



Government of the Solomon Islands

National Development Strategy 2011 to 2020

Vision:

A United and Vibrant Solomon Islands

DRAFT FINAL

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Ministry of Development Planning and Aid Coordination
Honiara, Solomon Islands

Foreword

The formulation of the National Development Strategy (NDS) is one of the key expected outputs of the Ministry of Development Planning and Aid Coordination as we strive for endurance and nation building of our country, Solomon Islands. In 2010 the Ministry was tasked to prepare a National Development Strategy to replace the Medium Term Development Strategy 2008-2010.

Whilst the previous Strategy focused on a Medium term time frame, the NDS is more long term in nature covering a period of 10 years. This Strategy sets out a framework for Development Programmes in Solomon Islands and the basis for dialogue with our Development Partners and stakeholders for support and implementation of the NDS priorities in the next 10 years. The Solomon Islands National Development Strategy 2011-2020 is intended to be a catalyst for development in the next 10 years in an effort to achieve the goals of Solomon Islands development agenda.

This NDS is focused on Solomon Islands- as a united nation in its diversity, hence the National Vision ***“A United and Vibrant Solomon Islands”***. The strategy embodies the aspirations and hopes of the people of Solomon Islands with the overarching theme – ***“To build Better Lives for all Solomon Islanders”***

It must be strongly emphasised here that achievement of the Objectives and Goals of the National Development Strategy will take time and will require the concerted actions of all of us on many fronts.

Reforms are keys to successful implementation of the Strategy and all Solomon Islanders should work together at all levels of our societies and governments if we want to see and enjoy real development results in Solomon Islands. .

The NDS also underlines the importance of good governance and public sector reforms. Good Governance, credible and stable policies are fundamental conditions for private sector growth. The Public Sector Reform Program will impart a clear sense of directions on our public service, improve accountability and enhance the efficiency of service delivery. Fiscal governance is critical for achieving the goals of the NDS and the Government’s expenditure program will be driven by the Strategy.

Effective implementation of the NDS all depends on the clear instructions and understanding by our political leaderships. By entering into strategic partnership with our key stakeholders, implementation and ownership will be strengthened. The partnership with development partners, provincial governments and other stakeholders will be crucial. Given that governments at all levels face financial and capacity constraints, our development goals will only be achieved if we pool our resources and work together.

To ensure strong ownership of the NDS, the Ministry of Development Planning and Aid Coordination has taken a broad consultation process which includes the Government Agencies, Non State Actors, Civil Societies, Private Sectors and the Provincial Governments as well as the Development Partners. To this effect, much appreciation is given to those people who have sacrificed their time to participate in the consultations, provide more information, guidance and comments to our Teams. At this juncture on behalf of the Government of Solomon Islands I wish to thank you all for all your contributions and insights.

I would also like to recognize and appreciate the contributions from the Asia Development Bank for its financial support and technical inputs in the initial phase of this Strategy until its completion. I also wish to acknowledge the financial support that

other development partners including the European Union also contributed to the Ministry in the consultation process. All these efforts have contributed enormously to the successful completion of our responsibilities in this regard.

Finally but not the least, I wish to express my personal gratitude to my Staff of the Ministry of Development Planning and Aid Coordination for their commitment and dedication to finalize this document. They have contributed immensely and did so willingly, despite many difficulty circumstances and challenges encountered during the process of preparing, compiling and finalization of this NDS.

As a nation, and human as we are, we have made our share of mistakes. The true test of the quality of our nation however, is its ability to learn from its past and move forward in a positive and confident fashion. The NDS is indeed, our road map for the journey that lies ahead of us as we map our country towards inclusive developments that will take better care of our people and improve their livelihoods in a safe and stable society .

With these few remarks, I dedicate this National Development Strategy and more importantly its implementation to all the people of Solomon Islands.

Hon. Snyder Rini

Minister for Development Planning and Aid Coordination

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Abbreviations and Acronyms

AG Chamber	–	Attorney General’s Chamber
AIDS	–	Acquired Immune Deficiency Syndrome
ANZ	–	Australia New Zealand Bank
AusAID	–	Australian Agency for International Development
BSP	–	Bank of the South Pacific
CAASI	–	Civil Aviation Authority of the Solomon Islands
CBSI	–	Central Bank of Solomon Islands
CEDAW	–	Convention on Elimination of Discrimination Against Women
CSO	–	Civil Society Organization(s)
CSSI	–	Correctional Service of the Solomon Islands
DAD	–	Development Assistance Database
DRM	–	Disaster Risk Management
ECE	–	Early Childhood Education
EEZ	–	Exclusive Economic Zone
EU	–	European Union
GDP	–	Gross Domestic Product
HIV	–	Human Immunodeficiency Virus
HRD	–	Human Resource Development
IPAM	–	Institute of Public Administration and Management
IPP	–	Independent Power Provider
JICA	–	Japan International Cooperation Agency
MAL	–	Ministry of Agriculture and Livestock
MCA	–	Ministry of Communications and Aviation
MCT	–	Ministry of Culture and Tourism
MCILI	–	Ministry of Commerce, Industry, Labour and Immigration
MDG	–	Millennium Development Goal
MDPAC	–	Ministry of Development Planning and Aid Coordination
MECDM	–	Ministry of Environment, Climate Change, Disaster Management and Meteorology
MEHRD	–	Ministry of Education and Human Resource Development
MFMR	–	Ministry of Fisheries and Marine Resources
MFR	–	Ministry of Forestry and Research
MoFT	–	Ministry of Finance and Treasury
MHA	–	Ministry of Home Affairs
MHMS	–	Ministry of Health and Medical Services
MID	–	Ministry of Infrastructure Development
MJLA	–	Ministry of Justice and Legal Affairs
MLHS	–	Ministry of Lands, Housing and Surveys
MMERE	–	Ministry of Mines, Energy and Rural Electrification
MNURP	–	Ministry of National Unity, Reconciliation and Peace
MPGIS	–	Ministry of Provincial Government & Institutional Strengthening
MPNS	–	Ministry of Police, National Security and Correctional Services
MPS	–	Ministry of Public Service
MRD	–	Ministry of Rural Development
MSG	–	Melanesian Spearhead Group
MTDP	–	Medium Term Development Plan
MTDS	–	Medium Term Development Strategy
MTEF	–	Medium Term Expenditure Framework
MTFS	–	Medium Term Fiscal Strategy
MWYCF	–	Ministry of Women, Youth, Children and Family Affairs

NACC	–	National Advisory Committee on Children
NCD	–	Non-Communicable Diseases
NCW	–	National Council of Women
NDMO	–	National Disaster Management Office
NDS	–	National Development Strategy
NGO	–	Non-Government Organization
NHRDTC	–	National Human Resource Development and Training Council
NHRDTP	–	National Human Resource Development and Training Plan
NJ	–	National Judiciary
NPO	–	National Parliament Office
NPP	–	National Population Policy
NSO	–	National Statistical Office
NTP	–	National Transport Plan
NTFB	–	National Transport Fund Board
OECD-DAC	–	Organisation for Economic Cooperation and Development - Development Assistance Committee
OIE	–	Oficina Internacional de Epizootias (World Organisation for Animal Health)
OPMC	–	Office of the Prime Minister and Cabinet
PACER	–	Pacific Agreement on Closer Economic Relations
PGSP	–	Provincial Government Strengthening Programme
PICT	–	Pacific Island Countries and Territories
PICTA	–	Pacific Island Countries Trade Agreement
PS	–	Permanent Secretary
PSC	–	Public Service Commission
PTD	–	Policy Translation Document
RAMSI	–	Regional Assistance Mission to Solomon Islands
RSIPF	–	Royal Solomon Islands Police Force
SI	–	Solomon Islands
SICHE	–	Solomon Islands College of Higher Education
SICUL	–	Solomon Islands Credit Union League
SIEA	–	Solomon Islands Electricity Authority
SIG	–	Solomon Islands Government
SISBEC	–	Solomon Islands Small Business Enterprise Centre
SIWA	–	Solomon Islands Water Authority
SMEC	–	Small and Micro Enterprises Centre
SOE	–	State Owned Enterprises
SPS	–	Sanitary and Phytosanitary Standards
STI	–	Sexually Transmitted Infection
SWAp	–	Sector Wide Approach
TCSI	–	Telecommunications Commission of Solomon Islands
UNDP	–	United Nations Development Programme
UNICEF	–	United Nations Children's Fund
WTO	–	World Trade Organisation

1 Preparation of the National Development Strategy

Government recognizes the need for a comprehensive National Development Strategy (NDS) to guide development activities and programmes to Build Better Lives for All Solomon Islanders.

Preparing this National Development Strategy, Government has carefully chosen approaches most able to produce a sound strategy which reflects the priorities of the people and which is able to be effectively implemented to produce real results:

- Importance of the NDS is reflected in the **High Level Task Force** which Government established to guide its preparation, including the Permanent Secretaries of MDPAC, the Bureau, Finance and Treasury, Health, Education, Infrastructure, Provincial Government and Commerce, the Secretary to the Prime Minister and Cabinet, and the Governor of CBSI.
- For the first time in the Solomon Islands, a broad consultation process has been undertaken which includes government agencies, non-state actors, civil society and the private sector. Particularly, this consultation process has included every Province and Honiara City with local consultations involving provincial governments, non-state actors, civil society and the private sector. The provincial consultations gave a clear and consistent picture of the needs and priorities as seen by provincial stakeholders. These priorities have been firmly embedded in this NDS, with **National Objectives reflecting the People's Priorities**.
- For the foreseeable future, most development spending will be funded by development partners. Government is committed to international agreements on development, especially the Rome and Paris Declarations, and the preparation of the NDS has been set in the context of these international commitments. This is not to serve the interests of development partners but to strengthen Solomon Islands partnership so that all development activities are **Harmonised and made more Effective to increase the benefits enjoyed by Solomon Islanders**.

1.1 Ownership

The Paris Declaration of 2005 included the commitment on ownership that: "*Partner countries exercise effective leadership over their development policies and strategies and coordinate development actions.*" To meet this commitment, developing countries are committed to three tasks:

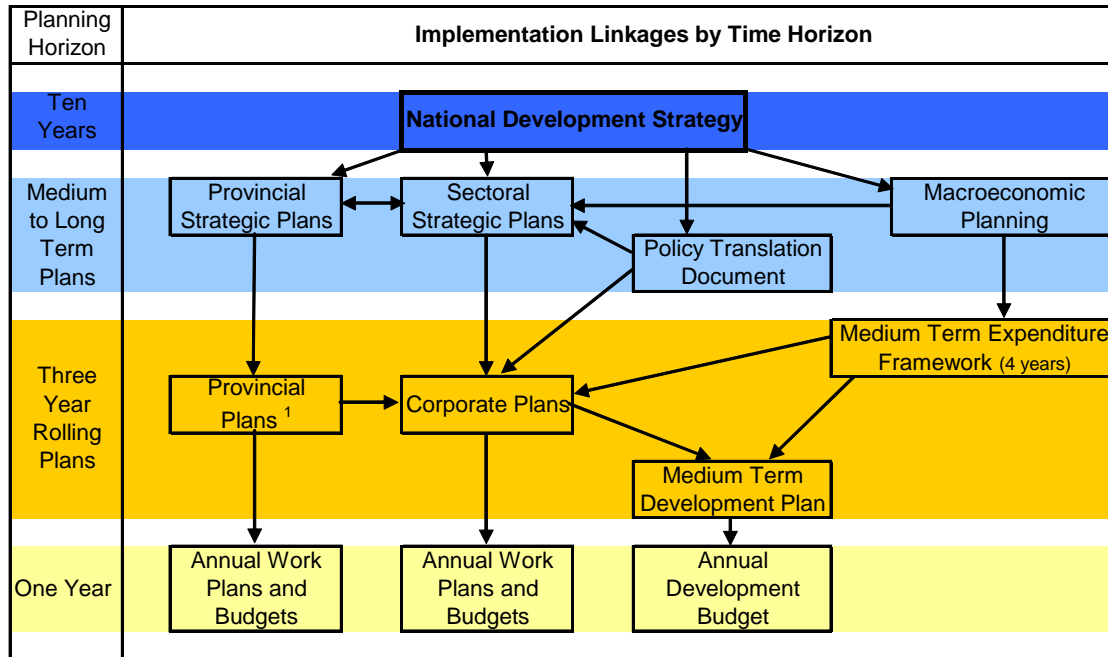
- "*Exercise leadership in developing and implementing their national development strategies through broad consultative processes.*"

Government has fully met this commitment in this National Development Strategy, which clearly states the National Objectives, National Policies, and National Strategies founded on a broad, nation-wide consultative process.

- "*Translate these national development strategies into prioritised results oriented operational programmes as expressed in medium-term expenditure frameworks and annual budgets.*"

Government has set out the linkages and processes by which this commitment will be met and the NDS translated into the implementable programmes of sectoral and provincial strategies aligned to the NDS and prepared under the technical leadership of sectoral agencies supported by MDPAC and development partners. These plans will link to Corporate Plans and, hence, to the MTEF currently being introduced by MoFT and to the annual budget process. The links through which the NDS will be translated into development actions are summarised in Figure 1 and set out in Part II.

Figure 1: National Development Strategy Implementation Linkages



¹ Provincial Plans are funded through the Corporate Plan of the MPGIS

- “Take the lead in co-ordinating aid at all levels in conjunction with other development resources in dialogue with donors and encouraging the participation of civil society and the private sector.”

Government has on-going partnership agreements with civil society organisations and seeks increased private sector participation to lead growth. Aid Co-ordination Management is being strengthened to better coordinate donor inputs, including a Development Assistance Database (DAD), and this coordination will be extended to include outputs and outcomes in the results-oriented management in Section 1.4.

1.2 Alignment

The Paris Declaration commits that “Donors base their overall support on partner countries’ national development strategies, institutions and procedures”. The Declaration notes that such alignment depends on a necessary level of capacity in national planning agencies: “The capacity to plan, manage, implement, and account for results of policies and programmes is critical for achieving development objectives - from analysis and dialogue through implementation, monitoring and evaluation.”

In this last statement the Declaration summarises the needs of Project Cycle Management as a means to align donor support to NDS objectives. To meet Solomon Islands part of this commitment it is proposed in Section 9.1 to apply Project/Programme Cycle Management to implementation of the NDS and to facilitate donor alignment to the NDS.

1.3 Harmonisation

The 2003 Rome Declaration on Harmonization seeks to “*harmonize the operational policies, procedures and practices of our institutions with those of partner country systems to improve the effectiveness of development assistance*”. The Declaration notes that “*the totality and wide variety of donor requirements and processes for preparing, delivering and monitoring development assistance are generating unproductive transaction costs for partner countries*”.

The Solomon Islands has had planning manuals for internationally standard practice in Project Cycle Management for some years, but they have not been effectively implemented. In Part II, it is proposed to implement standard practices for “*preparing, delivering and monitoring*” development activities through Logical Framework methods (see Section 9.3.1) for Project Cycle Management and as the tool for Alignment, Harmonisation and Managing for Results.

1.4 Managing for Results

The Paris Declaration commits to “*Managing resources and improving decision making for results.*” In addition to strengthening the links between NDS and the MTEF and budgets and the coordination of aid inputs, both discussed above at 1.1, the Declaration includes a partner country commitment to:

- “*Endeavour to establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies; and that these frameworks should track a manageable number of indicators for which data are cost-effectively available*”.

There has been no formal government wide M&E system thus far, but the adoption of a Logical Framework approach for all development activities (projects, programmes, SWAps etc.) will provide a monitoring framework for every development activity and the basis for them to be accumulated to sector and national level reporting of achievement of outputs and outcomes, as discussed in Section 9.2.3.

1.5 Mutual Accountability

The final Paris Declaration commitment is that “*Donors and partners are accountable for development results*”.

Government will be accountable to donors but is, first, accountable to the people of the Solomon Islands and Cabinet will adopt proposals to set out the accountability of the Prime Minister and Ministers, Permanent Secretaries, and Provinces as well as Donors.

1.6 The Way Ahead

Prepared with such broad consultations and with regard to internationally accepted conditions for effectiveness it is confidently expected that this National Development Strategy 2011-2020 will deliver:

A United and Vibrant Solomon Islands



Government of the Solomon Islands

National Development Strategy 2011 to 2020

Part I: The Strategy

2 National Vision, Mission and Strategy

2.1 National Vision

The National Vision is of “A United and Vibrant Solomon Islands”.

2.2 National Mission

The National Mission is to:

- create a modern, united and vibrant Solomon Islands founded on mutual respect, trust and peaceful co-existence in a diverse yet secure and prosperous community where tolerance and gender equality are encouraged and natural resources are sustainably managed; and
- enable all Solomon Islanders to achieve better quality of life and standard of living for themselves and their families through constructive partnership for social, economic, political and spiritual development.

2.3 National Development Strategy

The National Development Strategy embodies the aspirations and hopes of the people of the Solomon Islands. The overarching theme of the NDS is “**To Build Better Lives for All Solomon Islanders**”. Achieving this aim will take time and require concerted actions on many fronts. Reforms are keys to successful implementation of the strategy and all Solomon Islanders should work together at all levels of the communities towards this goal.

The National Objectives are long term in focus and are at national level - they are the desired outcomes which can only be delivered progressively in the long term - typically more than the ten year life of the NDS. They are universal and reflect the aspirations of the people of Solomon Islands. While they may be reviewed from time to time, these National Objectives are expected to be applicable for a long time and to bridge multiple national elections and governments.

The NDS presents four major areas of focus which reflect the challenges facing the people of Solomon Islands. Government recognizes that development must benefit the people. Poverty must be alleviated. Access to quality health care and education are essential to both social and economic development. Living standards of all communities must be raised. Livelihoods must improve. The benefits of development must be more equitably shared. These are some of the ideals to which all people in the Solomon Islands aspire.

2.3.1 The Overarching Focus Area: To Build Better Lives for All Solomon Islanders.

The aspiration of all Solomon Islanders is to build a better life for their families and communities and for the future generation. Development must make a difference to this universal goal in a way which is fully inclusive of every Solomon Islander, especially those who live in remote areas or have benefited least from past development. Alleviating poverty, empowering people to be self-reliant and equitably sharing development benefits are critical for building better lives in a society secure in social and political stability and with peaceful relations amongst all the people.

Therefore, the overarching focus area of the NDS is “To Build Better Lives for All Solomon Islanders”.

Objective 1 To Alleviate Poverty and Provide Greater Benefits and Opportunities to Improve the Lives of Solomon Islanders in a Peaceful and Stable Society

2.3.2 Central Focus Area: Taking Better Care of all the People of the Solomon Islands

Below the overarching focus area are two pillars which are essential to fulfil the requirements of the overarching focus of the NDS and are the core of the strategy.

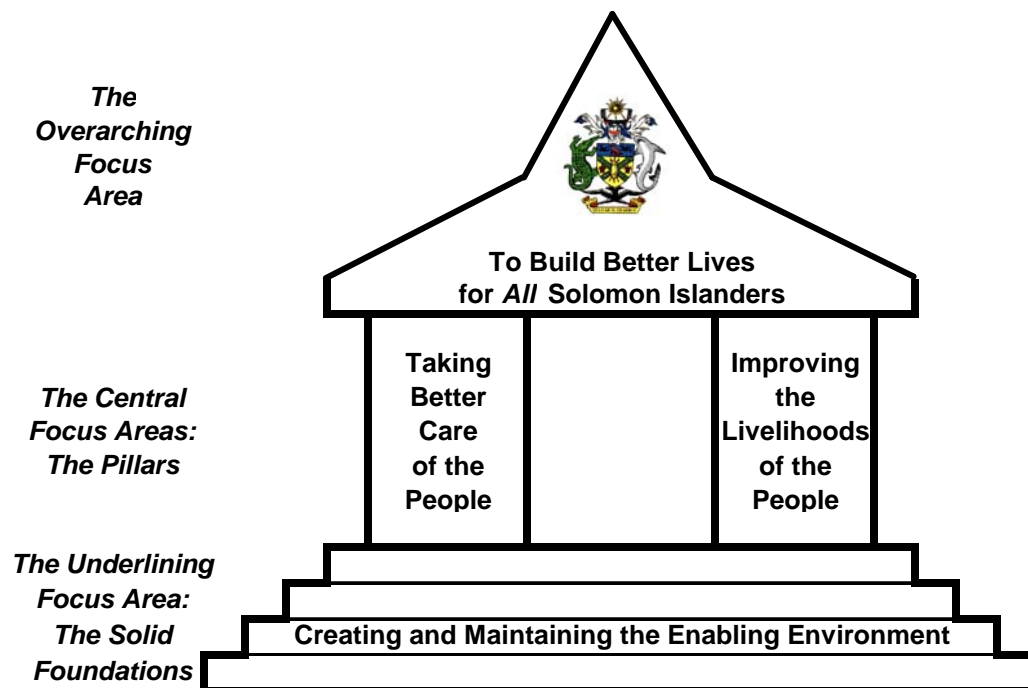
“Taking Better Care of all the People of the Solomon Islands” is concerned with fulfilling social needs of the people, including support for the vulnerable and better access to education and health care for all.

Objective 2 To Provide Support to the Vulnerable.

Objective 3 To Ensure that all Solomon Islanders have Access to Quality Health Care and to Combat Malaria, HIV, Non-communicable and Other Diseases

Objective 4 To Ensure that all Solomon Islanders have Access to Quality Education and for the Country to Adequately and Sustainably Meet its Manpower Needs.

Figure 2: The Structure of National Development Strategy



2.3.3 Central Focus Area: Improving the Livelihoods of all the People of the Solomon Islands.

The second pillar - essential for balanced development and to support the overarching focus - is “Improving the Livelihoods of all the People of the Solomon

Islands” and is about improving the economic benefits to the people through higher growth, increased employment and the distribution of the benefits of development.

Objective 5 To Increase the Rate of Economic Growth and Equitably Distribute the Benefits of Employment and Higher Incomes Amongst all the Provinces and People of the Solomon Islands

Objective 6 To Build and Upgrade Physical Infrastructure and Utilities to Ensure that all Solomon Islanders have Access to Essential Services and to Markets.

2.3.4 Underlining Focus Area: Creating and Maintaining the Enabling Environment

Creating and maintaining an enabling environment is essential to achieving and fulfilling the objectives of the Strategy - providing the solid foundation for successful implementation of the NDS. This enabling environment includes protecting the environment and managing natural resources, effectively working with international partners, and strengthening good governance within Solomon Islands national, provincial and community level governments.

Objective 7 To Effectively Manage and Protect the Environment and Eco-Systems and Protect Solomon Islanders from Natural Disasters

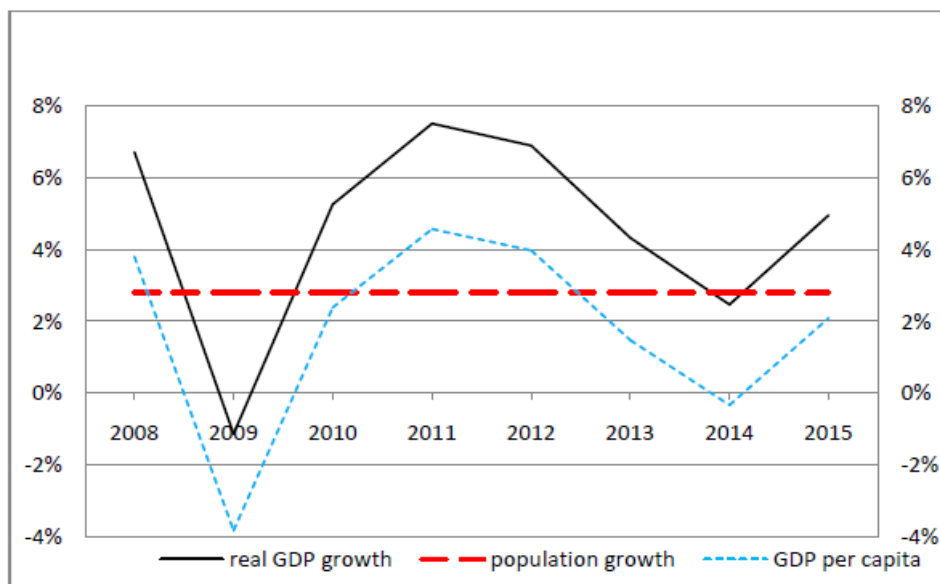
Objective 8 To Improve Governance and Order at National, Provincial and Community Levels and Strengthen Links between Them

3 Sustaining Macroeconomic Stability

3.1 Economic Performance

Historically, real GDP growth rate has been volatile but in 2010, GDP growth rate was expected to be 5% and the forecast for 2011 is also 5%.

Figure 3: Recent and Projected GDP Growth in MTF5 2010



However, assuming no changes in current policy, the Medium Term Fiscal Strategy 2010 (MTFS) expects growth will decline and remain at a lower level during the first part of the NDS period. In 2011 the logging sector is expected to decline by 18% and continue to decline by 25% per year over the next four years. However, Gold Ridge mine is expected to come into full operation in mid 2011 and contribute around 4% to growth. The demise of logging and stabilization of gold output will result in real GDP growth levels just over 3% which, given population growth at a similar rate, will mean little improvement in GDP per capita in the medium-term.

3.2 Fiscal Situation

3.2.1 Budget Outlook

In 2008 and 2009 there were small budget surpluses whilst in 2007 and 2010 the budget was in deficit. Over the period 2007 to 2010, government revenue more than doubled, mainly from domestic activities (production) and customs duties, but expenditure also increased, though in most years by less than the increase in revenue. However, declining log output and slower growth to 2015 means revenue growth will slow substantially and the recent expenditure growth must slow down abruptly from around 29% to 8%.

Figure 4: Expenditure Growth under Alternative MTFS Scenarios

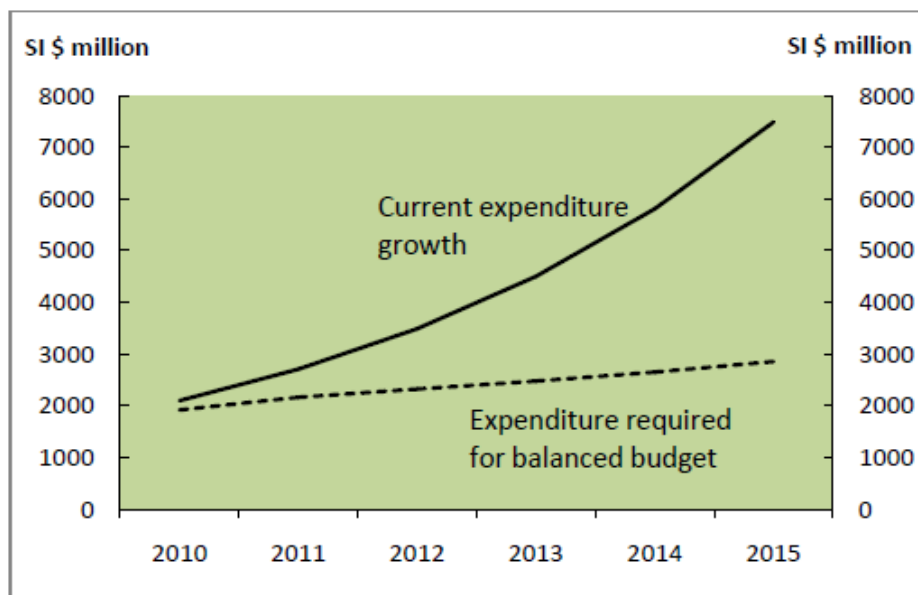


Figure 4 shows the projections of current expenditure growth against the expenditure growth needed to maintain a balanced budget. To avoid deficits and provide sufficient funding for the development budget, government must reduce its current expenditures to reduce the gap between current expenditure growth and expenditure required for a balanced budget. The 2010 MTFS sets the budget strategy in the first part of the NDS period as “an affordable and sustainable Government budget which limits debts to a manageable level, improves Government decision making processes, and focuses on achieving the development goals of the Solomon Islands”.

3.2.2 Public Debt

Solomon Islands have had a difficult history with debt and, in the past, much of the debt incurred by government and SOEs was not used wisely. By 2003 the country was in default on all its debts and major changes have been required to rebuild public finances and fix debt problems. The 2005 Honiara Club Agreement committed

Government to applying a basic set of financial management principles in its fiscal and debt management strategies including: (i) balanced recurrent budgets; (ii) a freeze on all new borrowing; and (iii) setting aside a fixed proportion of Government revenue for debt servicing. The principles developed with the Honiara Club Agreement remain central to Government's approach to managing its debts.

Consistent with Government's budget strategy in the face of constrained revenues, the Government is committed to reducing the burden of public debt on the nation's finances and future prosperity and will continue to be guided by the principles established under the Honiara Club Agreement in the management of debts.

3.3 Monetary Situation

3.3.1 Inflation

Inflation in 2008 rose to 19.4% due to high food and fuel prices in the first half of the year. From 2009, however, inflation stabilized as (i) oil prices fell, leading to a fall in global inflation; (ii) from 2009 the Solomon Island dollar rose in value; (iii) competition reduced prices in rice (due to the MSG trade agreement) and telecommunication markets; and (iv) tightening of monetary policy in 2008 by the Central Bank helped contain inflation.

The annual inflation rate to March 2011 in Honiara was 2.9%, led by a 4.8% rate for imported items, on a rising trend, whilst other items were 1.6%. The monetary policy target is to contain inflation to a single digit inflation rate.

3.3.2 Foreign Exchange and Reserves

The exchange rate has depreciated continuously over the last 20 years, on average by 0.52% per month. There has been a significant rise in foreign reserves so that mid-2011 reserves are some 9 months equivalent of import cover as a due to large inflows of donor funds. The long term decline in exchange rate combined with large foreign reserves prompted CBSI to appreciate the exchange rate by 5% in May 2011.

Monetary policy targets for exchange rates and reserves are: (i) to maintain a stable exchange rate; and (ii) to maintain minimum foreign reserves equivalent to three months of import cover.

4 To Build Better Lives for All Solomon Islanders

4.1 Objective 1: Alleviate Poverty and Improve the Lives of Solomon Islanders in a Peaceful and Stable Society

4.1.1 Challenges

Poverty

The Solomon Islands Statistical Office analysis suggests that almost 23% of the population faces difficulties in meeting basic food and essential non-food needs and that there are "many more households and individuals who have expenditure only just above the basic needs poverty line and who are therefore vulnerable...to rising prices and/or declining incomes/expenditure." Female-headed households are disproportionately represented among the poor.

Government's analysis concludes that this is income rather than asset poverty and needs to be addressed by increasing employment and income-earning opportunities in urban and rural areas.

Population Growth and Rural-Urban Migration

Rapid population growth impacts social and economic conditions of Solomon Islanders, including: distribution of income, urban drift, high unemployment rates and access to basic needs like education, health and housing. Many agencies participate in the National Population Policy, which is currently being finalised and is integrated into this National Development Strategy.

The current age structure results in a high dependency burden. Dependency ratios will only become favourable to economic growth when dependency levels fall to about 50 dependents to every 100 economically active adults, compared to the present level of over 80. The current slow fertility decline will take several decades to reduce the dependency ratio to 50.

Solomon Islands has serious problems with rapid, ***unplanned*** urban expansion, which harms urban communities through increased crime, urban squalor, housing pressure, public health risks, and costs for urban-based businesses. Such problems can be reduced by improving rural living standards, to discourage migration, and helping those in squatter settlements to escape from poverty through better basic services, adult education and skills training.

Urbanization has benefits, bringing people to larger population centres better able to provide varied productive skills and more efficient local markets. Urbanization also enables more cost-effective provision of services, including health, education and law enforcement. But such benefits depend on ***planned*** urbanization.

Social and Communal Stability

The Solomon Islands have made significant progress in promoting and maintaining stability after the ethnic tensions ended in 2003. The root causes of the tensions may include the uneven distribution of public resources, land issues, and a growing unemployed youth population. Policy responses address reconciliation, political stability, constitutional reforms and land issues. Stability is a necessary condition for building a better future of all Solomon Islanders and the reconciliation and peace process is an ongoing challenge.

The Truth and Reconciliation Commission was established in 2009, and began work in early 2010, convening public hearings about victims' testimonies during and after the ethnic tension. The Rehabilitation Programme remains pending, with UNDP indicating its willingness to assist.

4.1.2 National Strategy

Millennium Development Goals

The first MDG is to "Eradicate extreme poverty and hunger". The Millennium Development Goals 2010 Report indicates "mixed progress" as many people are seen to be "cash poor" even though subsistence means there is no large population living in extreme poverty. The proportion of the population who suffer from hunger has been halved compared to the 1990 baseline - impacted by subsistence production - but the level of employment and growth of GDP per capita have yet to achieve satisfactory levels.

In this context, the policies and strategies supporting this first objective seek to further strengthen the subsistence sector, to better achieve food security, reduce hunger, and facilitate marketing of surpluses from subsistence as well as income generation from smallholder cash production and commercial development. These measures will strengthen performance against MDG1 and increase the probability of achieving the goal.

Policies and Strategies

Policies and strategies in Figure 5 address the challenges discussed above and aim to achieve Objective 1. There are four policy groups supporting this objective:

1. The Poverty Alleviation and Rural Livelihoods policy addresses poverty as income poverty and the strategies seek to improve both cash and non-cash income streams in the context of the major role played by subsistence activities. Most livelihoods are based on natural resources and the strategies aim to improve such livelihoods as well as promoting non-natural resource based livelihoods and small and micro-enterprise (SME) development. Supporting strategies also seek fairer returns to resource owners and improved rural infrastructure.
2. Social and Community Development policy is concerned with improved service delivery and strengthened community capacity to participate in planning activities.
3. A major part of the National Population Policy, currently being finalised, addresses poverty alleviation and equity issues and is included here.
4. Social and Communal Stability policy continues to address issues of national unity and peace, focusing on youth through the Youth and Peace-building component of National Youth Policy.

Figure 5: Matrix for Objective 1

Policies	Strategies	Agency
Focus Area	To Build Better Lives for <i>All</i> Solomon Islanders	
Objective 1	<i>Alleviate Poverty and Improve the Lives of Solomon Islanders in a Peaceful and Stable Society</i>	
<i>Poverty Alleviation and Rural Livelihoods</i>		
Develop and implement programs to alleviate poverty based on improved market access and a vibrant smallholder sector through sustainable natural resource use and commercial activities in rural and remote areas.	Prepare a long term National Poverty Alleviation Plan through stakeholder consultations in partnership with central and provincial authorities, civil society, NGOs and the donor community.	MDPAC, Provinces, NGO, CSO, Donors
	Utilise constituency development funds to support poverty alleviation and rural livelihoods through concessionary loans, grants and equity for small business start ups, including in Growth Centres, and through micro-projects implemented by provinces and line ministries.	MRD, MPs, MCILI, Provinces.
	<i>Natural Resource Based Livelihoods</i>	
	Promote development of environmentally sound and sustainable subsistence based farming systems, including organic farming, indigenous crops, and improved post-harvest handling, to increase household food security and marketable surpluses and downstream processing.	MAL, MCILI, Provinces, NGOs
	Strengthen agricultural support service for extension and research with a farming systems approach supported by active on-farm participatory research to help resolve day to day problems encountered by farmers.	MAL, Provinces, NGOs

Policies	Strategies	Agency
	Support farmers and rural communities through farmer-to-farmer networks and contracted pre-qualified NGOs to provide extension, including in remote areas, in which "model farmers" provide assistance to farmers in similar circumstances of land availability and conditions, financial resource and access to markets and inputs.	MAL, NGOs, Provinces
	Increase opportunities for rural fishers and communities to improve their standard of living through promotion of on-shore fisheries processing to increase value added.	MFMR
SME and Non-Natural Resource Based Livelihoods		
	Increase awareness of opportunities for small scale business development, including downstream processing opportunities for locally available products, and provide advice and training on both technical and enterprise aspects of SME formation and management in partnership with NGOs and private sector mentors.	MCILI, MAL, MFR, MFMR, MEHRD, NGOs, Private Sector
Resource Owners		
	In partnerships with investors ensure that resource owners receive fair financial rewards and ensure proper awareness and participation by resource owners.	Provinces, MMERE, MFR, MRD
	Consultations between ministries, provinces and people in rural areas to work on codification of customary law to regulate the behaviour and conduct of people to behave with mutual respect.	MHA, OPMC, MPGIS, MRD, Prov.
Rural Infrastructure		
	Facilitate infrastructure development for an efficient, effective and quality service delivery to rural communities in water supply and sanitation, electricity, transport and communications - extending coverage of mobile telecommunications networks to all rural areas and facilitating affordable access by rural dwellers.	Prov, MHMS, MMERE, MID, MCA, SIEA
	Expedite development of water supply and sanitation coverage through more efficient use of resources in community contracts and community enterprises supported by pre-qualified NGOs under competitive contracts.	Provinces, MHMS, NGOs
	Maintain and rehabilitate roads built by loggers to open up agriculturally productive land for cash crops and complement development of coastal roads and wharves through construction of tracks to maximise the impacted area and population.	MID, Provinces
	Provide reliable and affordable electricity in rural areas, vigorously promoting assessment of potential renewable energy resources and development of those which are technically sound and can be made financially viable.	MMERE
Social and Community Development		
Improve equity in social service provision and develop the capacity of communities identify and address their needs.	Assess the current level and standard of social services provided in terms of quality and accessibility to people in the SI and set targets and programmes to increase equity between provinces and urban and rural areas, backed by published performance monitoring.	MDPAC, MPS, MHMS, MEHRD, Provinces, NGOs
	Develop housing programmes, supported by Constituency Development Funds, to address the needs of restoration and construction of housing for key public service providers, including teachers, medical and justice staff; and to address the high cost and shortage of affordable housing in provincial communities.	MRD, MID, MoFT, OPMC, MDPAC

Policies	Strategies	Agency
	Support ownership and participative planning by building community development capacity and encouraging communities to take ownership of rural development programs and projects in a bottom up process in which ward development plans link into constituency development plans and then into rolling three year provincial development plans linked to the budget process.	Provinces, MPGIS, MRD, MDPAC, MoFT
National Population Policy		
Manage the rate of population growth to build and sustain the prosperity of the families and communities in the Solomon Islands (National Population Policy)	Fully integrate population concerns into national, provincial, and sectoral development strategies, plans, programs, projects and decision making in a coordinated, efficient and effective manner. (Integrated population actions in this NDS matrix are noted by reference to NPP Policy Goals) [NPP Goal 1]	MDPAC, OPMC
	Improve collection, processing, analysis, dissemination and utilization of population and development data to provide a factual basis for planning. [NPP Goal 2]	NSO, MDPAC
	Promote sustained economic growth, food production and poverty alleviation in the context of sustainable economic development and patterns of consumption, production, human resource development and human rights. [NPP Goal 6] Provide a social and economic environment which is conducive to actively engage a good number of the population.	MAL, MCILI, MEHRD, MCT, MFMR, Prov, NGO, Private Sector
	Provide population information, education and communication support in the light of increased advocacy on development and population. [NPP Goal 11] Conduct awareness programs on family planning with married couples and introduce family planning policies and methods in the education system.	NSO, MHMS, MEHRD, Provinces MWYCFA, NGOs
	Accelerate the demographic transition towards a more stable equilibrium by addressing trends in: (i) population growth and structure; (ii) distribution; (iii) fertility, mortality and natural increase; and (iv) internal migration. [NPP Goal 12] Collect and disseminate birth records data and strengthen the capacity of health and reproductive services, especially in awareness and community enlightenment.	MDPAC, MAL, MFMR, MRD, MCIE, MHMS, Prov, MEHRD, MoFT, NSO, Donors
	Preserve, protect, promote and manage cultural assets to enhance and mainstream cultural activities. [NPP Goal 13]	MCT
Social and Communal Stability		
Promote and foster national unity and sustainable peace by fostering reconciliation, healing and reintegration of conflict affected individuals and communities, and strengthened partnership and advocacy in the process of peace building nationwide.	Continue to advance the process of reconciliation, reintegration, forgiveness and national healing and promote the importance of national unity across all sectors and levels in society through national and provincial reconciliation processes.	MNURP
	Strengthen MNURP's capacity and facilitate appropriate legal mechanisms and bodies to assist with the process of restoration of peace, national unity and social justice in the country and provide a technical advisory role on emerging issues and threats.	MNURP
	Strengthen MNURP's partnership network through capacity building and facilitate participation of other peace stakeholders in peace building and promoting sustainable peace, unity and development.	MNURP
	Introduce a peace education policy that follows cultural and Christian principals to be introduced into the national education curricular.	MNURP, MEHRD, NGO, CSO

Policies	Strategies	Agency
	Promote peace building activities in the rural areas and village communities through participatory workshops, youth rallies with involvement of traditional and church leaders and organize an annual peace summits.	MNURP, Prov, NGO, CSO
	Devise means to create unity amongst people in the country to speak, think and act Solomon Islanders rather than provincial	MNURP, NGO, CSO
<i>Social and Communal Aspects of the National Youth Policy</i>		
Increase the number of young people participating in activities that promote peace building and conflict prevention. (Youth and Peace-building)	Instil critical awareness in young people of the cross-cultural and ethnic considerations that promote understanding, toleration and tolerance	MWYCFA
	Establish or develop mechanisms at national and community levels that help prevent conflict and help rehabilitate those young people who have violated the law.	MWYCFA
	Complement peace and reconciliation, respect and understanding activities by facilitating young people's creative and innovative expression through various arts.	MWYCFA
	Encourage church based youth groups so that youths are recognised and their role in communities is promoted and respected.	MWYCFA, CSO

5 Taking Better Care of All the People of the Solomon Islands

5.1 Objective 2: To Support the Vulnerable.

5.1.1 Challenges

This challenge concerns Millennium Development Goals for women and children and other vulnerable groups. As cross-cutting issues many agencies must contribute to meeting the challenge. Given past social instability, the needs of youth particularly need to be addressed.

Capacity to implement development projects is a constraint but the total budget allocation is rising and donor support is increasing. UNICEF provides institutional support and continues child protection activities, AusAID is addressing gender-based violence and RAMSI is also promoting the role of women in Government.

5.1.2 National Strategy

Millennium Development Goals

The third MDG is to "Promote Gender Equality and Empower Women". The 2010 MDG Progress Report concludes that performance has been mixed and that the probability of meeting this MDG by 2015 is considered low.

Good improvements are noted in improved female participation in primary education (though secondary education has poorer performance) and in the civil service. Poor performance is noted in the absence of women amongst politicians and cabinet members and, of wider concern, lower participation in formal employment, which is a traditional female stronghold.

In terms of eliminating gender disparity in education, the ratio of girls to boys in primary education had reached 0.97 by 2007 but in secondary education only 0.84. Compared to the baseline 0.60 for secondary education in 1990 there has been a substantial improvement, but the lack of progress since 2004 suggests that 2015

equality is not likely to be achieved. At tertiary level the ratio had doubled from 0.41 in 2000 to 0.80 in 2010 with the prospect of substantial achievement by 2015.

Data on women’s employment in the formal sector is incomplete, but the share of women in waged employment in professional and technical jobs fell from 27.3% in 1990 and 31.3% in 2000 to just 25% in 2010.

Renewed efforts are required to reverse the apparent decline in formal employment of women and to restart the progress of women in secondary education. The economic and income generation strategies supporting Objectives 1 and 5 need to be more inclusive and address gender employment within the distributional dimensions of growth.

Policies and Strategies

Policies and strategies in Figure 6 address the challenges discussed above and aim to achieve Objective 2. Supporting this objective, there are six policy groups, serving different vulnerable groups:

1. Social Security policy seeks to develop proposals for social security measures supporting vulnerable and marginalised community members.
2. People with Disabilities policy includes strategies to ensure fair access to education and other services and a focus on enabling people with disabilities to lead fuller lives, including increased opportunities for employment.
3. National Food Security, Food Safety and Nutrition Policy, partly included here, aims for food security and promotion of nutrition and healthy food for all.
4. National Children’s Policy seeks to promote children’s rights and welfare.
5. National Youth Policy seeks to increase access of young women and men to education and health services and give greater opportunities to participate in social, economic and cultural development.
6. Policy on Gender Equity and Women’s Development addresses equity in access to education and productive resources and in decision making and “mainstreamed” strategies in human rights, crime, government and energy.

Figure 6: Matrix for Objective 2

Policies	Strategies	Agency
Focus Area	Taking Better Care of All the People of the Solomon Islands	
Objective 2	To Support to the Vulnerable.	
<i>Social Security</i>		
Establish a social security system to address the needs of the most vulnerable and marginalised members of the community.	Consultations between ministries, provinces, NGOs, CSO and people in rural areas, supported by base line surveys of vulnerable and marginalised groups, to develop proposals for social security legislation, including a clear definition of groups to be assisted and the specific assistance types and levels to be given.	MDPAC, MWYCFA, MHMS, MoFT, NGOs, CSO, Provinces.
	Social security legislation will include a phased introduction of the system, consistent with resource availability, and allocation of responsibility for implementation and administration to a new or existing agency making maximum use of service delivery networks of national, provincial and local government and of NGOs and CSO.	MJLA, MoFT, MDPAC, MPS, Provinces, NGO, CSO

Policies	Strategies	Agency
People with Disabilities		
Create a society that will accept the equal rights of all people with disability and assist and involve them physically, socially, spiritually and culturally and ensures the achievement of their goals and visions.	In consultation with people with disabilities and to meet their needs ensure that education and training policies give opportunities to boys and girls with disabilities, improve their access to education, develop early intervention measures for children from 0-4 years old, and provide special education modules in all teacher training courses.	MEHRD, MHMS
	To make support for people with disabilities more effective, strengthen support groups and networks for parents, families, teachers and the wider community and in collaboration with stakeholders strengthen support services for community based rehabilitation and raise national awareness concerning disability issues, including information dissemination through media.	MHMS, NGOs
	Promote more opportunities for income generation and employment, based on equal rights and empowerment of all persons regardless of disability or gender, so that people with disabilities can lead fuller lives and be better integrated into society.	MHMS, MEHRD, MCILI, Private Sector
	Ensure laws and regulations, including building codes, are inclusive of the needs of people with disabilities in terms of access to buildings - especially government buildings - and to transport.	MHMS, MID
National Food Security, Food Safety and Nutrition Policy		
Provide food security, food safety, and nutrition to improve the livelihoods or both rural and urban communities in the Solomon Islands (National Food Security, Food Safety and Nutrition Policy)	Provide access to adequate, affordable, safe and healthy food to reduce the incidence of malnutrition and food borne disease.	MAL, MFMR, MHMS
	Ensure that increased agriculture, livestock and fisheries productivity contributes to sustainably enhanced food security and improved livelihoods of the people of the Solomon Islands.	MAL, MFMR
	Encourage the addition of health value to food produced, processed and imported to the Solomon Islands and harmonize food standards with other Pacific Island Countries.	MHMS and Provincial Governments
National Children's Policy		
Protect and develop the interests and rights of our children regardless of age, gender, religion, ethnicity or cultural background and ensure that these rights are acknowledged and promoted and that children grow into responsible citizens.	Adhere to, develop and implement laws, conventions, policies for children's development and safety from all forms of abuse.	MWYCFA, CSO
	Develop mechanisms to improve the equality of access for our nation's children, without discrimination.	MWYCFA, CSO
	Develop and strengthen mechanisms that help our children survive and develop.	MWYCFA, CSO
	Develop and strengthen mechanisms that help our children to participate in our nation's development efforts.	MWYCFA, CSO
	Develop and support planning and coordination systems that maximise the effectiveness of our nation's limited resources for our children's development.	MWYCFA, CSO
	Promote and protect children's rights in partnership with provincial stakeholders.	MWYCFA, CSO, Provinces
	Children's Aspect of National Population Policy	
	Increased and improved support for children in the context of legislation and policies which effectively enable the protection, survival, participation and development of children and ensures that children's issues are incorporated in to planning at all levels of Government. [NPP Goal 10 - part]	MWYCFA, NACC, MDPAC, MoFT, MHMS, MPS

Policies	Strategies	Agency	
National Youth Policy			
Promote the development of Solomon Islands youth to achieve their full potential through a range of programs and activities that offer choices and assist them to make informed decisions about their futures and their roles and responsibilities in the political, social and economic development of the Solomon Islands.	Improved and equitable access to education, training and employment for young women and men. (Youth and Career Pathways)	MWYCFA, CSO	
	Increased equal opportunities for young women and men to participate in decision-making and leadership. (Youth and Governance)	MWYCFA, CSO	
	Youth and health improved through equitable access to health services for young women and men. (Youth and Wellbeing)	MWYCFA, CSO	
	Increased number of young people participating in activities that promote peace building and conflict prevention. (Youth and Peace-building)	MWYCFA, CSO	
	Increased participation of young people promoting sustainable development. (Youth and Sustainable Development)	MWYCFA, CSO	
	Recognize young males and females as a basis of community and optimize their potential to participate in and contribute to the socio-economic and cultural growth of the Province.	MWYCFA, Provinces, CSO	
	Promote the importance of sports not only for physical and mental health and competition but also as an activity to unite communities in the provinces.	MWYCFA, Provinces	
	Youth Aspects of National Population Policy		
	Increased and improved support for youths in the context of legislation and policies conducive to youth development and able to empower youths to make informed decisions about their lives which ensure a healthy an safe generation able to engage in productive employment. [NPP Goal 10 - part]	MWYCFA, MEHRD, MDPAC, MoFT, MAL, MNURP, NGO.	
Policy on Gender Equality and Women's Development			
Advance gender equality and enhance women's development ensuring the active contribution and meaningful participation of both Solomon Islands women and men in all spheres, and at all levels, of development and decision making.	Improved and equitable health and education for girls and boys, women and men.	MWYCFA, CSO	
	Improved economic status of women through access to and share of productive resources.	MWYCFA, CSO	
	Equal participation of women and men in decision making and leadership.	MWYCFA, CSO	
	Elimination of violence against women through strengthened legislation and enforcement, treatment and rehabilitation of perpetrators, and preventive approaches and provision of support services.	MWYCFA, CSO	
	Increased capacity for gender mainstreaming through capacity building among partners and stakeholders across government.	MWYCFA, CSO	
	Mainstreamed Gender Policies		
	Promote and enhance women's empowerment based on human rights of women in the public and private spheres and at all levels by developing capacity of women and encouraging gender equality.	MWYCFA, Provinces, CSO	
	Promote gender-balanced energy programs to ensure that energy needs are addressed for both women and men, including raising awareness of the benefits of energy technologies in households.	MMERE, SIEA	
	Victims of crime and gender-based violence policies have been established that provide for men and women to be treated equally.	MJLA, NJ	
	Promotion of equal participation of women with disabilities and mainstream their issues.	MHMS, NCW, NGOs	
Gender Aspects of National Population Policy			
	Increased gender partnership and empowerment of women with a National Women's Policy which protects and promotes women's rights and which informs and guides decision	MWYCFA, AG Dept, MJLS, MHA,	

Policies	Strategies	Agency
	making, programming and policy formulation at all levels of Government and community. [NPP Goal 9]	MPS, UNDP, MoFT, Prov
Increased opportunities for women as gender equality is advanced consistently across Government.	Women in Government	
	Increased opportunities for women through removal of barriers and improvement over time in numbers of women in leadership positions, including through increasing women's participation in representative and administrative government and in leadership positions at all levels.	MPS, MWYCFA, OPMC
	Ensure that all programmes improve capacity for gender reporting aligned with Government commitments and CEDAW obligations.	MPS, MWYCFA, OPMC
	Human Resources Development is implemented across the whole of the Public Service in the context of gender-sensitive policies and guidelines for employment and recruitment.	MPS, MWYCFA, OPMC

5.2 Objective 3: Ensure all Solomon Islanders have Access to Quality Health Care and Combat Malaria, HIV, Non-communicable and Other Diseases

5.2.1 Challenges

Access to quality health care is a universal aim of all Solomon Islanders. Life expectancy has not improved since 2000. Women's access to health and family planning services is particularly poor in rural areas, and infant mortality and child mortality rates are high, although they have fallen since 1990.

The Ministry of Health and Medical Services delivers its programs and activities with donor assistance through the Health Sector Support Program 2008-2015 (HSSP), with AusAID as the leading agency. The Sector Wide Approach is the preferred vehicle for donor support to the health sector. The HSSP 2008 Annual Report identifies major communicable health issues - malaria, acute respiratory infections, STI/HIV, diarrhoea, skin diseases and yaws, TB and leprosy - as well as NCDs - mainly diabetes and cancer - and mental health illnesses.

According to the 2009 Health Annual Report, over the last few years over US\$50 per person has been allocated to the Health Sector, compared to just US\$25 as recently as 2006¹. Of the total funding for the health sector, more than 50% comes from donor partners and actual development expenditure for health is over 90% donor funded.

With the singular exception of Gizo Hospital development, donor funding is focused on the provision of medical services rather than infrastructure and facilities and the Government development budget aims to establish health facilities. However, the failure to utilize budgets - less than 10% in 2008 and 2009 but reaching 40% in 2010 - leaves important facilities undeveloped, including upgrading the National Referral Hospital, renovated rural health clinics and staff housing - delaying the provision of health services in the provinces and rural areas.

5.2.2 National Strategy

Millennium Development Goals

The fourth MDG is to "Reduce Child Mortality", the fifth is to "Reduce Maternal Mortality" and the sixth to "Combat HIV/AIDS, Malaria and Other Diseases". The

¹ As per 2006 Solomon Islands Health Sector Support Program preparation and design documents.

2010 MDG Progress Report concludes that Child Mortality and Maternal Mortality have achieved good progress and are on track with a high probability to meet the MDG 2015 targets, noting that 95% of births are now attended by skilled health personnel.

For MDG 6, the report concludes “mixed progress but erring on the good side” with a medium probability of achieving the MDG by 2015. The report notes good progress on malaria, tuberculosis and measles but is concerned with under-reporting of HIV/AIDS cases. There is also a general lack of data on HIV/AIDS.

Continuing efforts under the SWAp programmes for health will sustain progress in child and maternal mortality and strengthen efforts not only on the communicable diseases covered by MDG 6 but also the increasingly important Non-Communicable Diseases (NCD) now included under this Objective 3.

Policies and Strategies

Policies and strategies in Figure 7 address the challenges discussed above and aim to achieve Objective 3. Supporting this objective is the integrated health sector agenda, represented by the SWAp programme, to improve health service provision and complemented by health aspects of the National Food Security, Food Safety and Nutrition Policy and the National Population Policy, being finalised.

Figure 7: Matrix for Objective 3

Policies	Strategies	Agency
Focus Area	Taking Better Care of All the People of the Solomon Islands	
Objective 3	Ensure that all Solomon Islanders have Access to Quality Health Care and Combat Malaria, HIV, Non-communicable and Other Diseases	
Health Service Provision		
Provide quality health services for all the people of the urban and rural areas of the Solomon Islands so that they will be healthy, happy and productive.	Through health promotion, prevention services and case management, reduce the most important risk factors from: (i) individual and family behaviour; (ii) environment; (iii) medical conditions; (iv) service delivery conditions.	MHMS
	Reduce the most important causes of the disease burden, which are can be reduced, with cost effective interventions and services and move gradually toward the packaging of health services with "levels of care" as the dominant approach.	MHMS
	Improve the health status of the age and gender population groups especially women and children considered to be the highest priorities.	MHMS
	National government and donors to ensure and adequate supply of medical supplies is always available in all hospital and clinics throughout the country so that access to care can be provided.	MHMS
	In consultation with provinces and NGOs and CSO, develop a National Health Services Development Plan to determine health service standards and facilities in the provinces and identify the resources required, including the numbers and types of medical staff and improvement of outreach services.	MHMS, MDPAC, Provinces, NGO/CSO Donors
	Build and/or rehabilitate and maintain health services infrastructure at provincial and community levels to provide appropriate primary and secondary health care including appropriate mini-hospitals, Rural Health Centres, Aid posts, and care homes for those living with HIV/AIDS.	MHMS, MID, Provinces, NGO/CSO, Donors
	Ensure sufficient supply of trained and qualified health workers through increased provision of nurses in each province, training programmes and a program to upgrade nurse aids to Registered Nurses, financial incentives for medical staff and	MHMS, Provinces, NGO/CSO, Red Cross

Policies	Strategies	Agency
	mobilisation of appropriate NGO/CSO and Red Cross volunteers, especially to serve rural and remote areas.	
	National health awareness raised through media on specific health issues distributed throughout the country supporting all hospitals and clinics in promoting awareness on healthful living.	MHMS, Provinces
	A national framework is prepared to combat increase of Malaria, HIV, NCD and other diseases and continue malaria research and provision of detection equipment.	MHMS, Provinces
Health Aspects of National Food Security, Safety and Nutrition Policy		
	Promote good infant and young child feeding practices based on breast feeding and adequate, safe and nutritious complementary foods.	MHMS and Provinces
	Promote healthy diets by strengthening social marketing and awareness raising to increase the number of consumers making safer and healthier food choices.	MHMS and Provinces
Health Aspects of National Population Policy		
	Improve the health, nutrition, morbidity and mortality status of the population through: (i) improved primary health care, (ii) focus on child survival and health; (iii) improved women's health and safe motherhood; (iv) effective implementation of policies on STI, HIV, and AIDS; (v) strengthened support for those with disabilities; and (vi) improved nutrition. [NPP Goal 3]	MHMS, NGOs, CSO, Churches
	Improve reproductive health, sexual health and family planning services through counselling and improved uptake of contraceptive methods by women, men and young people. [NPP Goal 4]	MHMS

5.3 Objective 4: Ensure all Solomon Islanders can Access Quality Education and the Nation's Manpower Needs are Sustainably Met

5.3.1 Challenges

Millennium Development Goals are amongst the targets of this challenge, which is essential to building capacity and improving livelihoods, including in overseas employment. There has been gradual improvement in primary school enrolment and adult literacy rates. Better access to education for women has important ramifications in reducing poverty and improving the probability of educating their children. The geographically dispersed population increases the cost of delivering education services across the islands.

The education system has undergone significant restructuring and reform in response to needs identified through the Education Sector Investment and Reform Program (ESIRP) and the Education Strategic Plan (ESP). The Ministry of Education and Human Resource Development is responsible for 1,245 schools², employs over 6,500 personnel and provides education to around 130,000 pupils. Early Childhood Education (ECE) is a community-based system based on partnerships of Government, communities, churches and private initiatives. The national ECE Policy was approved by Government in 2008.

² In 2009, the total 1,245 schools included: 520 Early Childhood Education (ECE), 507 primary schools; 167 community high schools; 16 provincial secondary schools, 9 national secondary schools, and 26 rural training centres.

Tertiary education is provided by the Solomon Islands College of Higher Education (SICHE), the extension centre of the University of the South Pacific (USPSI), the SICHE/UPNG Open Campus, and scholarships to overseas institutions. Overseas training is high cost, and development of in-country training may be more cost effective over the long term.

5.3.2 National Strategy

Millennium Development Goals

The second MDG is “To Achieve Universal Primary Education”. The 2010 MDG Progress Report concludes that good progress has been made and this MDG is likely to be achieved by 2015. MDG Plus goals have enjoyed less progress, though there have been significant increases in net enrolment rates in secondary schools - 38% Junior Secondary and 23% Senior Secondary⁴ - and adult (15+) literacy rates - 84.1% in 2009 against the baseline 76% in 1990³.

For primary education achievements by 2010 of MDG Indicators included: (i) 99% net enrolment; (ii) 87% of those starting primary school reaching the last grade; and (iii) 89% literacy rate for women and men aged 15-24 years. After improvements in dropout rates up to 2008 the rates increased at all school levels. In primary schools 11% dropped out and only 4% (but 10% of girls) in junior secondary but 51% in senior secondary (48% girls, 52% boys)⁴.

Policies and Strategies

Policies and strategies in Figure 8 address the challenges discussed above and aim to achieve Objective 4. Two policy groups are directed at Education and at Human Resource Development and Employment, reflecting National Policy and the focus on HRD to meet the employment aspirations of Solomon Islanders as well as facilitate economic growth. The strategies build on a series of donor supported plans and the present SWAps approach.

Figure 8: Matrix for Objective 4

Policies	Strategies	Agency
Focus Area	Taking Better Care of All the People of the Solomon Islands	
Objective 4	Ensure all Solomon Islanders can Access Quality Education and the Nation's Manpower Needs are Sustainably Met.	
National Education Policy		
That all Solomon Islanders will develop as individuals and possess the knowledge, skills and attitudes needed to earn a living and to live in harmony with other people and their environment.	Promote effective implementation by strengthening planning, budgeting, management, coordination and monitoring of the sector wide approach (SWAp) particularly in the National Education Action Plan 2010-2012, the Education Sector Framework 2007-2015 and their successors.	MEHRD
	Review, develop, revise, finalise and implement policies for different sub-sectors and such cross cutting areas as teacher training and development decentralization processes.	MEHRD
	On the basis of a national demand and need for long term sustainability, seek technical assistance and funding from development partners.	MEHRD
	Develop and implement an improved and harmonized grants system to support school operations in primary and secondary education and in technical and vocational education and	MEHRD

³ “Census 2009: Basic Tables and Census Description”, Statistical Bulletin 06/2011

⁴ “Performance Assessment Framework (PAF) 2007-2009”, MEHRD December 2010.

Note that gender aspects of education are discussed on page 13.

Policies	Strategies	Agency
	training.	
	Develop and implement an improved and harmonized school infrastructure program for primary and secondary education and in technical and vocational education and training.	MEHRD
	To better deliver services and in consultation with stakeholders, prepare and implement a National Education Infrastructure Development Plan incorporating development of new facilities and rehabilitation of existing facilities, including primary and secondary schools, with provisions for better staff conditions and ensured accessibility to all citizens.	MEHRD, MID, MDPAC, MPS, Private Sector
	To increase service provision within the Solomon Islands, consulting with Private Sector employers on their prospective needs for academic and technical skills, prepare and implement plans to raise SICHE to university level, including development of degree level curricular and the necessary facilities and resources, and establish and/or upgrade technical training institutes in the provinces and a school of sports excellence.	MEHRD, Private Sector, SICHE, Provinces
	Improve and maintain education standards by ensure all teachers are trained and qualified before they are appointed and improve performance by (i) upgrading and refresher training; (ii) standardised syllabus at ECE, Primary, Secondary and Community High Schools; and (iii) through monitoring and control of teacher absenteeism (paydays, other activities etc.) and strengthened disciplinary procedures.	MEHRD, Provinces
	The capacity of church schools to provide education in a holistic context, including academic, social, spiritual, physical, moral and cultural aspects, will be built upon to deliver education on behalf of government.	MEHRD, Provinces, CSO
Human Resources Development and Employment		
Ensure that the education and training system supports economic and social development so that Solomon Islanders with the required skills and attitudes will be available to satisfy local and international labour market demand.	Establish the National Human Resource Development Training Council (NHRDTC) with planning, coordination and management capacity sufficient to produce, implement, monitor and regularly update the National Human Resources Development and Training Plan (NHRDTP).	MEHRD, MDPAC
	In partnership with Private Sector employers, establish evidence based systems to identify Human Resource Development priorities through systematic, reliable and timely data collection and analysis to develop a demand responsive Human Resource Development System ensuring that education and training systems are changed to meet new demands in a timely and effective manner.	MEHRD, Private Sector, Provinces, SICHE
	Ensure that people are equipped to respond to changing economic activities and skill requirements in the formal sector and possess the enterprise and business management skills to create self-employment opportunities in the informal sector.	MEHRD, Private Sector, MCILI, SICHE
	Maximise international opportunities for Solomon Islanders by increasing market share in accessible labour markets through development of mechanisms to market labour and manage labour migration and establish a National Strategic Direction for labour migration.	MEHRD, MCILI, MFAET
	Government to devise innovative non-formal education to provide skills training to those cannot continue with formal education.	MEHRD, NGO, Prov.
	Support, and set up where needed, skills training schools focused on employment and targeted at skills relevant to each province's needs, strengths and comparative advantage.	MEHRD, Provinces

Policies	Strategies	Agency
	<i>Education Aspects of National Population Policy</i>	
	Raise the level of education and develop human resources through increased quality of education and access to all levels of education - including qualified staff, facilities, and financial support - for boys and girls, including in remote locations and those with special needs, so that they may lead better lives and secure employment. [<i>NPP Goal 5</i>]	PIU / MEHRD
	Increased labour force participation and employment and a reduction in the level of unemployment through facilitation of Private Sector led economic growth and investment and HRD to improve skills and enable people to participate. [<i>NPP Goal 7</i>]	MCIE, MHA, MoFT, Provinces, SICHE, SISBEC

6 Improving Livelihoods of All the People of the Solomon Islands

6.1 Objective 5: Increase Economic Growth and Equitably Distribute Employment and Income Benefits

6.1.1 Challenges

This challenge concerns the disadvantages, shared with other small island states, in promoting economic development⁵ and equitably distributing the benefits of such development between all parts of the country.

Enabling Environment for Private Sector Led Growth

The World Bank's "Ease of Doing Business Rankings" put Solomon Islands 162nd on the issue of registering property - amongst the most difficult 10% of countries in the world. In this context, private sector development has been limited and economic growth is too low to provide jobs for a growing population. For the private sector to lead and lift economic growth there must be major improvements in the "ease of doing business". Government must maintain macroeconomic stability and provide public goods and services, including economic infrastructure and a regulatory framework. But Government cannot provide the entrepreneurship to discover the profit opportunities and productivity improvements that drive sustainable growth. Government's "commercial activities" perform badly in terms of cash flow, service, and contribution to growth.

Government recognizes that promotion of private sector development needs reduced costs of doing business and has initiated far-reaching reforms of laws governing commercial activity, but these need to be effectively implemented and far more needs to be done - including weights and measures regulations and quality standards - to develop a predictable regulatory framework that protects the public interest and consumers while encouraging private sector development through increased certainty of business conditions and reduced transaction costs of doing business.

About 87% of land is customarily owned, 9% by government, 2% by individual Solomon Islanders, and 2% is leased to foreigners. This seriously handicaps

⁵ (i) remoteness from world markets; (ii) difficulty achieving economies of scale in goods and services; (iii) risks due to a narrow economic base; and (iv) vulnerability to natural disasters.

economic and social development. Improved security of land tenure and use is needed to increase development, including for resource owners' participation in development. Reforms must clarify ownership and provide secure, transferable use of land within clearly identified boundaries, without a rigid codification which would block the evolving character of customary rights.

Urban development is usually on alienated land but has problems due to mal-administration, rent seeking, poor planning, unequal distribution and illegal squatting. Reforms will: (i) legalize occupation of crown lands with renewable and transferable rights up to 50 years; and (ii) register undeveloped sites in Honiara and urban centres to be tendered for economic and social development. The distorted market for urban land contributes to the high cost of housing, unaffordable for workers and a high, non-productive cost and disincentive for the private sector.

Rural development must address a broad range of issues, including economic, business and social measures. Distribution of economic activities broadens participation but disadvantages businesses through loss of economies of scale and weaker local capacity, reducing efficiency and effectiveness of service delivery and viability of enterprises. Economic rural development, including in Growth Centres, will be substantially dependent of small and micro-enterprise development but programmes to support SME development are ineffective in providing technical and entrepreneurial training, support for business planning and management and facilitating access to finance. Taxation of individuals from levels little above the basic minimum wage discourages formal employment and hinders accumulation of personal savings which typically finance SME development.

Developing Natural Resource Based Sectors

Broadening the range of productive activities is constrained by the number of viable opportunities which exist. Many **possible** products cannot be produced, processed and transported to markets at a price which is attractive to end consumers and at the same time offering an acceptable return to producers. To increase economic growth rates in a sustainable manner it is essential to invest in those products which meet the price expectations of both producers and consumers.

Agriculture

Agriculture is a major economic sector, the largest export earner, and main source of rural employment and livelihoods. Agriculture has three sub-sectors: (i) subsistence smallholder farming; (ii) market production; and (iii) commercial export crops.

Some 84% of Solomon Islanders engage in **subsistence smallholder farming** and rural communities rely on agriculture and forest products for their food and fuel. Food production has kept pace with population growth through considerable intensification of land use as traditional fallow periods of 15+ years have fallen in some cases to less than 5 years. Combined with lack of improved husbandry, soil fertility has fallen, yields have declined, and pest and disease problems have increased.

Domestically marketed production is an increasing source of cash income for rural villagers as upgraded markets in Honiara and provincial centres of Noro, Auki, Tulagi and Gizo have facilitated marketing and flourishing markets led to diversification in the range of products and the tastes of rural and urban consumers.

Commercial export crops have grown to a larger scale to increase cash income for rural households and are now the main contributors to the economy. Crops include: cocoa, coffee, kava, vanilla, copra and coconut oil, oil palm, and honey. Further development needs improved infrastructure, in terms of wharves, shipping, marketing,

and a regulatory authority for food security, food safety and goods and services standards to meet the requirements of domestic and international markets.

Fisheries

For **commercial fisheries**, the major income earning activity is the licensing of Foreign Fishing Vessels, who pay license fees to target the country's tuna resources. Development potential is substantial and Tuna is a major export with numerous distant fishing nations operating in the EEZ. Government wants to see foreign investors set up processing and value adding establishments in the country.

For **inshore and coastal fisheries**, most Solomon Islands villages are sited on the coast and rely heavily on marine resources for food and cash incomes. However, over-fishing, illegal, unregulated and unreported fishing are threatening this resource. Coastal fisheries are an essential supply of protein and there is a need for their better management. A control mechanism and legislation are needed to manage this resource and provide funds to regulate, monitor and manage small scale fisheries.

Forestry

Traditionally, forests are a source of food, fuel, building materials and traditional medicines. Unsustainable logging has risked social, environmental, and economic disadvantage and will cause the loss of benefits for a time - including fiscal impact on Government. Challenges include: (i) lost forest and biodiversity; (ii) negative impacts on forest-dependent communities; (iii) lost rural employment; (iv) lost foreign earnings and Government revenue both from poor monitoring and decline in actual exports; (v) lost revenue opportunities for rural landowners; and (vi) lost opportunities in emerging markets, such as the forest carbon market.

Village/family based smallholder plantation development started in the late 1990s and totals over 12,500 ha. With Government support, smallholder plantations are expected to increase over the coming years.

Tourism

Tourism is among the smallest sectors but is growing strongly. Solomon Islands offer tourists a range of products, including dive tourism, adventure tourism related to nature and culture, kayaking, game fishing, village stay tourism and World War II heritage tourism. Growth is constrained by limited human resources, weak marketing, and poor infrastructure and services - roads, airports, shipping, communications, electricity, water supply and sanitation, waste disposal - compounded by value for money concerns in the absence of tourism standards. Development of tourism experiences - such as attractions and tours - depends on Private Sector SMEs to provide services which can increase tourism yields.

Mining

Solomon Islands have a significant endowment of mineral resources, including gold, copper, nickel, cobalt and bauxite. There are identified sites of potential mineral deposits in Isabel, Choiseul, and Guadalcanal provinces. The largest commercial operation, Gold Ridge mine is estimated to have access to 1 million to 2.5 million ounces of gold. Nickel prospecting continues in Isabel and Choiseul provinces, where high occurrences of nickel are confirmed.

The mineral sector has a lot of economic potential but there is a need to develop and enforce mining regulations and ensure proper financial, contracting, renting, licensing and resource allocation. Environmental protection measures are needed to address:

(i) low grade ores involving large land excavations, risking soil degradation, disturbed biodiversity, ecosystems and natural beauty; (ii) sustainable management to ensure resources are extracted according to environmental regulations and that all stakeholders reap full benefits; and (iii) set aside funds for restoration of biodiversity, land reclamation and new development opportunities after the project is closed.

Government is ill-equipped for these tasks. Present availability of surveys is very limited and at reconnaissance level, surveys are needed to identify potential mineral and hydro-carbon resources both on and offshore. Laboratory facilities are old and inadequate to the tasks, including to check ore quality - thus revenue - or to actually undertake the tests needed for environmental protection.

6.1.2 National Strategy

Programme of Action for the Least Developed Countries

Although economic growth and productive sectors are not directly targeted in MDGs the “Programme of Action for the Least Developed Countries for the Decade 2011-2020” agreed at the 4th UN Conference on the Least Develop Countries in Istanbul in May 2011 assigns the highest priority to development of:

(A) Productive Capacity

(B) Agriculture, Food Security and Rural Development; and

(C) Trade⁶

These reflect NDS’s consultation-based economic development strategies:

- The first of 5 **Objectives of the Programme** is to “Achieve sustained, equitable and inclusive economic growth in least developed countries, to at least the level of 7 per cent per annum, by strengthening their productive capacity in all sectors through structural transformation and overcoming their marginalization through their effective integration into the global economy, including through regional integration.”
- The **Principles of the Programme** include that “The State also plays a significant role in stimulating the private sector towards the achievement of national development objectives and creates an appropriate enabling stable, transparent and rules-based economic environment for the effective functioning of markets.”
- The Programme’s **Goals and Targets** for developing productive sectors are also consistent with the proposals of this NDS, including:
 - “(c) Establish or upgrade quality assurance and standards of products and services to meet international standards;
 - (d) Strengthen the capacity of domestic financial institutions to reach out to those who have no access to banking, insurance and other financial services, {and} in creating and expanding financial services targeted to poor and low-income populations, as well as small- and medium-size enterprises; and

⁶ (D) Commodities; (E) Human and Social Development; (F) Multiple Crises and Other Emerging Challenges; (G) Mobilizing Financial Resources for Development and Capacity-Building; and (H) Good Governance at All Levels.

- (e) Foster economic activity by promoting, inter alia, economic clusters, removing obstacles to business and prioritizing domestic and foreign investments, which increases connectedness;"

Policies and Strategies

Policies and strategies in Figure 9 address the challenges discussed above and aim to achieve Objective 5. The matrix presents 3 policy groups summarised as:

1. Enabling Environment for Private Sector Led Growth includes three policies and supporting strategies to: (i) remove obstacles to investment and commercial activity as identified by the private sector, including land, housing, infrastructure maintenance, simplified taxes, weights and measures, standards, and increased supply of skilled workers with internationally accredited qualifications; (ii) increased opportunities for international and domestic trade facilitated by regional trade agreements and the promotion of Solomon Islands trade interests; and (iii) increased opportunities for employment through bi-lateral, regional and multi-national arrangements.
2. Development of Economic Growth Centres, complementing increased economic growth with measures to increase the share of rural areas in economic development, including infrastructure development and promotion of cottage industries and small and micro-enterprises (SMEC).
3. Development of Natural Resource Based Sectors to increase value added and support sustainable rural growth in agriculture, livestock, fisheries, forestry, tourism and mines.

Figure 9: Matrix for Objective 5

Policies	Strategies	Agency
Focus Area	Improving Livelihoods of All the People of the Solomon Islands	
Objective 5	Increase Economic Growth and Equitably Distribute Employment and Income Benefits	
Enabling Environment for Private Sector Led Growth		
Support private sector led growth through close consultations on private sector needs, acknowledging their leadership and removing constraints on entrepreneurial creation of wealth, jobs and value added.	Mainstream Private Sector Economic Leadership	
	To provide secure use of land for productive purposes in urban and rural areas as a matter of priority, expedite resolution of land title and land use issues, including improved systems for allocation of urban land and recording and registration of customary land and transparent zoning of alienated and provincial land.	OPMC, MLHS, Private Sector
	Acknowledging the lack of affordable housing for workers in Honiara and other urban centres, work with the private sector to reduce this high cost of labour through measures to increase the supply of housing - including through increased supply of land and PPP investments - provision of low cost housing and review of taxes on employees and employers for housing.	OPMC, MLHS, MoFT, Honiara Town Council, Private Sector
	To reduce the operating costs of the private sector and facilitate efficient provision of goods and services, prioritise the provision and maintenance of production related infrastructure - including through development of PPP models for management and ownership.	OPMC, MID, MMERE, Provinces, Private Sector
	Given that workers in formal employment are taxed at little more than the minimum wage, substantially raise tax thresholds on private individuals in formal employment as a	OPMC, MoFT Private

Policies	Strategies	Agency
	matter of priority in order to make formal employment more attractive, increase consumption and allow the savings essential for small and micro-enterprise development, including cottage industries envisaged in Growth Centres.	Sector
	In consultation with the private sector, simplify taxes on business, including customs, corporate taxes and elimination of exemptions, to minimise the number of taxes, reduce collection costs, promote compliance, reduce business administrative and transaction costs, produce a level playing field and minimise opportunities for rent seeking.	OPMC, MoFT, MCILI, Private Sector
	In consultation with the private sector, adopt and localise weights and measures and quality standards to be applied to all imports and domestically produced goods and services to: (i) protect consumers from short-dated, under-weight, sub-standard and misrepresented goods; (ii) provide certainty and protect local producers and traders from dumping and unfair competition; and (iii) ensure compliance with environmental, energy conservation and other requirements.	MCILI, MoFT, Private Sector
	With the private sector, put in place a development focused investment policy to promote private sector investment, consistent with NDS objectives, in which any incentives offered for foreign businesses should be available to domestic businesses at least with the same level and duration of benefits, to encourage domestic entrepreneurs.	MoFT, MCILI, MDPAC
	Recognising the private sector as formal sector employer and their current reliance on expatriate workers, closely involve the private sector in consultations on all education and human resource development plans, including SICHE and other technical training institutions, to ensure that Solomon Islanders are able to secure accredited qualifications matching private sector needs, including on a cost recovery basis.	MEHRD, SICHE, MCILI
	In consultation with the private sector and with private financial institutions in particular, review viable options to improve access to rural financial services for savings and credit, including options for: (i) mobile/telephone banking and micro-finance; (ii) rural people's bank to provide credit and financial services to local business; and (iii) special rural financing schemes. Improve the quality and range of financial services to support Private Sector development for trade and investment.	MoFT, OPMC, CBSI, MRD, SICUL, ANZ, Westpac, BSP, Private Sector
	Develop programmes and institutions able to provide comprehensive support to entrepreneurs in the small, medium and micro-enterprise sectors - including in Economic Growth Centres - covering services in technical training, entrepreneurial training and business planning as well as support in access to credit and relevant government services.	MCILI, MRD, MEHRD, Provinces
	Improve performance, governance, oversight and accountability of SOEs and implement the SOE Act through the SOE Governance Strengthening Program and introduction of PPP management models so that SOE's operate as financially sustainable business entities able to expand their service coverage.	MOFT, Line Ministries, SOEs, Private Sector, Donors
	SOE debt restructured to improve liquidity and net assets to smooth restructuring and sale to appropriate PPP models and full private ownership, according to Government policy, including commercialization of SIEA.	MOFT, Line Ministries, SOEs, Donors, PrivateSector
	In order to better serve the Private Sector, review, restructure	MPS

Policies	Strategies	Agency
	and reorganise public sector structures, functions, responsibilities, processes and procedures, setting clear performance improvement targets - e.g. time to approve a work permit or provide a land title - and annually publish the level of progress and achievement of targets.	
Trade policy focused on increased sustainable trade in goods, and services by addressing supply-side constraints and taking advantage of opportunities in existing bilateral, regional and multilateral trade and economic agreements.	Increase Opportunities for Trade	
	Identify national interests, development needs and market access constraints and formulate a National Trade Policy to increase sustainable trade in goods, services and labour.	MFAET, MCILI, Private Sector
	Conduct national consultations with all relevant stakeholders on: PACP-EU Economic Partnership Agreement, PACER, PACER Plus, PICTA, MSGTA, WTO and other trade agreements and continue negotiation of such bilateral, regional and multilateral arrangements so that they are better aligned to the identified trade, economic and development interests of Solomon Islands.	MFAET, MCILI, Private Sector, MAL, MFMR, MFR
	Emphasise trade development as the core of economic growth by mainstreaming international and internal trade development into national and sectoral development strategies and organize awareness workshops on existing and prospective trade and economic arrangements.	MFAET, MCILI, MDPAC
	Coordinate with stakeholders to strengthen national processes for trade data collection and analysis and propose legislation that contributes to greater engagement of and coordination amongst stakeholders in trade discussions and decision making. Develop institutional capacity for trade-related activities and improve knowledge of complex trade issues, including through training and study opportunities, both locally and abroad.	MFAET, MCILI, MoFT, CBSI, Private Sector.
Enhance the 'Temporary Movement of Natural Persons' program through bilateral, regional and multilateral arrangements, and improve relevant knowledge and skills to create employment opportunities and increase remittances to beneficiaries.	Increase coordination with diplomatic missions on trade-related issues and liaise with missions and pursue assistance from Pacific Islands Trade and Invest Offices in Sydney, Auckland, Tokyo and Beijing to promote Solomon Islands business interests and identify and secure new business opportunities, including organizing trade missions, exhibitions, and market and investment promotions in potential market destinations.	MFAET, MCILI.
	Increase Opportunities for Employment	
	Strengthen the Labour Mobility Unit to facilitate increased mobility under the Recognised Seasonal Employer (RSE) Scheme and future labour mobility schemes and liaise with the Department of Labour to review legislation and design a broader framework for labour mobility.	MFAET, MCILI, Private Sector
	To increase Solomon Islanders share of regional employment markets, identify opportunities for labour mobility overseas, including but not limited to unskilled and semi-skilled jobs, in a broader range of sectors and, with stakeholder consultations, formulate a National Labour Mobility Strategy, including a policy to address local skill shortages.	MFAET, MCILI, Private Sector, Partners
	Pursue negotiation to remove barriers to temporary and long-term migration that are restricting access to foreign labour markets, and improve the match between skills training and foreign market demands including enhanced training opportunities and recognition of qualifications.	MFAET, MCILI, MEHRD, MHMS, Partners
Development of Economic Growth Centres		
Provide infrastructure and services to promote investment in	Promote provincial and rural economic development through establishment of Growth Centres - with existing provincial sub-stations as possible sites to utilise existing assets - and	OPMC, MRD, MDPAC,

Policies	Strategies	Agency
Growth Centres and increase the opportunities for rural dwellers to engage in the formal sector, enhance economic growth and improve their standard of living.	formulate a policy framework for decentralization of economic investment in partnership with provinces, resource owners and Private Sector.	MCILI, Provinces, Private Sector
	To improve trade opportunities and enhance trade performance, establish physical infrastructure to support productive sectors, and seek Aid for Trade for such infrastructure development with existing and potential development and trading partners .	MDPAC, MCILI, MID, MFAET, Provinces, Private Sector
	To ensure utilisation of Growth Centre investments, identify and promote at least two cottage industries with private partners and funding for each Centre before investments are committed, and encourage local entrepreneurs to develop small and micro-enterprises to add value to local natural resources.	MRD, MCILI, Provinces, Private Sector
	Review relevant laws and policies to allow provinces to have direct access to global companies and investors to promote their provinces as investment destinations.	MPGIS, Provinces
Development of Natural Resource Based Sectors		
Promote sustainable use of natural resources to increase production, productivity, value added and rural incomes.	To promote viability and financial sustainability of new productive activities, identify potential investments in which Solomon Islands have a demonstrated advantage in national and international markets and prepare plans to address regulatory, institutional and infrastructural constraints in partnership with the private sector.	MCIE, MAL, MFMR, MFR Private Sector, Provinces
	National government to regulate policy guidelines in the development of appropriate productive sectors to directly benefit resource owners, provinces, national government and investors and provide information on market conditions and prices on a timely basis.	MCIE, MAL, MFMR, MFR, Private Sector, Provinces
	Improve Solomon Islands earnings and revenues through realization of the international value of natural resource based export, including from fisheries and forests, and effective licensing procedures.	MFMR, MFR, MoFT
Agriculture, Livestock & Fisheries		
	Promote, develop and reinforce the policy and regulatory framework for food and livestock production to better meet the changing needs of producers and consumers and support improved decision making in agriculture and livestock development through provision of information on potential commercial crops and on downstream processing and value adding.	MAL
	Develop agriculture and livestock through agricultural, marketing and land use planning to improve food security, livelihoods and community sufficiency in rural areas through targeted multi-disciplinary interventions to diversify agriculture and promote agribusiness and alternative livelihoods.	MAL
	Ensure fisheries laws and regulations are in line with international laws and conventions and that monitoring systems for fisheries and marine resources, including Tuna, provide accurate and timely information on commercial and sustainable fisheries for all stakeholders, including the private sector and regional organizations	MFMR
	Ensure effective coordination between national, provincial and community levels to facilitate sustainable development of inshore fisheries and shift from "open access" to "managed" fisheries in partnership with resource owners and fishing	MFMR, Provinces

Policies	Strategies	Agency
	communities, to improve food security, sustainable marine resource management and economic productivity.	
	Promote community based small scale producer activities by providing access to markets and fisheries infrastructure and supporting community based initiatives for sustainable economic development of inshore fisheries, including reduced dependence on marine capture through diversification and introduction of appropriate aquaculture systems.	MFMR, MAL
	Forestry	
	Ensure wood supply for future generations through promotion of a family based reforestation approach and maintaining links with rural communities through the village based forestry extension network and undertake tree breeding and improvement programs, provide technical advice and information and distribute seeds to out growers and maintain professional services to resource owners.	MFR
	Amend or update forestry law to assist land owning groups, including farmers, to promote establishment of forest plantations, sustainable harvesting and reforestation in a holistic framework of environmental sustainability.	MFR
	Forestry Aspects of National Population Policy	
	Protect natural resources, environment and conservation and strive to adopt a holistic management approach for the country's forests by properly controlling the activities of the logging industry to achieve a better balance in the pecuniary and social benefits received by Government and resource owners. [NPP Goal 8 - part]	MFR, MECDM
	Tourism	
	To sustainably increase tourism's contribution to economic development, replace previous focus on potentially unsustainable visitor numbers with tourism development based on higher yields through developing products and spend within the context of a thorough understanding of environmental sustainability and climate change.	MCT, MECDM, Private Sector
	To support tourism development and investment throughout the country, relevant government bodies put more emphasis in tourism promotion and provide incentives, including improved infrastructure, international and domestic aviation and telecommunications.	MCT, Airlines, Provinces, Private Sector
	Mines and Mineral Resources	
	Review Mines and Mining Act in partnership with government, provinces and resource owners, including for offshore mining, to ensure companies are accountable and responsible, that their licences are based on international tender processes, and that national and provincial regulations are in force to protect environmentally sensitive areas.	MMERE, Provinces, Resource Owners
	Strengthen communications and actively encourage cooperation between government, provinces and resource owners on prospective developments in their areas in order to facilitate exploration and exploitation of mineral and hydrocarbon resources.	MMERE, Provinces, Resource Owners
	Facilitate exploitation of mineral prospects by guiding investors to conclude lease agreements, social studies, environmental impact assessments, rehabilitation and mining agreements and issue licences only after such requirements have been fulfilled.	MMERE, Provinces
	Undertake and commission reconnaissance surveys to identify mineral and hydro-carbon resources on-shore and off-shore as	MMERE

Policies	Strategies	Agency
	<p>the basis for further exploration work on potential sites.</p> <p>Establish modern, functioning laboratory facilities to ensure accurate measurement of ore quality (including as input to revenue calculation) and of waste and by-products to monitor compliance with environmental requirements.</p>	MMERE

6.2 Objective 6: Develop Physical Infrastructure and Utilities to Ensure all Solomon Islanders have Access to Essential Services and Markets

6.2.1 Challenges

Water and Sanitation

In consultations with provincial stakeholders and governments, high priority is assigned to improvement of water supply and sanitation infrastructure, responding both to their importance to quality of life and health and to the present poor provision in rural areas with no piped water for 75% of rural households and no sanitation for over 80% of rural households.

The most common source for water supply systems is surface water supplied using gravity feed systems. On some islands and coral atolls, underground sources and rain catchment are used and in rural areas dug wells are used. The HIES 2005/2006 shows 64% of urban households have piped water but only 25% in rural areas.

Urban areas are supplied by the Solomon Islands Water Authority (SIWA) and rural areas by the Rural Water Supply and Sanitation project under MHMS (RWSS). SIWA monitors the quality, service delivery and management of the water supply and sanitation system. Frequent water cuts in urban centres, mismanagement of funds, capacity weakness of the management and technical staff, and wantok system have tarnished the image of SIWA.

Water infrastructure is rundown and needs substantial investment for urgent upgrade, rehabilitation and maintenance of pipe tanks, boreholes, new treatment plant, pipelines and household supplies. There is a growing trend of landowners claiming rights to existing and potential water sources and this has caused disruption to water supplies and is having an effect on investments. Illegal connections also contribute to the problem of unreliable water supply as they affect the flow of water.

Urban sanitation is a major concern as there are no centralised sewerage systems in Honiara and provincial centres, contributing to contamination of groundwater. Widespread use of septic tanks in urban areas is a problem due to poor construction and lack of resources to monitor and enforce construction and operating standards. In rural areas sanitation coverage is around 18%, leaving 355,000 people at unmitigated risk of debilitating water-borne diseases - including about 80% of schools. Poor hygiene, lack of on-site waste treatment, and poor access to sewerage are the main issues affecting the sanitation sector, particularly in rural areas.

Energy

Solomon Islands has challenging conditions for sustainable energy development due to the widely scattered market on islands which are separated by large areas of sea and which have small, isolated communities. The main electricity provider is Solomon Islands Electricity Authority (SIEA), an SOE, with mismanagement of funds, and wantok system in employment and service delivery creating additional challenges.

Most of rural communities have limited access to basic energy services and use of traditional fuels - wood, dung and crop residue - is common. There is growing use of kerosene and lanterns and the poor, particularly in remote areas, pay a large proportion of their income for kerosene and Liquefied Petroleum Gas. More than 95% of rural households use wood for cooking. Providing electricity from renewable sources is a long term task, which generally requires high up-front, capital costs. Most approaches to renewable energy in the Pacific have failed to develop into viable alternatives, while a number of small-scale renewable energy-based rural electrification projects have been carried out, they have had little impact.

Improving energy efficiency can help manage the demand for energy but the region has been slow to adopt energy-efficiency practices and has had difficulty incorporating efficiency into energy planning, building codes, appliance standards, power system operations and industrial development policies.

Transport

Domestic Shipping

Domestic shipping service has deteriorated. Some 35 ships, 20 to 50 years old, operate services but information is limited and coordination is poor. Maritime infrastructure has deteriorated and is often damaged and defunct. Current programmes include wharf building, for which a new development partner is being sought, and navigational aids, which generate revenues of about SBD12million per year from international shipping.

Passenger wellbeing and safety are major problems and reinforce the need for proper enforcement of the Maritime Safety Administration Act 2009 and recently completed shipping regulations. Most services have been ad hoc, unpredictable and unreliable but the Franchise Shipping Service has now begun and provides regular services, which need to be extended and maintained. Regular services are already observed to increase domestic trade and economic activity. In the longer term, provincial governments need to proactively lead stakeholders to revive a once thriving and viable transport sector.

There are only two shipyards servicing vessels and development of more yards is needed in anticipation of future expansion of the industry. Institutional strengthening is necessary for shipping institutions to develop the maritime sector and review and revise regulations.

Roads

The road network is 1,751 km with 188 bridges spread over 30 islands. Roads had deteriorated due to lack of maintenance, destruction during ethnic tension and natural disasters but a new programme of labour-based community contracts is improving the status of roads. Government programs are under-funded, resulting in poor delivery and deferred programs. National and provincial governments must be proactive in ensuring that infrastructure development programs meet the highest quality standards and are implemented within the proposed time frame.

Infrastructure development tends to be focused on building roads and bridges connecting densely populated areas to the urban centres. Areas where there are economic resources that can be developed are sometimes ignored on the grounds of geographic location or low population density. A major problem is that roads have been developed but that the more expensive bridges connecting them have not, a lack of connectivity which needs to be corrected. Programs in road development

must address economic development needs to create incentives for more economic activities which will contribute to expanding the economic base.

Aviation

The Civil Aviation Act 2008 opened the market, allowing Virgin Pacific to begin services, and visitor numbers have increased but load factors remain low, only 50% on the Brisbane-Honiara route. The continuing low number of international flights into Honiara Airport limits financial viability and reduces financing options for maintenance and development. The airport and sector struggle to meet International Civil Aviation Organization (ICAO) standards as poor infrastructure, broken and out of date equipment make operations fall below international standards.

Domestic aviation is hindered by institutional issues between the Civil Aviation Authority and Civil Aviation Department, leading to ineffective implementation. Use of larger, more economical aircraft is hampered as most provincial airstrips cannot handle such aircraft or operate in all weathers and a number of strategic airstrips are held under customary land ownership, constraining upgrades and maintenance. Solomon Airlines, the only domestic carrier, must use profits from international routes - now facing competition - to subsidise domestic routes.

Communications

Information and Communications Technology (ICT) is under prioritized, and amongst the poorest in the Pacific region. Current communications development focuses on telecommunication services whilst media developments are under prioritized and regulatory enforcement is lacking. The Telecommunications Act 2009, which requires increased capacity for enforcement, seeks to increase competition by having extra mobile services whilst there is still no competition in internet and landline services, which remain exclusively with Our Telekom. Internet services are growing and a local NGO (PFnet) operates a total of 24 email stations in the provinces.

6.2.2 National Strategy

Figure 10 presents the policies and strategies supporting Objective 6, grouped into the 7 categories of utilities and infrastructure addressed, each with a single policy.

1. Water Supply and Sanitation was considered in consultations to be the highest priority need in rural areas and with also urgent need for improvement of both water supply and sanitation in Honiara and urban centres.
2. Energy is in short supply in rural areas and high cost in relation to people's ability to pay, requiring affordable energy development, including renewable.
3. Telecommunications needs better, more efficient and cost effective services with a wider coverage.
4. Shipping is the major domestic transport mode and strategies will strengthen services and infrastructure to support market access and development.
5. Aviation policy aims to reduce costs and increase quality of services whilst improving infrastructure and complying with International Civil Aviation Organization standards.
6. Roads policy prioritises maintenance and rehabilitation of existing roads over new roads and will apply transparent and objective criteria in prioritising work.
7. Local Transport Services will be encouraged to improve services on the improved maritime and land transport infrastructure.

Figure 10: Matrix for Objective 6

Policies	Strategies	Agency
Focus Area	Improving Livelihoods of All the People of the Solomon Islands	
Objective 6	Develop Physical Infrastructure and Utilities to Ensure all Solomon Islanders have Access to Essential Services and Markets.	
Utilities		
	Water Supply & Sanitation	
Improve water supplies and sanitation in urban and rural areas in terms of quality, reliability and coverage.	Review Solomon Islands Water Authority (SIWA) to identify capacity weaknesses, develop a business plan - encompassing reduced system losses, increased cost recovery, improved service delivery and resolution of customary land issues - to restructure SIWA as a viable and commercially sound entity suitable for PPP operation, development and ultimate privatisation.	MMERE, SIWA, MoFT, Private Sector
	Address the urgent need to upgrade and extend coverage of water supply and sanitation systems by undertaking baseline and monitoring surveys of water and sanitation problems in provinces and identify the least cost solutions in water supply and sanitation programmes to be implemented in an integrated manner.	MMERE, MHMS, Provinces, Donors
	Ensure clean water and proper sanitation is available in all communities, ensuring the water resources are sufficient and chemically safe for all communities.	MMERE, MHMS, Provinces
	Improve catchment management through reforestation, land use controls and appropriate water legislation.	MMERE
	In a consultative process, develop and legislate a national policy on the provision of water and sanitation to improve health and service provision by constructing, rehabilitating and upgrading water supply and wastewater systems - including pipes, tanks, underground plant, treatment facilities and metering - in Honiara, Auki and other provincial centres and rural areas.	MMERE, SIWA, MHMS, MDPAC, Provinces
	Energy	
	Energy Sector Planning and Management	
Ensure availability and efficient use of energy to achieve development goals of improving the livelihood and quality of life for all the people in the Solomon Islands.	Strengthen energy sector planning and policy implementation through an integrated approach supported by appropriate capacity and dissemination of energy related information through school curricula, community training and wider consultations on policy issues, legislation and regulations.	MMERE, SIEA, MEHRD, MDPAC
	Electricity	
	Ensure reliable and affordable power supply in all urban centres by promoting use of renewable energy, opening the market to Independent Power Providers (IPP), appropriate pre-paid tariff structures and ensuring SIEA has sound technical and managerial expertise for an efficient and effective business moving towards PPP models and full privatisation.	MMERE, SIEA
	Increase the supply and coverage of electricity by respond to community requests in rural areas to assess and develop renewable energy resources, building on the Japan funded 1998 Master Plan, focusing on hydro-power in larger islands and solar power on water short atolls and outer islands whilst evaluating other renewable resources and adopting both appropriate technologies and institutional arrangements, including community management, PPP and IPP.	MMERE, SIEA, Provinces
	Reduce energy costs by promote energy conservation and efficiency, in the context of the introduction of product standards for appliances, including appliance labelling, energy efficiency ratings and promotion of energy efficient technology and ensure minimal negative environmental impacts of energy	MMERE, SIEA, MCILI

Policies	Strategies	Agency
	production, distribution and consumption on the environment.	
	Petroleum	
	Ensure that petroleum storage and handling facilities conform to local and international safety and environmental standards and have sufficient capacity to provide a reliable supply of economically priced, quality products to Solomon Islanders.	MMERE, MCILI
	To reduce costs and protect the environment ensure fuel conservation and efficiency in end use of petroleum products and that wastes are disposed of in an environmentally sound manner.	MMERE, MECDM
	Coordination of transport sector organisation, in the context of the Energy/Petroleum Act and relevant Transport Management Strategies, to maximise fuel efficiency in the transport sector and minimise detrimental environmental impacts.	MMERE, MECDM
	Telecommunications	
Develop efficient and cost effective communication services as required by Solomon Islanders.	Review of legislation and regulations to promote competition and consumer choice and promote competition to improve services and pricing in the telecommunications market.	MCA, TCSI, Private Sector
	Implement progressive and enlightened measures that ensure and allow the best technology to be utilised in a competitive commercial environment.	MCA, TCSI, Private Sector
	Transport Infrastructure	
	Shipping	
Provide regular, reliable and cost effective shipping services to all areas of the country to facilitate movement of people and goods.	Support continued provision of private sector shipping services and improvement of scheduled services to the outer islands through a system of financial assistance to ship owners to operate regular, frequent and safe services to outer islands, free of unnecessary and restrictive regulations.	SIMSA, Private Sector, Provinces
	Encourage improvements in the condition and management of vessels through appropriate special funding, empowering SIMSA to more rigorously enforce regulations, and provision of training in small business management, planning and finance for shipping operators.	SIMSA, MCILI, SICHE
	Maintain navigational aids in good condition to international standards and promote awareness of safety requirements in all types of shipping, including small boats.	SIMSA
	To save costs and time on such work done overseas, enable provision of improved ship repair/dry dock facilities at strategic locations, including the 3 slipways in Central Province, and promote technically and commercially sound and sustainable service provision for national and regional markets.	SIMSA, MID, MCILI, Provinces, Private Sector
	Conduct surveys to maintain current information on potential wharf and anchorage traffic as the basis of long term wharf construction and rehabilitation programmes prioritised for funding through consistently applied Multiple Criteria Analysis addressing economic, social, equity and development benefits and adopt higher quality construction and rehabilitation standards to improve the "whole life" cost of wharves.	MID, SIMSA, MDPAC
		Aviation
Develop air services and infrastructure to provide safe, efficient, and comprehensive domestic air services and meet the needs of international trade and tourism in a	Conduct studies to assess viability of extended and new runway capacity, terminals and facilities - including gradual upgrade of Munda Airport, refurbishment of Henderson Airport domestic terminal and rural airports - adopting objective Multiple Criteria Analysis to prioritise for funding by appropriate sources.	MCA, MID, NTFB, Aviation Special Fund, Provinces
	Enforce the Civil Aviation Act separating policy, regulatory and service provider functions and empowering CAASI to ensure a safe aviation environment and conditions.	MCA, CAASI

Policies	Strategies	Agency
competitive and open market.	To reduce costs and increase efficiency, consider options for corporatization of Honiara Airport, simplifying ownership and administration of rural airports, privatisation of Solomon Airlines and management options for upper air space, implementing changes as necessary.	MCA, MoFT, Solomon Air, Provinces, Private Sector
	Roads	
Rehabilitate road infrastructure to provide access to markets and services and connections to wharves and airfields.	Road maintenance will have a higher priority than new road construction and the National Transport Fund Board will ensure that works programs are adequately prepared, prioritised for funding, and that funds are distributed to implementing agencies on a timely basis.	NTFB, MID, Provinces, Private Sector
	Regular traffic, road condition and socio-environmental field surveys will be carried out by the Transport Policy and Planning Division to better inform decision making and planning.	MID, Provinces
	Road networks will connect inland communities to coastal roads and maritime networks and to give access to agricultural land and for rural communities.	MID, Provinces
	Review and renew the Road Act to clearly allocate responsibilities for use and management of roads.	MID
	Local Transport Services	
Improve local transport services for rural and urban populations.	Through improved infrastructure, facilitate private sector provision of rural transport services and improve safety of bus services, inter-village pick-up transport, scheduled motorised canoe services and canoe based water-taxi services.	MID, Provinces, SIMSA
	Guadalcanal and Honiara Town governments to produce strategic transport plans as part of their development plans and establish simpler licensing arrangements to improve levels of service to their residents.	Guadalcanal, Honiara
	In line with the Traffic (Amendment) Act 2009, RSIPF and Road Transport Board will more rigorously enforce vehicle road worthiness regulations.	MID, RSIPF
	Increase capacity and safety through measures to: (i) raise capacity on busy sections of urban highways and at pinch-points, (ii) reduce pedestrian conflicts with road traffic, (iii) improve traffic flow by repairing and relocating pedestrian crossings, underpasses and bridges, (iv) provide improved transport accessibility for people with disabilities, and (v) review and enforce provisions for vehicle parking, especially in new developments.	MID, Provinces

7 Creating and Maintaining the Enabling Environment

7.1 Objective 7: Effectively Respond to Climate Change and Manage the Environment and Risks of Natural Disasters

7.1.1 Challenges

Climate Change and Environmental Management

Solomon Islands is extremely vulnerable to **climate change** and sea level rise is a daily threat to the survival and livelihood of Solomon Islanders who live on artificial and low-lying islands. The concentration of settlements and infrastructure in coastal areas makes the country very vulnerable to the adverse effects of climate change. Historical evidence points to the fact that, over time, climate change has intensified the threats of increased natural disasters, coral bleaching, coastal erosion, extreme

weather events, storms, droughts, disruption of agricultural activities, decreasing resilience of forests, salt water intrusion of ground water systems in low-lying atolls, effects on crops and fisheries, and effects on and control of vector borne diseases. The frequency of these events has also increased with time.

The increasing variability associated with climate change as well as extreme weather events require increased **meteorological** capacity to monitor and predict such events. Accurate predictions are needed to provide reliable early warning of impending natural disasters. The present lack of meteorological equipment, coverage of stations, communications equipment and early warning systems and expertise limits the forecasting capacity for disaster management as well as warnings for maritime and air transport.

Wastes and pollution from solid, hazardous and toxic wastes are a major threat to sustainable development. There is limited capacity for and awareness of waste management. There is land suitable for waste disposal but little is made available. There is a need to address the growing sources and extent of waste and pollution. Inadequate **sanitation** systems to treat liquid wastes have resulted in contamination of rivers, coastal waters and groundwater near urban areas, with severe health and environmental implications.

Most Solomon Islanders depend on **coastal and marine resources** and economic development is expected to continue to place pressure on wetlands, swamps and mangroves, increase land-based sources of pollution, and increase subsistence and cash demand for living marine resources.

Reefs are among the most biologically diverse ecosystems in the world but many of these have been destroyed by human activities and suffered additional impacts from climate change and sea-level rise. **Coastal fisheries** management is constrained by 'open access' to the resource, limited scientific data, poor awareness of the impacts from overexploitation by stakeholders, limited funds for research, and poor capacity to monitor the EEZ. Traditional fisheries protection strategies have re-emerged, including closed seasons and areas (tabu area), and restrictions on fishing gear, species caught, and access to resources.

Threats to **biodiversity** include: large-scale forest logging, commercial agriculture, associated land clearing and fires, habitat alteration and loss, pollution, exploitation of natural resources, bio-prospecting, urbanization, natural phenomena and invasive species.

Management of the existing **water resources** is a greater challenge than identifying new sources. Improvement requires coordination across many sectors including: improvements in watershed management; reductions in deforestation rates; raising public awareness of wise water use; controls on agricultural activities; and improvements in waste disposal, especially sewage disposal facilities

Degradation of **land resources** is becoming a primary environmental concern, with significant implications for sustainable development and economic activity. Food security and quality is threatened and rural labour opportunities diminish. Where land degradation and structural decline occur or invasive species are prominent, land is often abandoned, triggering additional pressures. Abandoned lands are havens for invasive species, sources of sediment, and can lead to additional tenure disputes.

The customary communities have unique inheritance and limited redistribution mechanisms with land and resources managed through village and family units. Conflicts over land usually result in fragmentation, without mechanisms to

reconsolidate fragmented land. To avoid conflict, families reduce the shifting nature of land use, shortening fallow periods and placing a heavier reliance on the use of fertilizers, leading to further land degradation. Alternatively, they shift their efforts to family land, which is invariably primary forest.

Natural Disaster Management

Solomon Islands is seriously threatened by natural disasters, such as cyclones, flooding, landslides, earthquakes and tsunamis, which have destroyed lives and livelihoods, damaged essential infrastructure and natural resources and have incurred economic losses for the country in reduced GDP.

There is a need for greater awareness and commitment to national disaster risk management planning, and capacity building. There is a lack of information on the complex nature of disasters, models of good practice for disaster preparedness and response, as well as a lack of building codes and regulatory frameworks to support more effective urban planning processes. There is a need to improve disaster communication, early warning systems, coordination systems and practices - including in outer island communities.

7.1.2 National Strategy

Millennium Development Goals

The seventh Millennium Development Goal is “Ensure Environmental Sustainability”. The 2010 MDG Progress Report assesses progress as “Mixed” and with a low probability of achieving the MDG by 2015. The report acknowledges the newness of MECDM and the initial efforts made but expresses concern that existing environmental dangers, such as deforestation, are not yet under control and likely to be exacerbated by increasing dangers from climate change, sea level rise, water quality and challenges in sanitation.

Policies and Strategies

The present status of sustainable natural resource management and the anticipated increasing need to address climate change require the substantial increase in activities and performance set out in the policies and strategies for Objective 7, presented in two policy groups:

1. Climate Change and Environmental Protection encompasses strategies in climate change, meteorology and conservation and management which anticipate the effects of climate change - and contribute to a reduction in greenhouse gas emissions and forest destruction - increase capacity for prediction and early warning of extreme weather events and, within this context, promote continued but sustainable use of natural resources and protection of bio-diversity.
2. Natural Disaster Risk Reduction and Management policies encompass strategies to increase awareness and preparations to better respond to natural disasters, including related aspects of the National Food Security, Food Safety and Nutrition Policy.

Figure 11: Matrix for Objective 7

Policies	Strategies	Agency
Focus Area	Creating the Enabling Environment	
Objective 7	Effectively Respond to Climate Change and Manage the Environment and Risks of Natural Disasters	
Climate Change and Environmental Protection		

Policies	Strategies	Agency
<p>To integrate national environmental issues in a holistic way so as to adapt to climate change and variability, halt deterioration of the eco-systems, restore damaged eco-systems and ensure their survival in the long term to benefit Solomon Islanders.</p>	Climate Change	
	<p>Mainstream climate change by raising awareness and understanding of government and non-government policymakers and the general public about climate change and its causes and consequences and build consensus to facilitate, coordinate and implement climate change enabling activities and establish a framework for integrating climate change considerations into national development planning and relevant sectoral policies.</p>	MECDM
	<p>Undertake vulnerability and adaptation assessments in identified provinces and communities and establish procedures for identifying climate change projects that meet national needs and for submitting them to potential donors to support establishment of management regimes to cater for effects of climate change, such as disaster preparedness and resettlement of small island communities.</p>	MECDM
	<p>Collaborate with development partners to identify possible impacts of climate change of food production and security and identify measures to mitigate/adapt to the impacts of climate change on food production.</p>	MAL, MFMR
	<p>Ensure adequate capabilities to address climate change and pandemic diseases through increased awareness and implementation of strategies founded on research and development and information exchange.</p>	MHMS, MAL
	<p>Introduce policies and measures to establish a Designated National Authority to meet the requirements of the Kyoto Protocol for Clean Development Mechanism projects to reduce greenhouse gas emissions and secure related revenues, which may include: (i) carbon credit marketing as alternative to resource harvesting; (ii) taxation incentives to companies that meet targets of carbon emission into the air; and (iii) age limit to the importation of used vehicles to reduce carbon emission.</p>	MECDM, MoFT, MCILI, MFAET.
	<p>Conduct readiness activities for Reducing Emissions from Deforestation and forest Degradation and related conservation and sustainability measures (REDD+) and inform line ministries about the programme and carbon financing alternatives to logging, working with NGOs and CSOs on REDD+ compatible projects.</p>	MECDM, MFR
	Meteorology	
	<p>Improve Solomon Islands Meteorological Service capability in marine meteorological services, including forecasts and warnings, and improve capacity to forecast severe weather events, including tropical cyclones.</p>	MECDM
	<p>Enhance capacity to effectively utilize numerical weather prediction and tsunami models for prediction.</p>	MECDM
	<p>Establish and implement full operation Quality Management System for aviation weather services to improve services to domestic and international flights and meet the certification requirements of CAASI and the International Civil Aviation Organisation.</p>	MECDM
	Conservation and Environmental Management	
	<p>Promote a holistic, sustainable approach to natural resources management addressing biodiversity, forestry, fisheries and marine resources and waste management, including through community governance regimes, and sensitize the population on dangers of environmental degradation through awareness campaigns in urban and rural communities concerning environmental laws, regulations and ordinances on the</p>	MECDM, MAL, MFMR, MFR, Provinces

Policies	Strategies	Agency
	removing and harvesting of natural resources.	
	Support conservation and sustainable use of natural resources for food security and agriculture through integrated agriculture and land management strategies and the conservation and rehabilitation of agro-ecosystems.	MECDM, MAL
	To protect marine resources, review and draft relevant laws and regulations concerning marine resources, regulate commercial fishing in the Inner Slot of Solomon Islands and consider reduction of deep sea fishing that destroys marine resources in relation to economic returns to the country.	MECDM, MFMR
	To protect remaining forest resources and re-establish forests, sustainably manage logging extractions in the remaining forests, including through increased taxation, and emphasise reforestation to replace the depleted forest cover, with MFR leading a review of forestry acts in close consultation with provinces and resource owners.	MFR, MECDM, MoFT, Provinces
	Design regulations and enforce guiding principles on mining and other prospective mineral resources to avoid environmental degradation and potential soil erosions.	MECDM, MMERE
	National government to prepare and enforce laws and regulations for conservation areas, national parks and sanctuaries on available customary and alienated land areas and marine reserves to manage and restore threatened flora and fauna and maintain biodiversity.	MECDM, MLHS, MFMR
	Establish and implement a dolphin assessment and monitoring program and formulate special regulations to protect whales, dolphins and other special species.	MFMR
	Establish research focus strategies to enable information on biodiversity to be collected and publish data on research findings.	MECDM
	To control solid waste disposal and protect both health and the environment, enforce existing legislation and develop and implement additional measures based on the principles of reduction, re-use and recycling of solid wastes.	MECDM
Conservation and Environmental Management in National Population Policy		
	Protect natural resources, environment and conservation by legislation to protect eco-systems and by implementing national environmental management strategies based on a holistic approach to conservation. [NPP Goal 8 - par]	MECDM, NGO
Natural Disaster Risk Reduction and Management		
Continually develop and maintain measures to support communities in reducing their risks and managing consequences of disasters	To prepare for natural disasters, develop institutional frameworks based on the National DRM Plan and establish operational arrangements, including NDMO capacity and resources, which effectively address the impacts and operational demands of disaster events at national, provincial and village levels, including pre-location of facilities and equipment in places most at risk of natural disasters and plans to allow for related failures of communications.	MECDM, NDMO, Provinces
	Increase disaster awareness by programmes, including “risk maps” showing types of risk in each location, reaching all the people of the Solomon Islands and village disaster risk programmes leading to an expanding network of safe, sustainable, resilient villages across the provinces.	MECDM, NDMO, Provinces
	To address potential public order impacts, develop response capacity, including fire fighting and prevention, and land and	MECDM, NDMO,

Policies	Strategies	Agency
	marine based search and rescue, and in conjunction with other stakeholders maximise disaster management preparedness.	RSIPF, MNPS
	<i>Disaster Management Aspects of National Food Security, Safety and Nutrition Policy</i>	
	Ensure that government, industry and consumers are able to apply in a timely manner the actions necessary to respond to emergencies involving food security, including strengthened integrated food security information systems to effectively forecast, plan and monitor supplies and utilization for basic food commodities.	MAL, MFMR, MHMS
	Develop early warning, monitoring and surveillance systems to support planning and decision making in response to natural disasters and sharp price rises.	MAL, MFMR, MHMS
	Ensure that government, industry and consumers are able to apply in a timely manner the actions necessary to respond to emergencies involving food safety, including strengthened procedures for tracing and recall systems to rapidly identify, investigate and control food safety incidents.	MAL, MFMR, MHMS

7.2 Objective 8: Improve Governance and Order at National, Provincial and Community Levels and Strengthen Links at All Levels

7.2.1 Challenges

National Governance

Good governance at national, provincial and community levels, including maintenance of law and order, is essential to achievement of a better future and achieving the full potential of the country, hence the importance of the challenge to improve and strengthen them. RAMSI's Machinery of Government (MOG) program has sought to strengthen the accountability, efficiency, effectiveness and responsiveness of different components of government.

The National Parliamentary Strengthening project aims to ensure that leaders have access to good advice to assist them in making well-informed decisions. It seeks to improve communication flows across government - and with the community - to improve coordination between different branches of government. The Electoral Commission has been supported to ensure that elections are well managed, free and fair. Parliamentary issues addressed include: (i) lack of independence of Parliament and dominance of the executive; (ii) lack of access to information for Members to perform their roles effectively; (iii) infrequent and poorly attended parliamentary and committee meetings; (iv) limited human resource development; (v) limited technical and physical resources; and (vi) lack of understanding of the role of parliament by Members and the public.

MOG also works with the Ministry of Public Service to improve planning, strengthen management systems, and develop a professional and committed public service workforce to improve public service delivery.

Government targets corruption and develops strategies for public administration reform and management to help ensure that Government and the public service are run fairly and transparently so resources are used for their proper purposes. Institutions that serve as watchdogs on government are supported to uncover corruption and mismanagement and appropriately discipline offenders.

Provincial Government

The donor supported Provincial Governance Strengthening Program (PGSP) seeks to improve administrative systems and communication links between national and provincial administrations, build capacity of provincial administrators, and strengthen links between national and provincial planning and service delivery. Areas to improve provincial governance include:

- to clarify and expand the responsibilities of provincial governments for local infrastructure, service delivery, and economic development management;
- to increase the flow of public funds to provincial governments to align their resources with their mandated responsibilities, and to build capacity through incentives for improved performance;
- to build capacity of provincial governments - assemblies and administrations - for pro-poor policy-making and implementation, focusing initially on improving the institutions of public expenditure management; and
- to be inclusive in planning reforms, which are currently concentrated at national level with little input from provincial governments, though economic activity takes place in a provincial context. Inclusion of the provinces will promote understanding of the importance of reforms for provincial development.

Law, Order, and Border Security

The Regional Assistance Mission to Solomon Islands (RAMSI) has helped maintain peace and stability in the country. Progress is evident from: (i) improved community perception of living in a safe and peaceful environment; (ii) general public's confidence in the Royal Solomon Islands Police Force (RSIPF); and (iii) the Correctional Services upgraded infrastructure to meet UN requirements and is now one of the best in the Pacific region. However, despite these achievements, MPNS continues to be faced with challenges to effectively and efficiently carry out its mandates and donor assistance through RAMSI is still essential for the sector.

Rule of law and justice are basic human rights and fundamental preconditions for a well-functioning market economy. Challenges to enhancement of law and justice include: (i) remoteness of provinces and large rural population resulting in high costs of delivering judicial services in the provinces and constrained access; (ii) decisions usually take months and years to be dispensed, delaying justice; (iii) recruitment of appropriately skilled and experienced legal and support staff; (iv) training and skills improvement is vital for continuous, effective, and responsive service delivery; and (v) need for staff accommodation through direct provision or allowances.

7.2.2 National Strategy

Millennium Development Goals

The eighth Millennium Development Goal is to "Develop a Global Partnership for Development." The 2010 MDG Progress Report concludes that results are mixed and observes that "Goal 8 addresses ways in which partnerships between developed and developing countries can assist developing countries to achieve the other seven MDGs through a combination of additional development assistance, improved accessibility to markets, debt relief and private sector development. This is an ongoing process and is not expected to be achieved by 2015".

This NDS seeks to promote the partnership through emphasising private sector led growth and providing a long term strategic framework to which partners can align and harmonise their development programmes, furthering implementation of the principles of the Paris Declaration as discussed in Section 1.

Policies and Strategies

Policies and strategies supporting Objective 8 are presented in Figure 12 in 6 policy groups:

1. National Level: Executive with strategies addressing national government issues to improve effectiveness of government in finance, development coordination and public service reform.
2. National Level: Legislature with strategies to strengthen representative democracy, electoral processes and the capacity of Parliament to legislate and over see the executive branch.
3. Provincial and Community Levels with strategies to strengthen provincial governments, increase accountability and transparency in the use of public funds and improve service delivery.
4. Law and Order policy encompassing police, fire and correctional services with strategies to increase community confidence in the law and order services and extend coverage over rural areas.
5. Justice and Legal Affairs policy to increase capacity and accessibility through strategies including strengthening the court system in Provinces and HRD strategies to increase the supply of qualified legal staff.
6. Border Security and Quarantine policy supported by strategies to better secure and guard borders, increase police maritime capacity in the EEZ, and protect natural resource based sectors from exotic pests.

Figure 12: Matrix for Objective 8

Policies	Strategies	Agency
Focus Area	Creating the Enabling Environment	
Objective 8	Improve Governance and Order at National, Provincial and Community Levels and Strengthen Links at All Levels	
National Level: Executive		
Improve standards of governance and service delivery by public servants performing to the highest professional standards in government operations restructured to improve efficiency and effectiveness within approved budgets to better serve all Solomon Islanders.	Finance	
	Stable management of government finances through continued Medium Term Fiscal Strategies and Debt Management Strategies and introduction of a rolling Medium Term Expenditure Framework supported by 4-year forward estimates to give government the capacity to effectively plan expenditure to enable efficient phasing of multi-year projects and programs.	MoFT, OPMC, Donors
	To support the government in delivering its own policies and programs, make progressively greater use of programmatic approaches and budget support, as improvements in government systems allow - such as the MTEF - with the eventual goal of predictable fiscal and capacity transfers.	MoFT, MDPAC, Donors
	Improved revenue collecting and tax reform - including Inland Revenue, customs and excise policies - to support private sector led economic growth.	MoFT, Donors
	A functioning and efficient SI government accounting service with improved budget processes, presentation and economic	MoFT, Donors

Policies	Strategies	Agency
	forecasting and modernised government financial rules and regulations to facilitate fast, efficient and accountable delivery of government services.	
	Development Coordination	
	To increase aid effectiveness, increase accountability for development funds reaching intended beneficiaries and increase focus on agreed results to improve accountability of elected leaders and officials for the outputs and outcomes through media awareness campaigns and systematic follow-up of implementation.	MDPAC, MoFT, Provinces, Partners
	To better coordinate aid and development, establish a partnership framework with a central coordinating body and which reflects national and provincial priorities for donor support and recognizes the links between national, provincial and rural Solomon Islands.	MDPAC, MPGIS, Provinces, Line Ministries, Partners
	Public Service Reform	
	Increase effectiveness of the Public Service by reviewing and amending the roles and functions of the Public Service Commission and Ministry of Public Service, revising Public Service Commission Regulations, and implementing human resource management processes and training to implement changes, strengthening IPAM's capacity and working with relevant national and international institutions.	MPS, PSC
	Undertake inspections and performance assessments of all central and line ministries to put in place a cost effective and sustainable public service structure.	MPS
	Develop and implement a probity policy and Code of Conduct, in collaboration with accountability and integrity institutions, to strengthen Public Service integrity, ethics and adherence to good work practices.	MPS, PSC
	Review and standardise schemes and terms of service of public servants of all levels, including issues of housing as well as remunerations, and up date them based on an appropriate job evaluation system.	MPS, PSC
National Level: Legislature		
Increase effectiveness, reliability, and efficiency of electoral processes and better equip Parliamentarians to make laws, represent their constituents and oversee the Executive.	Strengthen the electoral processes by enhancing the structure and capacity of the Electoral Commission to maintain accurate electoral registers and manage the credible elections.	NPO, MHA
	Strengthen representative democracy, including participation of women, review the Constitution, electoral act and relevant regulations, and the recommendations of the Constituency Boundaries Commission and recommend changes.	NPO, OPMC, Constitutional Reform Comm. MHA
	Increase voter awareness through strengthened NPO information, corporate and Parliamentary education services and promotion of community engagement services, including through NGOs and CSOs.	NPO, MHA, NGO/CSO
	Facilitate participation by parties and candidates in elections through relevant laws and regulations, revisiting the integrity bill/political bill and, where appropriate, incorporate provincial government system within its coverage before enactment.	NPO, MHA
	Increase the effectiveness of Parliament in its legislative and oversight roles through a strict parliamentary regulatory framework to empower the speaker and supported by strengthened the NPO Committee Secretariat services, procedural support, advice, research and training services.	NPO, MHA
Provincial and Community Levels		
Strengthen the role	Increase effectiveness of provincial government by	MPGIS,

Policies	Strategies	Agency
and capacity of Provincial government and improve their human resources, facilities and systems at provincial, constituency and ward levels to more effectively represent and serve their communities.	strengthening the links between provinces and their communities based on stakeholder partnerships in the context of enhanced awareness of the principles of good governance, including transparency and accountability.	Provinces, NGO/CSO, Churches
	To increase the level and accountability of local development spending, MPs and local leaders controlling constituency development funds should transparently account for their use to benefit the local communities.	MRD, Provinces, MPs
	Strengthen ownership and participation by community members in provincial activities by developing bottom up processes for participative preparation of Provincial Plans.	MPGIS, MRD, MPs, Provinces
	Increase the focus of national and provincial plans by recognizing the diversity of provinces and the different challenges and opportunities which they face.	MPGIS, MRD, Prov. MDPAC.
	Increase efficiency, effectiveness and transparency of provincial governments through adoption of streamlined business processes and results-based management by provincial institutions, in close collaboration with the Provincial Governance Strengthening Programme (PGSP) of the MPGIS, supported by training in leadership, management, planning and finance and by predictable and appropriate levels of resources.	MPGIS, MPS, MDPAC, MoFT, Provinces
	Improve service delivery by providing an enabling environment for provincial administrations to deliver goods and services and infrastructure development and strengthen their development management capacity, including in partnership with NGOs and CSOs able to cost-effectively provide services on behalf of government within a transparent legal and regulatory framework for such NGO/CSO services.	MPGIS, MPS, MID Provinces, MHA, NGO/CSO
	Improve national government service delivery by increasing ministry consultations with provinces on planning and operations, establishing information sharing systems, including on development and public service activities, so that provinces are better aware of activities in their province and so able to support implementation and contribute to monitoring of results.	MPGIS, MPS, MDPAC, Provinces
Support provinces' human resources by review positions and grading of provincial staff and consult with provinces to identify training needs - including for executive officers - and partnership arrangements.	MPS, Provinces	
Law and Order		
Promote a safe, secure and stable living environment by providing quality policing, correctional and fire services for all Solomon Islanders.	Police	
	Build greater community confidence in the RSIPF by developing frontline capacity and visibility with increased community communications and consultations and increased ethics, integrity and discipline in the force.	RSIPF, MPNS
	Reduce crime and the fear of crime through improved management, enhanced forensic capacity, proactive patrolling, intelligence gathering and specialist investigation training.	RSIPF, MPNS
	Build capability and leadership through capacity development to enhance leadership, management and supervision within RSIPF.	RSIPF, MPNS
Build broad community crime prevention and problem solving capability through training and resourcing a Police Force with	RSIPF, MPNS	

Policies	Strategies	Agency
	strong leadership and community confidence to tackle ongoing social problems and criminal activities.	
	Increase the coverage of policing by improving the state of repair and technical capacity of offices, watch-houses and police housing in all provinces and, in consultation with provinces, locate and rotate police in provinces with adequate logistical support and manpower plans.	RSIPF, MPNS, Provinces
	Develop policing in rural areas by increasing the police presence, encouraging community policing and where appropriate fully utilize chiefs and community leaders.	Provinces MPNS
	Fire Service	
	Working with provinces, city and town councils maintain a capable and effective Fire Service to meet the needs of communities through provision of fire sheds, fire engines, hydrants and trained staff to implement internationally recognised risk management standards.	MPNS, Provinces
	Correctional Services	
	To protect citizens, enforce sentences and decrease the risks of re-offending, provide effective custodial services at all centres and develop appropriate rehabilitation strategies, consistent with international best practice, to contribute to effective release and rehabilitation.	CSSI
To meet international standards and community expectations, all CSSI Centres, including new and rehabilitated facilities, will be appropriately designed and built, have adequate facilities and skilled staff and management, and implement an asset management strategy of proactive and reactive maintenance to support the capital value of all infrastructure.	CSSI	
Justice and Legal Affairs		
Build the capacity of the Courts, legal staff, and the various systems to be able to deliver accessible, efficient and effective justice services to the Government and people of the Solomon Islands.	To allow all citizens equitable and easy access to legal and judicial services and personnel, strengthen the Court System in the Provinces by ensuring suitable facilities are provided and the number of magistrates, including resident magistrates, is increased in order to reduce delays and the backlog of cases awaiting trial.	MJLA, NJ
	Develop and implement a Law and Justice-wide Human Resources Development Plan to address the capacity building needs of all legal staff to ensure that law departments are able to carry out their mandates in a timely and professional manner.	MJLA, NJ
	To ensure equity and justice, prosecution services ensure that all offenders regardless of age, gender, ethnic origin, status and position are treated equally before the law.	MJLA, NJ
	Sentencing options which support alternatives to imprisonment, e.g. parole, probation, community service, are used to better address the specific circumstances of each case.	MJLA, NJ
	Traditional leaders are recognized at the local level together with the revival of the native/local court system in villages, which also sees the establishment of a Tribal Land Dispute Resolution Panel.	MJLA, NJ
Border Security and Quarantine		
Improve and sustain border integrity and security to protect the Solomon Islands	Enact appropriate legislation, monitor illegal aliens and enhance intelligence gathering and analysis, including participation in regional surveillance operations and cooperation with external stakeholders, to secure the borders and guard against foreign forces.	RSIPF, MNPS, MFAET, MCILI
	Maintain and upgrade police maritime assets and provide	RSIPF,

Policies	Strategies	Agency
	patrols to protect Solomon Islands rights and interests in its Exclusive Economic Zone.	MNPS, MFAET
	Protect Solomon Islands flora, fauna, bio-diversity and natural resource based sectors by containing and eradicating any pests, using methods based on bi-lateral and regional cooperation agreements and institutions supported by strengthened quarantine services, facilities and infrastructure to meet international standards and requirements of WTO, OIE and SPS.	MAL, MFAET, MHMS, MECDM
	Increase environmental protection through enactment and enforcement of a harmonized Bio-security Bill to reflect current international best practice.	MAL, MFAET



Government of the Solomon Islands

National Development Strategy 2011 to 2020

Part II: Implementing the Strategy

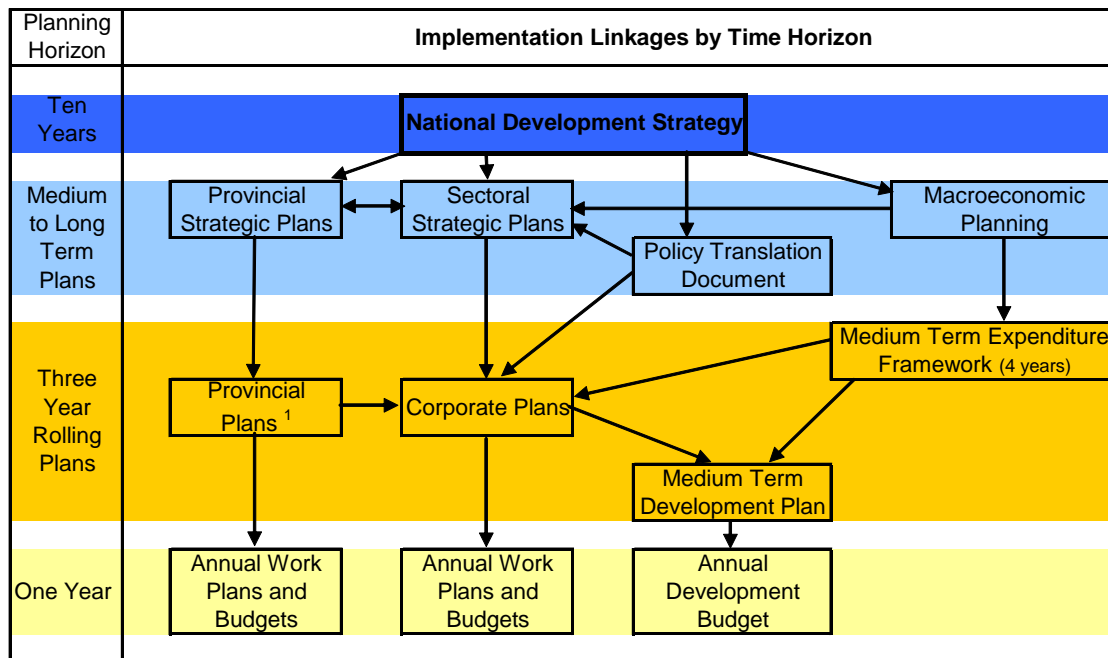
8 Links for Effective Implementation

8.1 The Chain

The NDS sets out national objectives and the policies and strategies supporting those objectives. However, these are not implementable plans. For the NDS objectives to be achieved they must be linked to the detailed plans of implementation actions of line ministries, provinces and communities working to benefit the people of the Solomon Islands.

As with a chain, there must be no weak links if the NDS objectives are to be achieved effectively. Any break in the chain will stop implementation of a part or the whole of the NDS. The preparation of the NDS has, thus, paid considerable attention to the implementation arrangements and processes required to connect the national strategy to actions on the ground impacting on people’s lives.

Figure 13: National Development Strategy Implementation Links



¹ Provincial Plans are funded through the Corporate Plan of the MPGIS

Figure 13 summarises the necessary links which must be used to implement the NDS. These exist at different time horizons and throughout government.

8.1.1 Medium and Longer Term: Priorities and Plans

The ten year NDS is intended to guide a “generation” of plans through at least parts of 3 Parliaments and at least 3 Governments. Within the ten years, a range of plans will be made, including: (i) Government Policy Frameworks and Translation Documents (PTD) and (ii) Strategic Plans and Programmes for Provinces and Sectors / Line Ministries. Each of these will objectively analyse medium term challenges and objectives within the NDS framework and establish priorities for projects and programmes at National, Provincial and Sectoral levels.

These plans are multi-year for periods varying from 2 or 3 years up to 15 or 20 years. The plans are not made to a fixed schedule linked to the NDS or budget cycles but in response to needs and the willingness of government and development partners to address those needs. The NDS, therefore, must be able to accommodate the

flexibility of sectoral and provincial plans in terms of planning and implementation processes (discussed in Section 9).

8.1.2 The Three Year Rolling Horizon

Figure 13 shows the alignment of Provincial and Corporate Plans on a government-wide three year time horizon. Development budgets also include 3 year projections, which need to be strengthened. The NDS must link with each of these activities but with strengthened links.

Provincial plans, within the context of longer term provincial strategic plans, have been established as 3 year rolling plans by the Provincial Government Support Programme (PGSP) under the MPGIS. The guidelines for the Corporate Plans require core 3 year rolling plans with a minimum format encompassing policy context and financial requirements but, as discussed in Section 9.4, the corporate planning process requires firmer guidance from the OPMC.

Plans for provincial and sectoral development also present a funding reality which NDS implementation must accommodate. Typically, the largely government funded appropriated development budget is about 20% of the total development budget. In the existing budget process, implementing agencies receive short notice of activities to be funded so that, typically, almost half of the government development budget is unspent - 66% in 2008 - so that government development expenditure is roughly 10% of the total and 90% is donor funded.

Government's MTFs has provided a medium term view to complement the short term budget horizon. But, under MoFT, Government is addressing this situation by developing a 4 year rolling Medium Term Expenditure Framework (MTEF) to better inform the planning activities of ministries and provinces in their 3 year rolling Corporate and Provincial Plans.

With Corporate and Provincial Plans thus strengthened by the MTEF, the present 3 year projections included in the annual development budget can also be improved into a rolling 3 year Medium Term Development Plan (MTDP), incorporating a 3 year development budget, with details of development programmes and projects, and an annual NDS Performance Evaluation Report in the MTDP as outlined in Sections 9.2.3 and 9.5.

8.1.3 Annual Plans and Budgets

Given the strengthened MTEF, provincial and corporate plans and MTDP, the Annual Development Budgets will be the first year time slice of the 3 year rolling plans and will be extracted from them.

The greater certainty provided for development planning by the longer term expenditure horizon will allow preparation of better implementation plans in the form of the Annual Work Plan, which should improve performance, and better Corporate Plans will allow preparation of more focused Annual Reports⁷ reporting on the success of implementation in relation to quantifiable indicators included in Corporate Plans and reflecting progress in achieving NDS objectives. The Annual Reports will form part of the NDS monitoring and evaluation system, built on the project and programme M&E aspects of Project Cycle Management, and their outputs will be consolidated by MDPAC as part of the rolling MTDP.

⁷ Annual Work Plans and Annual Reports form part of the existing Corporate Plan Handbook.

8.2 The Links

8.2.1 Government Policy and National Priorities

The Government of the day has the mandate of the people to set National Priorities within the strategic framework of the NDS and use the NDS structure to capture its priorities, policies and strategies. The Government will benefit from the mechanism, structures and processes that have been built around the NDS to set the medium term national priorities. This would improve delivery of its policies and strategies.

The national objectives of the NDS have been compared to the actual Policy Frameworks of the last four national governments to ensure that they represent a consensus on the long term development of the Solomon Islands. Within this consensus each government indicates different emphasis on aspects of development and the NDS will have the flexibility, as a strategic document, to accommodate the emphasis and priorities of successive governments.

Governments translate their Policy Frameworks into a Policy Translation Document as the first stage in developing policies into implementable plans. The present PTD has been compared with the NDS to check that the overarching national strategy and PTD are complementary in sharing directions to national objectives. The NDS does not include every strategy in the PTD and that is not necessary - it is sufficient that each government's policies and strategies are aligned to the national objectives.

To assist in the alignment process at all levels of government it is proposed that an NDS objective related reference system is applied throughout the hierarchy of government and donor planning documents.

8.2.2 Sectoral Priorities, Plans, Programs and Donors

Donors fund over 80% of the Solomon Islands development programs and it is essential that the links between the NDS and donor programs are effective. A stock take of current practice shows a serious need for better donor coordination and alignment to Government's objectives and priorities, consistent with Rome and Paris Declarations.

Some donors operate independently in their chosen sectors and go directly to line ministries and provinces without consulting central ministries, particularly MDPAC, which is charged with coordination. This lack of coordination has been attributed to the lack of capacity in the relevant agencies to align donor programs and effectively participate in development planning. There is, therefore, a clear and urgent need to reform donor coordination in the Solomon Islands and to assess and strengthen the capacity of central agencies and line ministries to work effectively with development partners.

Section 9 sets out proposals for more effective Project Cycle Management to complement on-going development of Aid Coordination Management. It is proposed that all development projects and programs, including those funded by donors, must be prepared and implemented only through this process (see Section 9.1) and that existing projects being prepared or implemented be brought within this framework, including proposed M&E systems (see Section 9.2.3).

8.2.3 Expenditure Forecasts and the National Budget Process

Cognisant of the need for a multi-year planning horizon and to move to a more programmatic approach for government's development activities, Government proposes development of a Medium Term Expenditure Framework (MTEF) by MoFT:

"The Medium Term Expenditure Framework will be supported by the development of forward estimates. This will give the Government the capacity to plan expenditure over four years enabling the phasing of projects to ensure:

- *Projects are deliverable with sufficient budget allocations;*
- *Projects that fail to be delivered can be replaced by projects that can be delivered;*
- *Industry has greater certainty on projects in the Government's pipeline which will give them the confidence to build up resources necessary to complete and deliver projects;*
- *Greater donor confidence in managing stable budgets and capacity to deliver development and social programs."*⁸

This will substantially improve the certainty with which line ministries and provinces can plan their development activities. The multi-year Corporate Planning process will then have the necessary information on future resource availability to be able to plan more effectively.

The MTEF will then form the link between the NDS and Government's macroeconomic strategies. The MTEF will require inputs from the MTFs and take into account revenue projections and debt management considerations - determining the projected levels of budget deficit under which the MTEF must accommodate recurrent and development budget allocations. The rolling four year MTEF will provide the medium term framework needed to plan development activities in a coherent and effective manner without the need for any macro-economic input from MDPAC, important given limited resources - see Section 9.2.

8.2.4 Corporate Plans

Corporate Plans are required from each ministry and are submitted for approval by OPMC. This process, with MTEF's improved projection of resource availability, will be the key planning document for government funded development activities and donor funded activities will be coordinated with the Corporate Plans to give a complete picture of sectoral plans supporting the NDS.

The corporate planning process was approved by Cabinet in July 2004 and guidance was set out in the Handbook for Departments issued by OPMC in April 2005. The Handbook says it *"is a guideline rather than an instruction"* and allows *"departments to exercise initiative in the preparation of corporate plans"*⁹. Whilst the Handbook sought *"to produce a degree of standardization and to define minimum acceptable standards"* the lack of instruction and the flexibility allowed has failed to produce either standardization or minimum standards.

⁸ Policy No. 4.3.4 (a), page 53, Policy Translation Document, Bureau of Social and Economic Reforms, OPMC, 2010

⁹ Handbook for Departments, Section 3.2, OPMC, 2005

The proposals in the Handbook meet the needs for an effective link between NDS, ministries, MDPAC and budgets if they are enforced instructions for Core Corporate Plans rather than flexible guidelines. Proposals to do this are made in Section 9.4.

8.2.5 Provincial Plans

One of the critical linkages of the NDS is to the provincial plans. To improve this linkage, the three year, rolling provincial development plans should adopt similar structures and processes as the Core Corporate Plan.

All provinces prepare three year rolling plans as a result of progress made by PGSP. MPGIS is responsible for coordinating these plans and standardizing their contents. MDPAC will also assist this process with provinces and MPGIS, in cooperation with PGSP, to ensure that provincial plans are aligned to the NDS. MPGIS will consolidate these into three year development budget proposals and discuss with relevant ministries for inclusion in their corporate plans. In turn, the proposals included in the Corporate Plan process will be included in the three year rolling Medium Term Development Plan (MTDP) prepared by MDPAC. To facilitate this planning process the following will be applied:

- Provinces should use the NDS as a reference in preparing their own plans, applying the provincial priorities in recognition of the unique characters and opportunities of each province.
- The provincial planning process should follow closely the budget and NDS processes and schedules.
- All provinces should adopt a calendar year as their financial year to bring it in line with the central government budget processes.
- The planning process in the provinces should be reviewed to adequately reflect the views of the wider communities.

9 Project Cycle Management and MDPAC

9.1 Project Cycle¹⁰

Most donors and development partners operate Project Cycle Management following formats substantially as indicated in Figure 14 - variations being of form rather than substance. The cycle is an ongoing process with multiple projects programmed and completed each year.

Donors often program activities at intervals of about 3 years - the country strategies which provide an opportunity for alignment of NDS and donor objectives. Whilst there may be coordination between several donors it is expected that SIG will continue to agree country strategies and programmes (under different names) with each individual donor.

Activities included in the country strategies will not usually be completed within three years. Once programming is agreed, time is needed, first, to identify activities to implement the strategy and secure concept approval before moving on to the time and resource consuming process of project formulation. Once formulated, projects need to be objectively appraised and recommendations made as to whether to

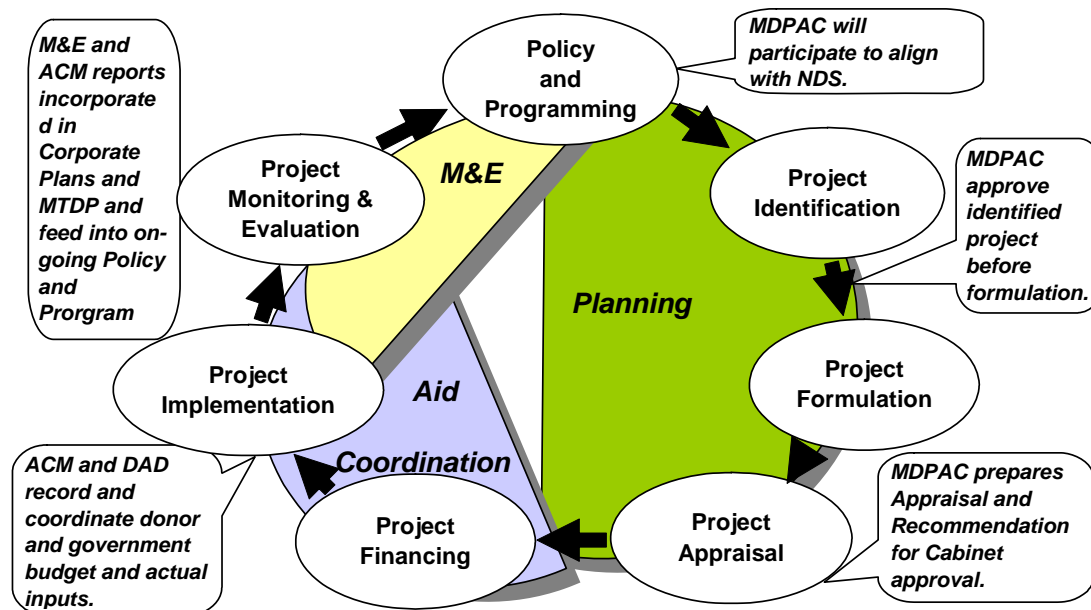
¹⁰ Though named "project cycle" the cycle applies equally to programmes and sectoral plans, including SWAPs.

proceed. Even after the country strategy/programming is agreed the time taken to get an agreed project design is likely to be 2 to 5 years.

Mobilisation after approval can take some time and then implementation is unlikely to be less than 5 years and possibly significantly longer for some programmatic modes, such as Multi-tranche Financing Facilities. So the whole project cycle for each individual programme may typically be 8 to 10 years but in some cases much longer.

To be an effective development partner, MDPAC and other government agencies need to acquire the skills to participate in each stage of the project cycle. This requires effective contributions to the process, not simply attendance at steering committee meetings.

Figure 14: MDPAC and the Project Cycle



The proposed role of MDPAC in linking NDS objectives to development activities is indicated for each stage of the project cycle in Figure 14, consistent with the discussion at 8.2.2. MDPAC is the central agency for development planning and has a brief for the planning functions of both line ministries and provinces. Complementary planning responsibilities include those of OPMC for Corporate Plans of all ministries, MPGIS for Provincial Plans, and MoFT and CBSI for macro-economic planning and inputs to the MTEF and programme costing (see Figure 21).

Under MDPAC leadership, the central and line/implementing agencies should be responsible for promoting congruence between donors and government to enhance alignment to NDS objectives, consistent with priorities expressed in government policy documents. This will increase the effectiveness of development partnerships. Procedures for Project Cycle Management will be developed and guidelines presented to Cabinet for approval. Simplified Project Cycle Management activities may be outlined as:

Policy and Programming

MDPAC, OPMC, MPGIS, MoFT and relevant lines agencies and provinces will participate in high level discussions and negotiations with the donor(s) at the Policy and Programming stage to align donor participation to the NDS and the priorities of Government. In addition to the nature and number of activities to be programmed, it

will also be necessary to agree an indicative financing plan for each activity including SIG and donor contributions, in grants and loans, over the expected lives of each activity, i.e. up to 10 years and more.

Project Identification and Formulation

Activities included in the country programme will require varying degrees of "identification" depending on prior preparatory work - some simply updating earlier designs and some being completely new. This work should be led by the donor and line agency with MDPAC in a monitoring roll, along with OPMC for national projects and MPGIS for provincial projects. In all cases the identified design will be subject to review to ensure alignment with the NDS and continued consistency with the agreed financing envelope before proceeding to Project Formulation.

Formulation will continue under the technical leadership of donor and line agency with MDPAC and OPMC or MPGIS in a monitoring role. Any issues which may influence the financing requirement, e.g. unexpected technical obstacles increasing costs, decision to increase the project area etc, would require early agreement of donor and MoFT on any changes in finances prior to completion of formulation.

Project Appraisal

Donor procedures will include some form of appraisal prior to approval to proceed and SIG should also apply its own appraisal process to both donor and SIG funded projects. MDPAC will be responsible for formal Appraisal of the designed project and recommendation to government for final approval. Appraisal, including as input to analysis of financial and economic viability, should include detailed costs (see Section 9.3.2) and a final financial plan including grants, loans and SIG funding confirmed by MoFT and the donor.

Project Financing

After the appraised project is approved it is necessary to negotiate with the donor to finalise financing and loan agreements as well as the detailed project/programme implementation and administration arrangements. Financing aspects will be led by MoFT to complete the financing arrangements developed since the initial Policy and Programming stage with the participation of MDPAC and implementing/executing agencies.

Project Implementation

Implementation will be led by the line agencies acting as executing and implementing agencies, with MDPAC and OPMC or MPGIS as members of the Steering Committee throughout implementation. During this time MDPAC will be responsible for the coordination and monitoring activities described in Section 9.2.

Project Monitoring and Evaluation

Donors and MDPAC will ensure that project design includes a Monitoring and Evaluation Framework for each project which effectively records inputs, outputs and - to the extent possible - achievement of outcomes during implementation and enable implementing agencies to continue monitoring outcomes and impacts after completion.

9.2 MDPAC Structure for Project Cycle Management

A recognized weakness of previous plans has been the lack of any effective Monitoring and Evaluation (M&E). The MTDS 2008-10 included a substantial results oriented M&E framework but MDPAC does not currently have capacity to undertake such work. With UNDP support, MDPAC's Aid Coordination Management capacity is being strengthened to address the previous lack of information on budgeted and actual inputs. For effective Project Cycle Management it will also be necessary to develop results oriented M&E capacity within MDPAC.

Figure 15: Possible MDPAC Structure for Project Cycle Management

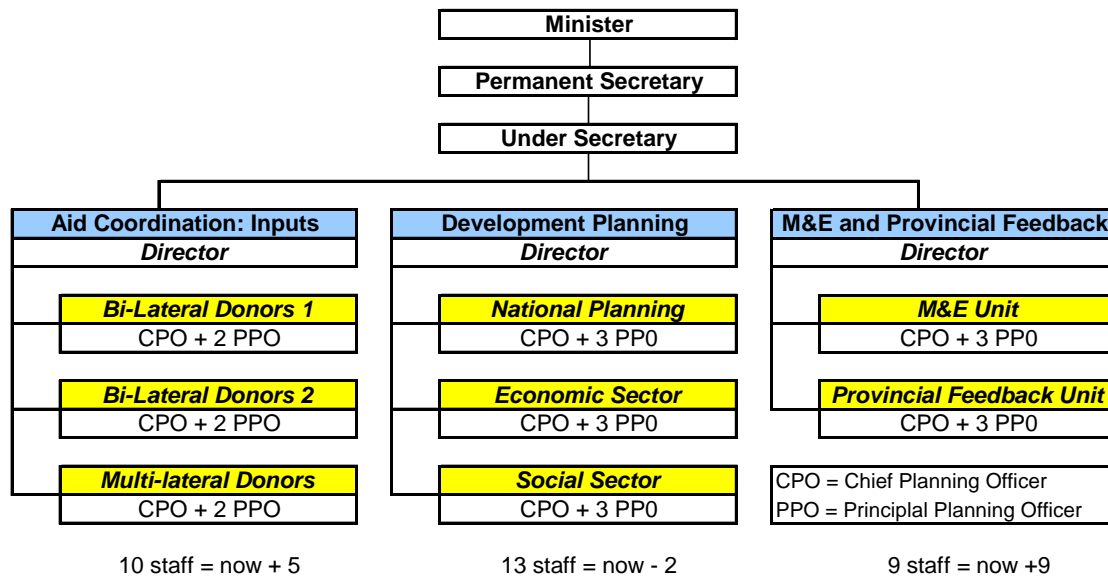


Figure 15 summarises the required activities within MDPAC if it is to cover the scope required by Project Cycle Management, with each departmental function briefly described in the sections below. A new department for M&E will clearly require additional resources, including possible transfers of existing staff.

The numbers of staff indicated for each department are simply based on the staffing of similar departments in PNG's Department of National Planning and Monitoring, pro-rated to present development budget volumes, including the balance between bi-lateral and multi-lateral aid. Additional professionals are needed for effective ACM and M&E whilst the suggested reduction of 2 from planning does not reflect "excess resources" but a proposed refocusing of planning activities, discussed below.

The total additional 14 professional staff indicated is not possible under present budget constraints but is a medium term requirement if MDPAC is to effectively address the three Project Cycle Management activities. Achievement of the necessary capacity will require increased resources and equipment over a number of years.

9.2.1 Development Planning

Planning activities have included collection of donor development budgets, now transferred to Aid Coordination, and SIG development budgets, as well as strategic planning, sectoral planning and macro-economic planning. To focus planning and best use MDPAC's specialist planning skills it is suggested that: (i) macro-economic planning be formally dropped, relying on MoFT and CBSI as required; (ii) the small SIG development budget activity be accommodated within the DAD in a consistent

format with the donor funded development budget; and (iii) technical leadership for sectoral and programme planning should be taken by line agencies with MDPAC providing specialist planning support.

Development Planning would then manage the first stages of the project cycle - Policy and Programming, Project Identification, Project Formulation, and Project Appraisal - and as part of that task will be responsible for the tasks in Sector and Programme Planning in Section 9.3 and Corporate Planning in Section 9.4, ensuring that minimum standards are applied and activities consistently aligned to the NDS.

The ACM management strategy in 9.2.2 proposes a range of coordination meetings within Government and between MDPAC and donors. It is suggested that planning issues requiring coordination and consultation be included as needed to fulfil Project Cycle Management. For planning coordination the key forums are likely to be meetings of: MDPAC with individual donors; MDPAC with other ministries and agencies; and SWAP meetings.

9.2.2 Aid Coordination

The “SIG Strategy for Aid Coordination and Management”¹¹ is currently being processed and is not repeated here. These proposals for MDPAC seek to build upon and complement those for ACM, highlighting two aspects of particular relevance to the Development Planning and proposed M&E tasks.

The ACM strategy proposes a set of multi-level consultations involving MDPAC, donors and other ministries. It is proposed to build this consultative framework to also address Planning and M&E needs in a holistic process of consultations and coordination. The full set of consultations proposed is:

- *MDPAC with all donors: this apex consultation has lapsed and will be revived.*
- *MDPAC with individual donors: monitoring Partnership Agreements and projects.*
- *MDPAC with other ministries and agencies: checking the SI side of ACM in action.*
- *donor-to-donor on matters of common concern: MDPAC involved if requested.*
- *donors all together without SIG participation: MDPAC informed as courtesy.*
- *SWAP lead donor with SIG sector ministry and other donors: MDPAC in attendance.*

The core of the Aid Coordination work is the Development Assistance Database (DAD) which, for the first time, will provide an accurate and up to date record of donor funded aid flows, including budgeted and actual expenditures by donor and activity. In addition to providing more accurate budget information this will also provide a complete picture of donor funded inputs, thus fulfilling the needs of input monitoring (see Figure 18) and allowing the proposed M&E function to focus on outputs and outcomes and, thus, aid effectiveness.

9.2.3 Monitoring and Evaluation

The Paris Declaration commits to “*Managing resources and improving decision making for results.*” Solomon Islands, as a partner country, committed to “*Endeavour to establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies; and that these frameworks should track a manageable number of indicators for which*

¹¹ Tony Hughes for MDPAC, June 2011

data are cost-effectively available". The proposed Monitoring and Evaluation will develop and implement systematic results-oriented monitoring, focussing on outputs and outcomes. The proposed system will use two sources of inputs.

First, the logical framework planning (Section 9.3.1) requires every project and programme to include performance indicators at every level, including outputs and outcomes. Projects and programmes will be required to monitor implementation and detail achievement against the performance indicators. These M&E reports will be incorporated in the implementing line ministry's Annual Report and Corporate Plan (see Section 9.4.2). MDPAC will establish an M&E framework for the NDS incorporating the project level performance indicators and M&E reports.

Second, M&E will also use a participative approach, similar in principle to RAMSI's "People's Survey", to assess Solomon Islanders' perceptions of achievement. This will provide a context for the formal monitoring activity and complement it with more qualitative views, like the "People's Survey", from those the NDS is intended to benefit.

Figure 16: Format for Monitoring and Evaluation Framework

Key Performance Indicators	Source Frequency Timing	Commentary	Specific Programme & Reporting Agency
Whole of Government			
Human Development Index score increased from 0.602 in 2004 to in	United Nations Annual Human Development Report	Provides a broad, cross sectoral measure of basic needs and standard of living (Objective f.) healthy and content population (Objective g) wealth and well-being (Objective k.)	United Nations
Human Poverty Index-1 score increased from 22.4 in 2004 to in	United Nations Annual Human Development Report	Provides a cross sectoral measure of poverty similar to HDI, but more narrowly focused, not captured in individual priority area or sector data.	United Nations
MDG 1: Prevalence of under-nourishment reduced from 21% in 2004 towards the target of 11% in 2015	World Bank Development Indicators Database.	Provides a cross sectoral measure of poverty, reflecting impacts of health, income, and food security, and is the only recent country measure of progress on MDG 1.	World Bank

The M&E unit will establish an M&E framework in the format suggested in Figure 16, identifying the indicator and the target as Key Performance Indicator, a specified source of the indicator, the use of the indicator and the responsible agency for providing the indicator. In this example, from the MTDS 2008-2010, published international sources are used for high level indicators of impacts, such as MDGs. Most of the Framework will be populated by output and outcome indicators from sectoral plans and programmes and the source will be the M&E activities of the plans and programmes. The framework for the NDS need not include every such indicator but should focus on indicators representative of progress and with emphasis on outcomes to stress the results oriented nature of the M&E.

The NDS is based on a consensus to guide future government objectives but also reflects the objectives of previous governments. So the M&E framework does not need to wait for implementation of programmes developed under Project Cycles initiated under the NDS. The M&E system can be established based on existing

programmes, indicating the NDS objective to which they are aligned and learning at the earliest date which interventions are most effective in delivering results.

MDPAC will produce the apex Performance Evaluation Report, building on the ministries' Annual Reports at sector level which, in turn, will build on the programme M&E reports. The Performance Evaluation Report will follow the generally used guidelines of the Organisation for Economic Cooperation and Development-Development Assistance Committee (OECD-DAC) approach, emphasising the criteria of Relevance, Effectiveness, Efficiency, Impact and Sustainability.

9.3 Sector and Programme Planning

9.3.1 Logical Framework Planning

Principles

Most donors and development partners employ Logical Frameworks. Different names are used and there are differences in presentation but no differences in substance. It is proposed that MDPAC, line agencies and provinces develop capacity for Logical Framework planning and that this is then used as the tool for coordination with donors in the Project Cycle Management activities.

UNESCAP prepared a Solomon Islands Project Planning Guide in 2006¹² using the Logical Framework. Like the Corporate Planning Handbook of 2005, this guide has also never been implemented but, with some adaptations for the specific context of coordination with development partners, it can form the basis for use of Logical Frameworks to make the NDS links effective.

The use of the Logical Framework is appropriate for every stage of the Project Cycle as it imposes a similar logical structure and discipline from project identification through formulation to monitoring and evaluation - for which it provides measurable performance indicators and targets. As a standard methodology it is easy for planners to use and for other planners to understand and identify the plan logic/structure and assess whether the logic and the assumptions and risks are likely to work.

Figure 17: The IF→AND→THEN Logic of the Framework

Design Summary	Performance Indicators and Targets	Monitoring Mechanisms	Assumptions and Risks
Impacts: National Objectives			
Outcomes: Sectoral/PTD Objectives			
Outputs (Deliverables)			
Activities (Group activities by each of the Outputs)			
Inputs			

¹² SI Project Planning Guide, UN-ESCAP Pacific Operations Centre, Sept 2006.

Figure 17 presents the logic in a framework of 4 standard columns and five rows, reflecting the program design. The logic can be simply stated as:

- IF these inputs are made AND these assumptions hold true and these risks are avoided THEN these activities can be undertaken;
- IF these activities are undertaken AND these assumptions hold true and these risks are avoided THEN these outputs can be achieved;
- IF these outputs are achieved AND these assumptions hold true and these risks are avoided THEN these outcomes will result;
- IF these outcomes are achieved AND these assumptions hold true and these risks are avoided THEN these impacts/ national objectives will be achieved.

The middle two columns enforce the logic in the plan design by requiring quantified performance targets AND identification of monitoring mechanisms which can be used to assess performance against these targets and indicators.

Figure 18: Logical Framework Alignment to National Objectives

Design Summary	Performance Indicators & Targets	Monitoring Mechanisms	Assumptions & Risks																														
<p>Impacts: National Objective The National Objective to which the programme is directed and expected to contribute - state the full National Objective and NDS reference - nothing else is allowed.</p>	<p>Indicators are the pre-selected means to measure performance and at this level relate to impact on beneficiaries. Target is a pre-determined success level for an indicator.</p>	<p>Monitoring Mechanisms are either established sources of data or a means of collecting the data. At this level, the source is usually national or international and already institutionalized.</p>	<p>Only Assumptions and Risks beyond the control of the programme — but essential to its success — are cited. At this level they relate to the higher level national and international risks.</p>																														
<p>Outcomes: Sectoral/PTD Objective This will be one of the nearer/medium term objectives identified in relevant sectoral plans or the current PTD.</p>	<p>The indicators and targets measure outcomes - changes in processes, results and/or behaviour by target beneficiaries that are expected shortly after Output delivery.</p>	<p>The source and/or means for collecting data may be beyond the programme itself but can be identified at ministry, national or international level.</p>	<p>Assumptions and Risks at the Sectoral level relate to the National Objective.</p>																														
<p>Outputs The key component categories are stated as Results of Activities that can be delivered during programme implementation and lead to the Outcomes.</p>	<p>The Outputs are all expected to be completed/delivered by the end of the project. Targets indicate the nature, quantity and time of delivery.</p>	<p>The source and/or means for collecting data is within the programme's control through Management Information Systems.</p>	<p>Assumptions and Risks at the Output level relate to the Sectoral Objective.</p>																														
<p>Activities The key tasks in the programme are listed. The tasks are linked to specific outputs through the numbering system used in the framework.</p>	<p>The implementation schedule and responsibilities are identified with start and finish dates.</p>	<p>The source and/or means for collecting data is within the programme control</p>	<p>Assumptions and Risks at the Activity level relate to the Outputs.</p>																														
<p>Inputs</p> <table border="1"> <thead> <tr> <th>Use of Funds</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Programme Total</td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>In the "Use of Funds" column enter the Output or Activity for which indicative costs are being given.</p>			Use of Funds	2013	2014	2015	2016	2017																			Programme Total						<p>Assumptions and Risks at the Input level relate to the Activities</p>
Use of Funds	2013	2014	2015	2016	2017																												
Programme Total																																	

Practice - Alignment with NDS Objectives

The logic demanded by the framework places discipline on those designing the project to produce a robust design which is effectively aligned to NDS objectives and medium term plans of government. This discipline and use of the framework in all stages of processing - including MDPAC's appraisal and recommendation - will improve the quality of development projects and increase alignment to the NDS.

The logical structure facilitates alignment of all development projects, programs, sectoral plans and SWAps towards the NDS objectives and government policies and priorities, whether with development partners or purely SIG designed and funded projects. Figure 18 illustrates the logical framework proposed to align all development activities to the NDS.

All development projects **must** adopt one of the NDS National Objectives as the **Impact** of the project or program. Impacts, like National Objectives, are long term and will not be achieved by a single project or program but through the implementation of the complementary policies and strategies of the NDS.

Outcomes are nearer-term benefits than the National Objectives. The framework can be further aligned to government policy and priorities by using agreed medium term (5-10 years) objectives of Government policy documents, e.g. National Transport Policy, or sector strategies.

The **Outputs** are the immediate results of the development activities described in the **Activities** section. **Inputs** summarise the financial resources required and is the point at which availability of resources from the development budget, donors and development partners is addressed in Aid Coordination and Management.

9.3.2 Detailed Costs and Financial Plans

The Inputs included in the framework are very summary but rely and build on much more detailed costs and financial plans.

Planning and decision making are made much more effective by use of standardised formats, as with the Logical Framework and the set of Corporate Plans, Annual Work Plans, and Annual Reports in 9.4. A standardised format for costs and financing is also preferable and must be capable of meeting all the requirements of project costing:

- financial and economic costs over the project life, including implementation and operation and, thus, development and recurrent costs, are required to establish the cash flows needed to assess financial and economic viability of the activity;
- a full set of costs, including physical and price contingencies, is needed for financial planning for the whole project, for each year, and for each line item - who will pay for the extension staff? who will pay for the extension materials? who will pay for the 4WD vehicles needed?
- the full costs need to be expressed in physical quantities and unit rates not only to provide more accurate costs but also to guide implementation and as the basis for financial monitoring - is a cost over-run due to higher prices or wasteful use of staff or materials?
- as a minimum, the detail of the costing needs to be compatible with the chart of accounts used for government finances so that project and

programme plans can be readily carried forward to Corporate Plans and budget submissions.

The World Bank has developed a costing model - COSTAB - which meets these requirements and is used by other development partners. This has the advantage of being a freely available and effective tool, producing standardised outputs as indicated below. Some such tool is needed to ensure rigor in the financial planning and implementation of projects.

Figure 19: Format for Financial Plan by Component

	(US\$ '000)									
	Government		ADB		EIB		NSA		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Livelihoods Development	7,185	27.9	14,621	56.7	-	-	3,976	15.5	25,782	19.1
2. Infrastructure Development	28,891	29.7	58,782	60.4	8,965	9.2	607	0.6	97,245	72.2
3. Project Coordination	1,794	72.5	682	27.5	-	-	-	-	2,476	1.8
Total PROJECT COSTS	37,870	30.2	74,084	59.0	8,965	7.1	4,583	3.6	125,503	93.1
Interest During Implementation	-	-	7,241	86.5	1,133	13.5	-	-	8,375	6.2
Commitment Charges	-	-	893	100.0	-	-	-	-	893	0.7
Total Disbursement	37,870	28.1	82,218	61.0	10,099	7.5	4,583	3.4	134,771	100.0

The summary formats, such as that in Figure 20 allow definition of any number of components in the activity - matching the structure of the Log Frame - and any number of sources of finance and financing conditions, including interest charges, commitment fees, front end charges and so on. These financing costs are calculated within COSTAB to give a consistent calculation and presentation from every project preparation activity.

Detailed Cost Tables, too large to reproduce here, calculate and present breakdowns of unit costs and rates, annual schedules of cost, currency of expenditure, impacts of projected inflation, source and quantity of finance for each line item, taxes and duties. These provide a detailed database which can output numerous tables, including the Detailed Cost Tables with selected data columns, in Excel spreadsheet formats readily usable by all.

Figure 20: Standard Format for Multi-Year Expenditure Budget

	Base Cost					Total
	2013	2014	2015	2016	2017	
A. Rents & Resource Use Rights	3,001	744	973	448	760	5,925
B. Civil Works	3,912	34,886	48,648	27,171	19,325	133,942
C. Equipment and Machinery	1,172	158	99	148	43	1,620
D. Vehicles	1,292	136	-	-	-	1,428
E. Salaries	677	1,390	1,531	1,546	1,546	6,692
F. Consumable Materials	141	276	277	273	260	1,227
G. Travel & Communications	853	2,199	2,386	2,416	2,411	10,265
H. Operations & Maintenance	508	825	759	649	400	3,140
I. Training	356	457	440	316	248	1,819
J. Contracted Service Providers	996	2,376	2,246	2,006	1,811	9,435
K. Consulting Services	1,400	1,300	1,020	740	-	4,460
L. Credit Facilities	266	411	573	548	567	2,365
Total BASELINE COSTS	14,574	45,159	58,952	36,260	27,371	182,316
Physical Contingencies	1,231	4,475	5,838	3,571	2,680	17,795
Price Contingencies	198	1,857	4,075	3,568	3,545	13,243
Total PROJECT COSTS	16,003	51,491	68,865	43,399	33,596	213,355
Taxes	1,955	6,303	8,464	5,346	4,237	26,304
Foreign Exchange	5,336	20,521	27,659	16,499	11,540	81,556

A large number of formats can be designed or standard tables used, such as "expenditure accounts by year" in Figure 20. The tables can be presented, as here,

with base costs for each expenditure account with physical and price contingencies identified separately, or with contingencies included in total line item costs.

The expenditure accounts A to L in the example can be standardised on the Government chart of accounts and the annual schedules can be produced for the whole cost for the line item or sub-divided to show the share of the costs funded by each financier. This table for the SIG financed part, with the Government's chart of accounts, can immediately feed forward to the Corporate Plan and Budget Process.

Taxes and foreign exchange costs are also calculated as inputs to macro-economic planning. The taxes paid by the project are usually treated as part of the Government's financing share even though the revenue and expenditure implications balance out to zero.

Figure 21: Input of Key Macroeconomic Parameters

Inflation and Exchange Rates	2013	2014	2015	2016	2017
Inflation (in %'s)					
General Inflation					
Annual rates					
Local	3.0	3.0	3.0	3.0	3.0
Foreign	1.9	1.9	1.9	1.9	1.9
Compounded rates					
Local	1.5	4.5	7.7	10.9	14.2
Foreign	1.0	2.9	4.8	6.8	8.8
Exchange rates (Local/Foreign)					
General Inflation					
Rates actually used	1.7	1.7	1.7	1.7	1.7
Constant purchasing parity rates	1.7	1.7	1.7	1.8	1.8
% deviation	-0.5	-1.6	-2.7	-3.7	-4.7

The tax and duty rates for each line item are included in the model - and will be standard for all project and programme costing. Inputs from macro-economic planning are also required for projections of local and foreign inflation rates and exchange rates, in the format indicated in Figure 21. Foreign inflation projections are readily available from the World Bank's 10 year projection of the Manufacturers Unit Value Index (MUV). Unfortunately, similar 10 year projections, needed to cover implementation and at least initial operations, are not produced for local inflation or exchange rates and the present policy targets (see Section 3.3) are too general in format to be used, e.g. inflation at less than 10%.

MDPAC, as the mandated planning agency, should identify a source of 10 year local inflation projections which can then be used by all planning activities to maintain consistency. The COSTAB model will itself make the necessary projections of Purchasing Power Parity exchange rates to ensure that multi-currency costs and financing plans remain reasonably realistic.

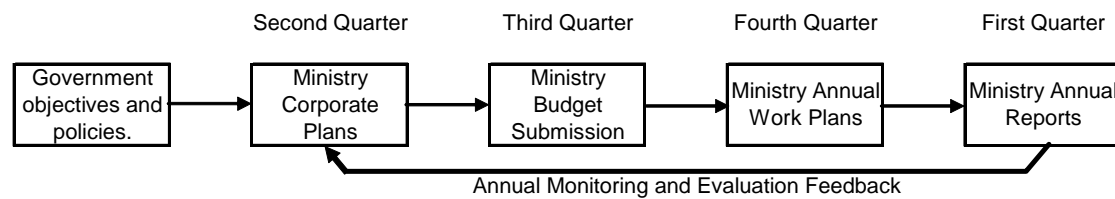
9.4 Corporate Plans and Budget Processes

9.4.1 Government Corporate Plan and Budget Process

The Cabinet approved Corporate Planning process, referred to in Section 8.2.4, is an integrated, three year rolling plan for each Ministry with OPMC supervising the corporate plans and setting the priorities and broad directions as a context for the budget submission. As indicated in Figure 22, the process includes the Annual Work Plan, to detail the use of budgeted funds in the year ahead, and the Annual Report,

to feedback performance on the delivery of services and the achievement of objectives.

Figure 22: Integrated Corporate Planning Process



The budget orientation of the 2005 Handbook is very much towards the recurrent budget with the development budget as an after thought. Practically, the government funded development spending in 2005 was non-existent but in 2011 is budgeted at SBD 500million and actual estimated spending in 2010 was SBD 263million. Rather than an after-thought, the development budget requirements and performance targets should be distinguished from the recurrent.

Further, to be an effective link in NDS implementation, the Corporate Plan of each line ministry needs to reflect the whole of the ministry's activities, including donor funded activities, so that Corporate Plans reflect the contribution to implementation of government policies and strategies rather than simply a stage in the budget process - essential though it is to maintain and improve this function.

Building on the 2005 Corporate Plan format and the present 3 year Development Budget projections Figure 23 suggests a format for Corporate Plan financial projections for possible adoption by OPMC.

The 2004/5 corporate planning process was intended to correct weaknesses in earlier processes, particularly the lack of attention given to the availability of resources to implement planned activities. It is proposed that the Corporate Plans be developed to better accommodate: (i) the majority development funding by donors, so that the OPMC prioritised Corporate Plans are more complete planning documents; and (ii) respond to the 4 year rolling MTEF by requiring more robust projections of development expenditures to complement those of donors.

9.4.2 Core Corporate Development Plans

Reviewing many existing corporate plans suggests that the intended "minimum requirements" are often missing and that their scheduling and content is not consistent with the Handbook proposals. It is proposed that requirements are enforced so that all Corporate Plans are three year rolling plans, updated annually and have Core contents in a standard format. This standard format will ease review between ministries and year to year but particularly will produce standard financial schedules, performance reports and the like to be carried forward to budget submissions and MTDP. Building on the previously proposed minimum contents it is proposed that the Core Corporate Plans should include:

Policy Context

This will identify the NDS objectives and policies which the ministry will support through its corporate plan and will also refer to the other government policies which it is seeking to implement, such as those from the Policy Translation Document and approved sectoral plans and programmes.

Figure 23: Possible Corporate Plan Financial Projection Format

NDS	Sector/PTD	Cost Category	Present Year Estimates			Next - Budget Year			Following Year Projection			Following Year Projection		
			Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total	Recurrent	Development	Total
			(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Unit 1														
Unit 2														
Unit 3														
Unit 4														
Total														
Donor Finance														
SIG Finance														
Other Finance														
Unfinanced														
Total														

Performance Report

The Annual Report will report on performance of the previous year's development activities, comparing actual results to target indicators. The Report will explain performance, particularly addressing adverse variances and indicating corrective measures to be taken in implementation. The report included in the Corporate Plan should include any subsequent information and report on corrective measures included in the Corporate Plan.

Ministry Policies and Strategies

The discussion of policy context will lead in to a statement of the rationale for the development activities proposed and indicate priorities and choices being applied. This will include proposed changes in policies, strategies and priorities in response to the Performance Report and changed conditions. The review by OPMC will include confirmation that the priorities and choices reflect those of government and, if not, suggest changes.

Development Expenditures

This will present the whole of ministry development activities based on both donor and government funded programmes. It will include a table grouped by each program, expenditure category and financier and covering as a minimum the present year's estimated actual expenditures, the next budget year and two subsequent years.

The table should include all on-going and completed projects for which expenditures were incurred in the period as well as projected expenditures in the period. A second table should extract the government funding required each year as preparation for the development budget submission.

Development Results

The time bound performance indicators of activities, outputs, outcomes and impacts derived from Logical Frameworks of development activities should be presented as a summary Monitoring and Evaluation Framework for the corporate plan period.

Facilitated by the MTEF, it is expected that an increasing proportion of government development expenditure will become more programmatic and be formulated on a Project Cycle basis using Logical Frameworks. For activities undertaken without such preparation a set of time bound performance indicators must be included in the M&E Framework and justified at the commencement of the activity.

9.5 Medium Term Development Plan

Reporting and supporting implementation of the NDS, MDPAC will annually produce its contribution to the set of 3 year rolling plans in the form of a Medium Term Development Plan (MTDP). This will link together the Corporate and Provincial Plans and the Medium Term Expenditure Framework to provide a complete report on implementation.

Much of the MTDP will be based on an edited consolidation of other documents, each contributing through the links to the NDS. The proposed format for the MTDP is summarised below and would provide a concise statement, in a readily accessible and standardised format of achievements to date and development activities planned and funded over the next three years.

Performance Evaluation

This section would present findings output from the M&E unit activities described in Section 9.2.3 to present performance during the previous year and building on the ministries' Annual Reports.

The report would highlight good examples to be followed and underperformance to be corrected related to the criteria of: Relevance, Effectiveness, Efficiency, Impact, and Sustainability. The measures proposed to correct underperformance would be stated and explained. Ministry Annual Reports and Corporate Plans would address every activity and project whilst the MDPAC report will take a wider view of programmes, sectors, and NDS Policies and Strategies.

Priorities, Policies and Strategies

This section, from the Development Planning unit, will summarise changes in priorities, policies and strategies within the context of the NDS. Priorities will be as expressed by Government primarily in new policy statements, the Policy and Programming stage of the Project Cycle, and preparation of sector plans.

Adjustments of policies and, especially, strategies may arise from feedback from performance evaluation, changed circumstances, or new information developed during the Project Formulation stage. MTDP would briefly state the reasons for such changes and indicate their impact on achievement of NDS objectives.

Funding and Aid Coordination

This section, from the Aid Coordination unit, will summarise donor funding activities over the previous year and projected funding over the next three years, drawing on information in the Development Assistance Database (DAD).

The section will also highlight important issues in Aid Coordination raised and addressed by the multi-level consultations described in Section 9.2.2. In particular, it will present problems which are hindering coordination and/or aid delivery and indicate measures taken or to be taken in order to improve coordination and better achieve NDS objectives.

Development Programmes

This section will be a joint output of Development Planning and Aid Coordination, drawing on the Corporate Plans and DAD.

Individual development programmes would appear the annual MTDP for five or more years and need not be described other than in a very summary manner, perhaps with a cross reference to the relevant planning document, such as an appraisal report.

Details of each development programme would be presented in the format in Figure 23, taken from the relevant Corporate Plans with aid inputs checked by Aid Coordination unit, with line items summarised to components and major sub-components (if any) of each development programme.