusAID mission to refine RAMSI performance indicators
May	RAMSI strategic planning meeting
TBC	Trials of former militants begin. <i>NZAID funding two judges (contract with AusAID), under RAMSI framework. Plus two magistrates</i>
August	RAMSI Performance Framework agreed – 6 performance indicators; Baseline Report; Annual Performance Reports; Performance Assessment Advisory Team (PAAT) Consultations on OECD DAC Fragile States Pilot Australia begins to develop Country Strategy for “civilian aid programme”
August	<b>UN Gendered Early Warning Report: Monitoring Peace &amp; Conflict in the Solomon Islands</b>
December	NZ Cabinet approves framework for decisions on contributions to RAMSI activities SI Parliament dissolved
<b>2006</b>	
<b>06/07 FAP</b>	<b>Programme budget = NZ\$18.1M</b>
February	RAMSI Planning Meeting
	RAMSI Medium Term Strategy developed
March	New SIG <b>Foreign Investment Act</b>
April	5 April NATIONAL ELECTIONS 18 April Snyder Rini elected PM, triggering riots and unrest 26 April Snyder Rini resigns
May	Manasseh Sogavare elected PM – Policy Statement by Grand Coalition for Change
June	Informal Donors Meeting??
July	<b>SIG Education Strategic Framework 2007-2015</b> <i>Phase 2 ESIRP</i> NB: Martin Grinstead appraisal of Phase 1 ESIRP AusAID completes new <b>Country Strategy</b>
August	High Level Consultations (HLCs) with SIG
September	Victoria University undertaking constitutional work at request of SIG
November	NZ Cabinet approves up to NZ\$30M for ESIRP and an agreed indicative commitment for 2010-2012 National Skills Training Plan produced under ESIRP
Key people/resourcing	NZHC Honiara, HCEr Deborah Panckhurst 2 NZAID Managers Rebecca Spratt & Guy Redding NZAID DPM Tara Thurlow-Rae
<b>2007</b>	
<b>07/08 FAP</b>	<b>Programme budget = NZ\$21.1M</b>
TBC	<b>Household Income &amp; Expenditure Survey (HIES)</b> produced (SIG/UNDP: 05/06 period)

TBC	<b>IMF Staff Report for 2007 Article IV Consultations</b>
TBC	FADTC enquiry into Pacific
2007-2011	<i>Solomon Islands Rural Infrastructure Project (SIRIP)</i> commences (NZAID/ADB funding arrangement)
April	NZ Cabinet determines 'DAC-able' RAMSI costs to be covered by NZAID; remainder from Vote Police ( <b>NZAID/Police MOU</b> ). <b>SIG National Education Action Plan (NEAP) 2007-2009</b> 2 April EARTHQUAKE AND TSUNAMI REVIEW REPORT: <b>Primary School Storage Infrastructure Project</b> (Catherwood)
April-May	ADB participatory poverty assessment: field work Visit by NZ Minister of Defence REVIEW REPORT: <b>ESIRP Primary School Operation Grants Review</b> (Taylor)
July	Forum Taskforce review of RAMSI: taskforce recommendations endorsed by Forum Ministers October 2007 NZ MFA visit to Solomons (Pacific Mission tour)
November	12 SIG MPs, including 9 Ministers, defect to join Opposition <b>ADB/SPC Participatory Poverty Assessment Report on the Solomon Islands</b>
December	AusAID ODE <b>Desk Review of Solomon Islands Bilateral Strategy</b> 13 December PM Sogavare loses motion of no-confidence 20 December Derek Sikua elected PM by SI Parliament
TBC	NZAID <b>Strategy Update</b> produced
TBC	New SIG Special Envoy to RAMSI appointed
2008	
<b>FAP 08/09</b>	<b>Programme allocation = \$27M</b>
February	First meeting of Forum Ministerial Standing Committee (FMSC) on RAMSI
March	Aust PM Rudd visits Solomon Is

## Annex 5: Chronological overview of the bilateral programme to the Solomon Islands 2003-2008

### 2004

NZAID's key priority for 2004 was supporting the delivery of basic services, focussing on basic education. The Solomon Islands programme had already become NZAID's largest bilateral programme<sup>62</sup>, however resources to manage the programme (in Wellington and Honiara) stayed the same. The Solomon Islands Government also had major capacity issues. As funding for the programme expanded, a key objective for the NZAID team became the need to identify suitable new initiatives for funding which did not bring with them major management burdens.

The objectives of Man Talem Duim continued to be referenced in programme documentation during 2004. However, Man Talem Duim's sustainable development approach was increasingly replaced by discussion of the post-conflict environment, and the need to factor the complex issues of such an environment into NZAID's approach.

#### *Key events*

RAMSI's first phase, which had been a resounding success, was coming to an end. A second, more complex, phase was beginning in which RAMSI attention turned to civilian nation-building activities, including its machinery of government programme, and work on economic governance and law and justice.

**RAMSI military deployment reduced to a platoon-sized group (approximately 650 personnel) by October 2004**

A high-level meeting between the Solomon Islands Government and Development Partners in November 2004 reconfirmed the National Economic Recovery, Reform and Development Plan (NERRDP) as the key national planning document.

An OECD DAC team also visited the Solomon Islands as part of the review of NZAID's overall development cooperation programme – the Solomon Islands bilateral programme was included as it exemplified NZAID's new (fewer, longer, deeper) approach and use of new modalities such as sector wide approaches.

Arrangements for the education SWAp were formalised this year and NZAID focussed virtually all programme resources into getting this new initiative off the

<sup>62</sup> OECD, 2000. Development Co-operation Review of New Zealand. This 2000 review of NZODA lists the biggest five aid recipients as PNG, Samoa, the Cook Islands, Tonga and Fiji.

ground. MEHRD officials faced huge work programmes as well, and daily meetings with the NZAID Manager in Honiara were the norm. The Memorandum of Understanding setting out the SWAp partnership between MEHRD, NZAID and the EU was signed in June and MEHRD finalised its new Education Strategic Plan (ESP) 2004-2006 in July. NZAID's basic education budget support started on 1 January 2004. The first meeting of the Education Sector Coordination Committee (ESCC) took place in April, and the first Annual Joint Review was held in July.

### *The programme in 2004*

#### *Education*

The ESP set out the strategic framework within which the Solomon Islands education system was being (1) rehabilitated following the conflict and (2) reformed. The immediate goal of the ESP was to maintain the delivery of education services during the post-conflict rehabilitation period of 2004-2006. The long-term goals were to plan and take action over 15 years to provide equitable access to quality basic education for all children; provide access to community, technical, vocational and tertiary education; and manage resources efficiently and transparently.

The Education Sector Investment & Reform Programme (ESIRP) 2004-2006 was designed as Phase 1 of four three-year programmes. NZAID would provide up to NZ\$30 million in ear-marked education sector budget support for Phase 1, plus NZ\$3 million in technical assistance. Within Phase 1 of ESIRP, NZAID's assistance was to focus on the following objectives:

- development of an Education Management Information System (SIEMIS)
- strengthened sector management and coordination
- primary school supplies and materials for 2004 – 2006
- improved facilities in schools for materials and supplies storage
- strengthened capacity in schools to manage materials and resources
- development of a National Teacher Training, Development and Management programme (including institutional strengthening of the teachers college)
- support for the Curriculum Review and Reform Programme
- development of and support for Community Standard Funding of schools (the school grants programme).

NZAID's budget support for 2004 was earmarked to four projects aimed at achieving the above objectives:

- Community Standard Funding: the school grants programme which included technical analysis of unit costs, system design, policy work and supervision of implementation.

- Infrastructure development: storage facilities and strengthened capability to manage materials and resources
- Curriculum review and reform: curriculum planning & review; maintenance of pupil:book ratio of 1:1 (this included long- and short-term advisory inputs)
- Teacher training and development: support for a national programme which includes all aspects of teacher policy (recruitment, deployment, management, development, etc) and institutional strengthening of the teachers college (SICHE).

NZAID also took a decision in 2004 to return to funding new Pacific Regional scholarships. There had been no new scholarships in 2003, although funding of existing students was maintained, in favour of focussing on basic education. The five new PRAs were to be for teacher training, reflecting a new agency determination to try and use tertiary scholarships programmes more strategically, in direct support of key programme objectives. The new PRAs marked the end of the almost total focus on basic education which was achieved in 2003. The education SWAp continued to dominate the programme throughout the review period, but programme managers (and their Solomon Islands counterparts) were expected to manage more and more initiatives from 2004, as funding increased much faster than the programme's human resources.

#### *Other programme activities*

NZAID was considering a number of other areas for support in 2004, in addition to the education sector. The fact there were five pillars for support *Man Talem Duim* left plenty of scope to justify additional activities, and staff working on the programme at the time recalled that the fact the programme was well-funded meant it was hard to say no to new initiatives.

#### *Governance/RAMSI*

Towards the end of 2004, NZAID began directly supporting the RAMSI Machinery of Government (MOG) programme with a technical advisor<sup>63</sup> in the Economic Reform Unit staffed by SIG and RAMSI advisors. Clear objectives for the assignment were not identified in programme documentation and it appears this was one instance in which NZAID was encouraged to provide support for key central government institutions, in addition to the "feel good" education sector.

A variety of options for additional support to RAMSI's MOG work were under discussion during 2004, including support for the Auditor-General's office. Support for the Statistics Office was approved, to be provided jointly with AusAID in conjunction with the South Pacific Commission. NZAID was also considering support to Customs, following a PFTAC scoping mission and a request from the Solomon Islands Government.

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<sup>63</sup> Bruce Arnold, 2004-2006; Matthew Hodge 2007-2008 (both from New Zealand Treasury)

### *Law and order*

NZAID was engaged in discussions about assistance to the law and justice sector, notwithstanding the fact that the sector was not considered a key focus of bilateral programme<sup>64</sup>. The stretched nature of programme management resources was clearly also a consideration behind reluctance to commit heavily to another sector – in November 2004, the agency noted it was discussing with AusAID an arrangement to allow NZAID to direct funding support through AusAID's programme management, to minimise the burden on SIG and also in view of NZAID's own limited resources.<sup>65</sup>

### *Capacity building*

A \$500,000 allocation for new capacity building initiatives was added to the programme in 2004 and this area subsequently developed into some substantial projects which grew without much consideration being given to their resource implications and fit with NZAID strategic priorities.

Discussions with AusAID regarding joint support to civic education, in the run-up to national elections scheduled for 2006, began this year, with NZAID flagging a particular interest in supporting women's participation in the electoral process. Short term assistance was also provided to civil society (the National Council of Women and Development Services Exchange). This subsequently evolved into core funding support over the review period. Key elements in the support were capacity-building and institutional strengthening and the support reflected NZAID's recognition of the role of civil society in conflict prevention

### *Sustainable livelihoods*

Assistance to the Solomon Islands Small Business Enterprise, which had been ongoing since NZAID funded its establishment in 1998, continued in 2004. NZAID was also considering an agriculture sector survey planned by SIG and the new World Fish project.

## 2005

### *NZAID approach*

By 2005, NZAID was conscious of becoming spread across too many sectors, and so began to deliberately narrow the programme's strategic focus. By September, three strategic pillars were being emphasised – education, governance and economic development. It had been agreed that capacity-

<sup>64</sup> October 2004, Briefing Note for NZAID/AusAID meeting, Sydney.

<sup>65</sup> November 2004, NZAID Country Paper for the Solomon Islands.

building should no longer be identified as a separate programme strand<sup>66</sup>. A separate 'pillar' for law and order was also dropped, although strengthening the rule of law remained *de facto* a key element of the bilateral programme, as substantial NZAID support continued to be provided to RAMSI.

The NZAID policy development process was beginning to focus on sustainable livelihoods and economic development issues by mid-2005, and increased attention to this aspect of development flowed into the Solomon Islands bilateral programme. The ways in which the programme should support economic recovery and growth began to be examined more actively. A resource crunch also stimulated work to identify appropriate new initiatives for the programme.

NZAID was conscious that the national elections scheduled for 2006 would slow down programme implementation. This was expected to compound the slow progress resulting from limited absorptive capacity on the SIG side. As well putting a brake on new initiatives within government, the election was expected to be preceded by the resignation of some key aid programme counterparts (including the Secretary of Education, Derek Sikua) who had to resign their public service roles in order to stand for election to parliament.

## RESOURCES

In 2005, the pressure caused by substantial programme funding and inadequate programme management resources intensified. NZAID was willing to engage in new areas of the expanding RAMSI work programme, but from the start of the year it was clear that additional programme management resources were unlikely prior to September.

Programme funding continued to increase. Bilateral AusAID/NZAID discussions in January 2005 canvassed options for some \$2 million in unprogrammed funding. The agency's decision to introduce roll-overs did provide an outlet for pressure, enabling funding to be carried forward into the following financial year if unspent. But funding for the programme was expected to average around \$20 million per year over the next three years, by the end of 2005, and significant time was spent on identifying appropriate new areas to commit funds.

NZAID sought to identify existing initiatives managed by other donors, on which it could 'piggy-back' additional funding, recognising however that this required compromise on activity design and implementation. The transport/infrastructure and fisheries sectors were identified early in 2005 as having potential area for NZAID support. After preparatory discussions over the first part of the year,

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<sup>66</sup> While capacity-building was no longer being emphasized as a distinct pillar of Man Talem Duim, discussions regarding a significant programme of capacity-building/institutional strengthening for the Honiara City Council began in 2005. Programme records note NZAID was hoping its assistance to HCC would form part of a wider project managed by the Commonwealth Local Government Fund (CLGF).

NZAID formally advised SIG at bilateral aid talks in September of 2005 that it wished to support a coordinated approach to infrastructure development.

Major capacity constraints within Solomon Islands Government identified in 2004 continued into 2005. Considerable donor funding was being attracted to the Solomon Islands, with the law and order situation now firmly under RAMSI control.

Bilateral SIG/New Zealand aid talks took place in September 2005, for the first time in five years. NZAID was represented by the Executive Director.

### *RAMSI*

By mid-2005, New Zealand's participation in RAMSI was expanding, both in terms of policy input and involvement in a wider range of RAMSI activities. Work began on a framework of principles to guide New Zealand decision-making on RAMSI participation. RAMSI was transitioning from "doing" to nation building and capacity development. The murder of an Australian police officer shortly before Christmas 2004 had demonstrated the fragility of the security situation. The ability of SIG and RAMSI to ensure security was further tested later in 2005 with the commencement of trials related to the conflict period to 2003.

#### Box 2. OECD Fragile States Pilot

At the OECD High Level Forum on 3 March 2005, Australia and New Zealand agreed to be lead donors for piloting the DAC's (then) draft Principles for Engaging with Fragile States in the Solomon Islands. The principles were to be discussed and finalised during 2005, and then action plans were to be implemented in 2006 drawing on the principles.

### *THE PROGRAMME IN 2005*

#### *Education*

Within the education SWAp, progress during 2005 was steady in some areas, slow in others. The School Grants programme made good progress with analytical work completed to enable school grants to be paid in 2005. The Curriculum Review programme also got underway, with Grade 1 to 4 materials printed and delivered by 2005 and grades 5 and 6 materials being worked on. Arrangements for NZAID-funded advisors to the Curriculum Unit were being made. The SIEMIS project also got up and running, and was able to produce data for MEHRD's 2005 Digest of Education Statistics. Progress was slower for the infrastructure and teacher training components of ESIRP, although a teacher tracking survey which fed into analytical work on the latter programme was completed by 2005.

UNICEF signalled its intention to join the SWAp in 2005.



ESIRP implementation was being constrained by large numbers of ongoing vacancies in MEHRD, caused more widely by barriers to public service and slowness in Public Service Commission procedures. This was to remain an issue throughout the review period.

### *Governance*

NZAID support to RAMSI's Law and Justice programme commenced, with a donor funding arrangement concluded with AusAID in August 2005, providing support for a judge and two magistrates.

NZAID co-funded a civic education programme with AusAID, via a Partnership Arrangement with the Australian Electoral Commission and Solomon Islands Electoral Commission. This village-level awareness programme targeted the voting population.

RAMSI moving on from initial mandate of re-establishing law and order and stabilising government finances onto more complex secondary mandate looking at capacity-building, governance reforms and broad-based wider economic development. (NB debate about RAMSI moving into economic development – should be bilateral aid programmes – and RAMSI keep focus on economic governance?). A Performance Framework for RAMSI was developed during 2005. NZAID prepared feedback on the draft framework, and participated in Honiara-based meetings on the draft, seeking to ensure that the framework was well aligned to SIG's (as yet undeveloped) systems for monitoring progress.

In addition to the NZAID-funded advisor in the Economic Reform Unit, NZAID began supporting RAMSI's Financial Management Strengthening Programme in 2005, with an advisor assigned to work with the Solomon Islands Inland Revenue Division. This advisor, Michael Hewitson, was appointed Deputy Commissioner of SI IRD.

NZAID was also funding the core operational costs of umbrella organisations for civil society (the Development Services Exchange) and women (National Council of Women). An interim assistance package for the Honiara City Council also took place May-June 2005, pending development of a more substantial capacity building project by the Commonwealth Local Government Forum (CLGF) office in Fiji.

### *Economic development*

NZAID involvement in the transport sector commenced this year and NZAID signalled a commitment of \$25 million for the sector over the next 3-4 years. AusAID and NZAID agreed to contribute funding to an existing ADB project, the Post-Conflict Emergency Rehabilitation Project (PCERP) which was supporting the rehabilitation of key land transport infrastructure damaged during the conflict.

A/NZ support enabled a major change in scope for the project, to include additional roads and bridges. Notably, there was no technical assistance component for PCERP. Implementation was overseen by project management personnel provided by a UK consultancy firm, working with a project coordinators in the SIG Ministry of Infrastructure and Development (MID). The actual civil works were carried out by local contractors. In addition, a joint ADB/AusAID/NZAID scoping mission visited the Solomon Islands August-September 2005 to commence preparations for a successor to PCERP, which was to focus more on institutional strengthening of the SIG counterpart agency.

NZAID also began to engage in discussions on the fisheries sector, opening exploratory discussions with the New Zealand Ministry of Fisheries, early in 2005. By the end of the year, it had been decided that NZAID would fund an institutional strengthening project for the Solomon Islands Department of Fisheries and Marine Resources, to commence around 2006/07. Ongoing funding was also being provided to village-level aquaculture projects through support for the World Fish project.

Ongoing, modest support to the Solomon Islands Small Business and Enterprise Centre (SISBEC) had been provided since 1998 when SISBEC opened, supported by NZODA funds. An independent review of assistance to SISBEC was carried out in November 2005.

## 2006

### *NZAID APPROACH*

The programme's stated areas of focus remained the (narrowed-down) three pillars: education, economic development and governance. NZAID was expanding its participation in analytical work on approaches to fragile states and seeking to ensure that the bilateral programme made a positive contribution to addressing the root causes of conflict – programme documentation noted root causes were complex and related to land, competition for resources and power, unsustainable development and limited economic opportunities as a result of poor education. The programme's focus on basic education, broad-based economic development and governance were seen as well-aligned to efforts to tackle these root causes.<sup>67</sup>

A process of updating *Man Talem Duim* was initiated this year. NZAID wanted to factor implementation of the Paris Principles into the update process, including considering: alignment of the bilateral programme with SIG priorities; strengthening of SIG institutions and working with SIG systems (including monitoring and evaluation) not parallel to them; and mutual accountability and reporting.<sup>68</sup>

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<sup>67</sup> May 2006 discussion paper Solomon Islands – what happened and where to now? produced by NZAID AIDPAC Solomons team.

<sup>68</sup> June 2006 NZAID briefing notes for donor coordination meeting

The bilateral allocation was, for the first time in the review period, nearly fully programmed during 2006 (the Honiara City Council project for example, had to be revised as a result of NZAID budget constraints).

### *KEY EVENTS*

Prime Minister Kemakeza became the Solomon Islands' first prime minister to complete a full term in office when the Solomon Islands Parliament was dissolved in December 2005, in preparation for national elections. On 18 April 2006, Snyder Rini was elected Prime Minister, triggering riots and unrest that led to the massive destruction of property in Honiara, primarily amongst Chinese-owned businesses. Rini resigned on 26 April and was replaced by Manasseh Sogavare. New Zealand's Minister of Foreign Affairs met the Australian Foreign Minister in May to discuss developments and subsequently visited the Solomon Islands mid-year. The election of Prime Minister Sogavare marked the start of new challenges for the major bilateral donors, particularly Australia, and for RAMSI.

An additional NZAID Manager in Honiara joined the team at the start of the year, with a focus on building up the economic development side of the programme.

RAMSI's work programme was expanding, with attention continuing to shift from operations to capacity building. RAMSI's Medium Term Strategy was finalised in early 2006 and an Annual Report issued mid-year.

BOX: RAMSI deployment update.  
New Zealand contribution: 18 civilian advisors; 35 Participating Police Force Advisors; 40 (approximately) military

### *THE PROGRAMME IN 2006*

#### *Education*

The education SWAp was well underway by now. Key developments included the delivery of indigenously-developed teaching materials to all primary schools; restart of in-service training for teachers with the aim of getting a trained teacher into every class room; and commencement of a nationwide infrastructure development programme. SICHE teaching courses commenced on time for the first time since the civil unrest and SICHE management reform was progressing, supported by a partnership arrangement which had been concluded with Waikato University.

Programme assessments noted that progress on the SWAp had been slower than expected, mainly due to ambitious and over-optimistic activities and targets; the transition from project-based development assistance to a sector approach (presumably both NZAID and MEHRD had difficulty in adjusting to the new

modality); and lack of senior and middle management capacity in MEHRD, exacerbated by the slowness of the SIG Public Service Commission in approving up to 60 MEHRD positions.

The first phase of ESIRP was to be completed by 2006 and a Progress Review was undertaken.<sup>69</sup> During 2006, MEHRD developed an Education Strategic Framework 2007-2015 and a National Education Action Plan 2007-2009.

### *Economic Growth*

Implementation of PCERP continued, as did ongoing support to SISBEC.

The institutional strengthening project for the Department of Fisheries and Marine Resources had also commenced, and was to take up considerable programme management resources over 2006 and 2007. The project was managed by MSC arrangement with Lincoln International (later LI Ltd) and included components for systems strengthening, livelihoods, fisheries management and licensing/monitoring. Problematic management arrangements, involving annual work plans and LOVs to cover funding, soaked up a lot of time. In addition, NZAID agreement to renovate the DFMR building initiated a long and fraught process during which NZAID tried to find an appropriate management arrangement for the building sub-project.

### *Governance*

Assistance through the Economic Reform Unit and RAMSI FMSP continued, with an additional tax advisor joining SI IRD, focussing on audits and investigations.

Ongoing support was provided to the RAMSI Law and Justice Programme (High Court Judge, Principal Magistrate and Magistrate Advisor).

A three-year programme of support for the Honiara City Council began in 2006. The allocation for this programme is included under different headings in subsequent FAPs: capacity building, then strengthening governance, then machinery of government. This reflects the decision to narrow the original five priority areas of the country strategy to three (dropping a separate capacity building reference). It would also seem to reflect a wish to more clearly explain the areas of the bilateral programme directly contributing to RAMSI programmes and objectives.

Core funding continued for DSE and NCW. NZAID was also supporting a civic education programme, in conjunction with the Commonwealth Local Government Forum and RAMSI.

## **2007**

<sup>69</sup> Grinstead, Dr M (2006): Progress Review of ESIRP Phase 1. NZAID.

## *NZAID APPROACH*

The RAMSI operation was undergoing considerable change in 2007 and this prompted NZAID to actively consider the implications for the aid programme of substantial change to RAMSI. RAMSI's significance to the aid programme was outlined in terms of providing: (i) security and safety for personnel; (ii) stability to encourage sustainable outcomes; (iii) transparency and governance, and (iv) a mechanism through which to coordinate state-building activities.<sup>70</sup> NZAID's Preventing Conflict and Building Peace was also a key policy underpinning for the NZAID approach.

OECD fragile states final progress report on pilot phase.

## *EARTHQUAKE & TSUNAMI*

The Solomon Islands experienced a major natural disaster in 2007 when an earthquake and tsunami struck the Western and Choiseul provinces. NZAID provided immediate emergency relief and commenced discussion of longer-term rehabilitation programmes with key SIG agencies (Education, Fisheries and MID). Significant programme team time was dedicated to coordinating the relief effort and developing rehabilitation follow-up.

## *THE PROGRAMME IN 2007*

### *Education*

Phase 2 of ESIRP began in 2007 with a new funding arrangement concluded between SIG, NZAID and the European Commission. ESIRP Phase 2 is based on the 2007-2015 Education Strategic Framework and 2007-2009 National Education Action Plan (NEAP). The NEAP includes work on constraints identified during the first phase of ESIRP. Programme documentation states that the Framework and NEAP provides "*structured, achievable activities and goals and will help to improve budgeting, work planning and progress of the programme*".<sup>71</sup> NZAID funding was to continue for infrastructure development, teacher training and development, curriculum reform and community standard funding. Additionally, NZAID budget support and the TA fund will be used to address the significant constraints in human resource development and capacity building identified during ESIRP Phase 1.

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<sup>70</sup> February 2007 NZAID AIDPAC Solomons Team: brainstorming paper on future directions for the programme.

<sup>71</sup> NZAID (2006). Education Sector Investment and Reform Programme 2007-2009. NZAID Programme Documents.

In order to secure SWAp achievements, NZAID was still seeking SIG commitment to rebalancing education expenditure, reducing the spend on tertiary education and boosting that for basic education.

2007 Report on Primary School Operation Grants Review.

### *Governance*

Funding for the advisor working in the ERU was extended to 2009, and that for the two advisors working under the FMSP in SI IRD was extended to mid-2008. It was agreed with AusAID and RAMSI that NZAID would take the lead on designing a longer-term programme of support for SI IRD, to commence in the 2008/09 financial year.

The tension trials, many of which were presided over by New Zealand-funded judges were 50% complete

### *Economic development*

SIMROS underway.

SISBEC working on a five-year strategy and new mentoring programme, plus a roll-out of provincial training.

## **2008**

### *KEY EVENTS*

On 13 December 2007, Prime Minister Sogavare lost a motion of no-confidence in the Solomon Islands Parliament and on 20 December the former Permanent Secretary of Education, Derek Sikua, was elected Prime Minister. This brought major changes in the relationship between SIG and its key development partners plus, particularly, RAMSI. NZAID was able to hold programme talks with SIG early in 2008, the first such talks since 2005.

SIG confirmed its intention to develop a new Medium Term Development Strategy during 2008. NZAID plans to ensure this process feeds in to development of its new country strategy.

RAMSI was looking to strengthen its links to SIG following the change of government, and also to clarify its role, in particular to confirm that it would not be contributing to rural development. Work began on a Partnership Framework, defining RAMSI's role, with NZAID contributing to this work.

### *NZAID APPROACH*

NZAID was able to confirm its programme was well-aligned to the policy objectives of the new government early in 2008 and agree on an approach for developing the new ten-year country programme strategy.

The new government was strongly emphasising rural development, taking the view that the Solomons had received substantial development assistance since independence but very little had made its way to the provinces. NZAID noted that SIG thinking on rural development tended to equate it with infrastructure development. Discussions at bilateral programme talks suggested the new country strategy process should examine means for targeting assistance to the provinces and building on existing work to strengthen SIG systems.

### *The Programme in 2008*

NZAID decided to add a third NZAID Manager to its Honiara staff (to be filled around the third quarter of 2008), to support further programme expansion and to increase engagement on policy dialogue with SIG, RAMSI and donors.

NZAID also provided technical assistance for the development of the SIG's new Medium Term Development Strategy (MTDS), to which the new Government of Prime Minister Sikua is giving priority.

Work on planning and design of the new programme of assistance to the Inland Revenue Division commenced.

NZAID assisted MEHRD in finalising a recovery programme for schools affected by the 2007 tsunami.