



**Government of the  
Solomon Islands**



# **MID TERM EVALUATION**

**PROVINCIAL GOVERNANCE SUPPORT PROGRAMME –  
PGSP**

**Solomon Islands**

**February, 2012**

## Evaluation Team

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### **MID TERM EVALUATION: PROVINCIAL GOVERNANCE SUPPORT PROGRAMME – PGSP *SOLOMON ISLANDS***

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## Map: Solomon Islands and its nine Provinces

### BASIC DATA- COUNTRY PROFILE

Country Area:	28,369 km <sup>2</sup>
Country Population	515,870 (2009)
Capital City:	Honiara
Provinces	9
Independence:	1978
People:	Melanesian, Polynesian and Micronesian
Language:	English, Pigeon English and +70 indigenous languages
Religion:	Christianity predominant, traditional customs and beliefs
Economy:	Natural resource extraction (fisheries, logging, mining), commerce, small-scale subsistence (agriculture, fisheries), Tourism. Main exports: copra, cocoa, timber, fish

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## PROGRAMME DATA SHEET

Country: Solomon Islands  
 Programme Title (long): Provincial Governance Strengthening Programme  
 Programme Title (short): PGSP  
 Programme No.: MDTF Office Atlas Number: 00067653  
 ATLAS Code  
 UNCDF 00049954, 00049957, 00056494  
 UNDP 0049698

### Financial Breakdown (USD)

Donor	Commitments:		Delivery to date (30 Sept 2011)	
	Amount	%	Amount	%
UNCDF	1,000,000.00	6	739,660.00	74
UNDP	1,000,000.00	6	747,893.00	75
EU	6,199,461.00	34	3,613,737.00	58
AusAID	6,400,000.00	35	4,679,839	73
SIG	3,500,000.00	19	1,787,145.00	45
Total	18,099,461.00	100	11,368,274.00	63

Executing Agency:	UNDP
Implementing Agency:	UNCDF, Ministry of Local Governance and Institutional Strengthening
Approval Date of project:	2007
Project Duration :	2008 to 2012
Project Amendment:	None
Evaluation Date:	November – December 2011

Other current UNCDF projects in-country: Pacific Financial Inclusion Programme, 2008-2013  
 Previous UNCDF Projects: SIG-UNDP Isabel Province Development Project (2003-2005) (UNDP). PGSP, Preparatory Assistance Phase 2006-2007.  
 Previous evaluations : EU, Result Oriented Monitoring (ROM), 2009 and 2010.  
 First Annual Joint Review of the Provincial Governance Strengthening Programme (PGSP) Aide Memoire (Final draft), March 2010

**Evaluation (MTE) Date:** November/December 2011

**Composition of Evaluation Team:**

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*Tanggio tomas!*



## ACRONYMS AND ABBREVIATIONS

AA	Administrative Agent
APNFPR	Annual Programme Narrative and Financial Progress Report
AWP	Annual Work Plan
CD	Capacity Development
CLGA	Commonwealth Local Government Association
CSP	Community Sector Program
CTA	Chief Technical Advisor
DAC	Development Assistance Committee
DAD	Development Assistance Database
EA	Education Authority
EQ	Evaluation Question
FA	Functional Assignment
FD	Finance Division (in MPGIS)
GNI	Gross National Income
HACT	Harmonized Approach to Cash Transfer
HDI	Human Development Index
IPAM	Institute of Public Administration and Management
IPSAS	International Public Service Accounting Standards
JOC	Joint Oversight Committee
LCC	Leadership Code Commission
LoCAL	Local Climate Adaptive Living Facility
M&E	Monitoring and Evaluation
MC	Minimum Criteria
MDG	Millennium Development Goals
MDPAC	Ministry of Development Planning & Aid Coordination
MDTFO	Multi-Donor Trust Fund Office
MECDM	Ministry of Environment, Climate Change, Disaster Management & Meteorology
MERHD	Ministry of Education & Human Resource Development
MHMS	Ministry of Health & Medical Services
MID	Ministry of Infrastructure Development
MoFT	Ministry of Finance and Treasury
MoU	Memorandum of Understanding
MP	Member of Parliament
MPA	Member of the Provincial Assembly
MPGIS	Ministry of Provincial Governments and Institutional Strengthening
MTE	Mid Term Evaluation
MYOB	Mind Your Own Business (accounting software)
NDS	National Development Strategy
NIM	National Implementation Modality
NP	National Parliament
OAG	Office of the Auditor General
AOSIS	Alliance of Small Islands States
O&M	Operations and Maintenance

OPMC	Office of the Prime Minister and Cabinet
PAC	Public Accounts Committee
PCDF	Provincial Capacity Development Fund
PDC	Provincial Development Council
PEM	Public Expenditure Management
PFGCC	Provincial Fiscal Grant Coordination Committee
PFM	Public Financial Management
PG	Provincial Government
PGA	Provincial Government Act
PGD	Provincial Government Division (in MPGIS)
PGSP	Provincial Government Strengthening Programme
PP	Project Purpose
PS	Permanent Secretary
PSG	Provincial Service Grant
RAMSI	Regional Assistance Mission to the Solomon Islands
RCDF	Rural Constituency Development Fund
RDP	Rural Development Programme
SBD	Solomon Islands Dollar
SEMRICC	Strengthening Environment Management and Reducing Impact of Climate Change
SICHE	Solomon Islands College of Higher Education
SIG	Solomon Islands Government
TI	Transparency International
TOR	Terms of Reference
TOT	Training of Trainers
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
UNV	United Nations Volunteer
USD	United States Dollar
WS	Workshop

# 1 EXECUTIVE SUMMARY

## 1.1 *Background*

PGSP is an institutional strengthening program with an expected duration of 15 years divided into three phases ('platforms') of five years each, aiming to develop the capacity of the Ministry of Provincial Government and Institutional Strengthening (MPGIS) and the nine Provincial Governments (PGs) to fulfil their mandates in service delivery. PGSP is implemented by the MPGIS, with UNCDF and UNDP providing support for the implementation of the program as participating UN agencies. UNDP has been delegated the role and responsibility as the Administrative Agent of the Joint Program.

The total joint program budget is 18.9 million USD. It is financed by the Government of Australia through the Regional Assistance Mission to the Solomon Islands (RAMSI), the European Union (EU), the United Nations Capital Development Fund (UNCDF), and the United Nations Development Programme (UNDP) who contribute 14.6 million USD. The Solomon Island Government (SIG) has committed 3.5 USD million USD with the Provincial Governments<sup>1</sup> contributing between 10 to 15% minimum as counterpart.

The first phase of PGSP focuses on basic capacity for public expenditure management (PEM) and will, in all nine Provinces, develop a level of capacity characterized by the ability to program, produce and execute credible budgets, through appropriate participatory and transparent procedures. To provide incentives for the adoption of improved governance and administration practices, PGSP has set up the "Provincial Capacity Development Fund" (PCDF) as a provincial budget support facility for discretionary development spending.

The overarching goal of the PGSP is poverty reduction and achievement of the Millennium Development Goals (MDGs) in the Solomon Islands. The intermediate outcome for the program is improved provincial governance for development, more specifically, an expanded, more effective and more efficient role of Provincial Governments in the promotion and management of local development and in service delivery.

### 1.1.1 Programme profile

The PGSP's profile and hierarchy of objectives are represented in the following table:

---

<sup>1</sup> To the PCDF funds and excluding non-cash contribution.

**Table A: PGSP – Goal, Outcomes and Expected Outputs**

Objective	Description
<b>UNDAF outcome 2.2. (for SI)</b>	Decentralization of governance and participatory decision making is enhanced.
<b>Overall Goal</b>	Contribute to the reduction of poverty and the achievements of the Millennium Development Goals (MDG) on Solomon Islands
<b>Project Purpose / Impact</b>	Improved and sustainable, local, i.e. sub-national, development (provinces, wards), notably, <ul style="list-style-type: none"> <li>a) Improved coverage and quality of public infrastructure and services;</li> <li>b) Better managed natural resources and environmental protection, and</li> <li>c) An increase in local economic activity, employment and revenues.</li> </ul>
<b>Expected Outcome</b>	Improved provincial governance for (local) development, i.e. an expanded, more effective and more efficient role of Provincial Governments in the promotion and management of local development.
<b>Output (Planned Result) 1</b>	The responsibilities of Provincial Governments are clarified and expanded
<b>Output (Planned Result) 2</b>	The resources of PGs are commensurate to their responsibilities
<b>Output (Planned Result) 3</b>	The local development management capacity of PGs is developed
<b>Output (Planned Result) 4</b>	PGSP Monitoring and evaluation (M&E) in place

### 1.1.2 Scope and objectives

The mid-term evaluation serves to assess the project's performance and achievements according to basic evaluation questions and sub-questions, which are determined by the methodology used (see below). It assesses the progress in the implementation of the Project in its four constituent Components against four DAC criteria, namely Relevance, Efficiency, Effectiveness and Sustainability. The MTE of the PGSP is an integral part of Component 4: Monitoring and Evaluation, and reflected in the ProDoc.

The **principal objectives** of the MTE are:

- To assess overall project progress to date.
- To evaluate the procedures for local level planning, programming, budgeting, and implementation extended by the PGSP to provincial governments.
- To evaluate the effectiveness of the PCDF as a pilot fiscal transfer system and as an incentive to improve performance of the provincial governments in revenue and expenditure management; and
- To examine project management and institutional arrangements to ensure that they are adequate for and consistent with the attainment of expected PGSP results and the implementation of agreed project activities.

### 1.1.3 Methodological approach of the evaluation

The MTE follows the methodology defined in the UNCDF Special Project Implementation Review (SPIRE) approach<sup>2</sup>. The idea behind this approach is to apply the same overall 8 evaluation questions (EQs) for all UNCDF evaluations, with a variable set of sub-questions. While the overall questions are the same, the sub-questions are changed (i.e. partially removed and / or new ones added) to accommodate characteristics of specific programmes and national contexts as is the case in the PGSP on Solomon Islands, a Pacific archipelago with unique geographical, historical and socio economic features.

The eight overall evaluation questions are:

**Table B: SPIRE Overall Evaluation Questions**

Evaluation Questions	DAC Criteria
1. To what extent is the programme relevant and well designed?	Relevance
2. To what extent has the programme contributed to increased capacities and improved systems at local and national level?	Efficiency, Effectiveness
3. To what extent has the programme contributed to the improved planning of local development?	Efficiency, Effectiveness
4. To what extent has the Provincial Capacity Development Fund funded investments contributed to enhancing opportunities for local economic and socio-economic development?	Effectiveness
5. To what extent are the programme results likely to be sustainable in the longer-term?	Sustainability
6. How effective has implementation and management of the programme been at national and local level?	Efficiency
7. To what extent did piloted approaches lead to up-scaling and replication as well as to policy development?	Effectiveness
8. To what extent did the programme enhance the partnership with the government and other donors at national and provincial level?	Effectiveness

As can be seen from the above table, questions 1-8 are associated with the DAC standard evaluation criteria.

### 1.1.4 Evaluation Results and Recommendations

The MTE evaluation brought to light the PGSP's strengths and weaknesses at this point in time, where, in the opinion of the evaluators and stakeholders, the achievements are impressive and generally recognized. PGSP can be proud to be able to demonstrate **four showcases** in a very short time, surmounting a number of obstacles linked to human resource management and weak institutional capacities encountered at the start. The showcases are as follows:

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<sup>2</sup> Special Programme Implementation Review, SPIRE - Guidance on Formulation of the Terms of Reference, UNCDF 2010

**SHOWCASE 1:**

In the view of the evaluators, three factors are most likely to have prompted SIG's willingness to substantially increase its contribution to the Provincial Capacity Development Fund (PCDF) introduced by PGSP, notably,

- a) the impressive progress made in capacity development of PGs in PEM;
- b) the fact, that PCDF is the only Programme providing PGs with funding, and
- c) the checks and balance mechanisms which are in place for PCDF (annual assessment, appropriation of budget by Provincial Assemblies and audits by the OAG).

**SHOWCASE 2:**

The dramatic increase of SIG resources signals, in the view of the evaluators, ownership of PGSP and PCDF and political will to make them a success. It also recognizes SIG's trust in UNCDF's experience, approach and capacity to strengthen PGs.

**SHOWCASE 3:**

The introduction of the annual assessment of Minimum Conditions (MC) with the consensual selection of assessment criteria for resource allocations to PGs is innovative and works well. It serves as an incentive for improved performance, institutional capacity development and audit.

**SHOWCASE 4:**

PGSP has already at an early stage produced up scaling effects, notably concerning PFM instruments. At the same time it has shifted the attention of key stakeholders (SIG, Parliament, Provincial Premiers, civil society and donors) to the opportunities existing at PG level, as well as to the capacities and challenges in addressing citizens' needs. The inclusion of PGSP in the National Development Strategy (NDS) 2011-2020 testifies to these early achievements.

These achievements notwithstanding, PGSP's performance has been less successful in implementation, facing the following challenges:

1. Managerial consequences of heavy frontloading of implementation activities i.e. of attempting to achieve early impact in all four Components simultaneously despite institutional and contextual constraints and a long term programme perspective built into the design of PGSP;
2. Varied performance and outputs across the four components, with outputs in Component 1 and 4 substantially delayed;
3. The delays in Component 1 (clarification of PGs functions) impacts negatively on component 2 and on the formulation of a national decentralization policy, respectively the amendment of the Provincial Government Act;
4. LD / LED and environmental / climate change are not yet conceptualized, implying an unclear relationship between public investment in infrastructure and in livelihood, as well as unclear criteria for resource allocation;
5. Inter-sectoral and intergovernmental coordination lacks conceptualization and improvement;
6. The lack of an M&E system negatively affects the monitoring of the implementation effectiveness, and a volatile human resource situation in PGSP senior management and at provin-

cial level coupled with administrative and financial management challenges, lowers the PGSP's team capability to deliver the outputs considerably.

Considering the Standard DAC criteria for evaluations, the MTE comes to the following assessment:

**Table C: Evaluation results by DAC criteria**

CRITERIA	PERFORMANCE				
Relevance	X	X	X	X	
Efficiency	X	X			
Effectiveness	X	X	X		
Sustainability	X	X	X		

### 1.1.5 Overview of current implementation status of the project

#### 1.1.5.1 Overall assessment of project results to date against the original theory of change

In about half of the five year period of its first phase, PGSP has, through intensive capacity development in PFM and funding for investments, been able to lay a solid, if not yet legally consolidated, foundation for better provincial service delivery and local planning. Its interventions in Components 2 and 3 have contributed, in practical terms, to the re-structuring of governance relations both horizontally (across the provinces) and vertically (in relation to central and provincial government levels). The provinces are being considered, for the first time, as the most suitable platforms for improved service delivery coupled to effective management of the resources commensurate with this function. This is expressed by the government's ownership of PGSP and its commitment of substantial additional resources to PG, despite delays in better framing the Provinces' functional responsibilities in policy and legal terms – a point Component 1 will seek to address in 2012. From a process perspective, PGSP has successfully accomplished an early transition from a high risk start-up phase to the production of tangible and structuring interventions and the establishment of a functioning provincial governance model the viability of which is recognized by all stakeholders, including donors. In a forward looking perspective, PGSP will need to consolidate its early achievements by continued CD in an attempt to better ground the programme at the sub-provincial or sub-ward level, harmonize provincial and sub-provincial planning procedures, emphasize maintenance and internal control in budgeting, generation of provincial own source revenue and the conceptualizing of the PGs' role and instruments in Local Economic Development and the mitigation of effects arising from environmental and climate change. PGSP's efforts in these fields can only bear fruit if they are complemented by a cost efficient M&E system and by conceptualizing and intensifying coordination with other ongoing programmes, central government institutions (e.g. Ministry of Finance and Treasury, line ministries responsible for education, health and environment) and donor agencies. Simultaneously, the risks arising from human resource and financial challenges need to be ad-

dressed. A review of PGSP's log frame may help in better sequencing the interventions. PGSP is well established and finds itself in institutional conditions conducive for transition into its next phase. As an outcome PGSP will make its contribution to poverty alleviation.

#### ***1.1.5.2 Key findings of the evaluation mission as per the main EQ***

##### **EQ 1:**

The PGSP was, and still is, a highly relevant programme for the SIG and the 9 provinces and meets their respective needs. The design captures the relevant elements for a programme to strengthen local governments in Component 1 and 2 but the implementation plan for these Components are too 'frontloaded'. The Programme's Component 3 on local economic development, climate change and environmental issues is not sufficiently conceptualized and dovetailed with Components 1 and 2. Gender mainstreaming in budgeting and training has started.

##### **EQ 2:**

Despite a non-conducive institutional and human resource environment, PGSP has made great strides to successfully increase HR, institutional and financial capacities, the unresolved issue of defining the functional assignments for PG notwithstanding. The increase in HR capacity has, however, not always resulted in a more efficient administration, capable of managing and absorbing the increased flow of funding as well as addressing the issue of generally insufficient own source revenue.

##### **EQ 3:**

Strategic planning by PGs is in an incipient phase. MPGIS and PGSP have provided important CD inputs to this process (Manual, consultations, etc.). Not all provinces have formulated their three year plans. Major challenges are: producing more realistic (and costed) plans, involving the local communities in a meaningful and cost effective way, and cutting across a segmented institutional landscape involved in planning at local level.

##### **EQ 4:**

The PCDF has mainly served for the social sector to meet its important needs, in particular, education, health, fisheries and agriculture. In some provinces PCDF seems to have been excessively been taken advantage of by one line ministry (Education). No evidence of a systematic LED approach exists. The clarification of the provinces' functions is urgently needed, particularly to narrow down the programme's investment menu and to establish a stronger focus on LED-related investments.

##### **EQ 5:**

Recently, the likelihood of sustained PGSP's results has increased with the institutionalization of the programme in MPGIS and a general acknowledgement of the PGSP as a key programme for improving service delivery at PG level. Locally the planning process is, however, still at an early stage, HR fluctuations are considerable and the fiscal sustainability of most PGs not yet given. The sustainability of investments from PCDF is at risk as maintenance is not yet systematically prioritised or budgeted.



**EQ 6:**

The management efficiency of PGSP is clearly below the established potential and does not match the needs generated by a frontloaded approach to PGSP implementation and a myriad of activities embodied in the Annual Work Plans. In the absence of an effective M&E system which would allow gauging and sharing the outcomes and impact of implementation and thus its effectiveness. High staff turnover, a sub optimal management structure with a fragile link to the PG level, as well as a complicated funding architecture is among the causes. The PGSP's leadership has recognized the deficiencies and seeks to remedy the situation. A possible funding gap at the crucial transition to Phase II phase might complicate matters.

**EQ 7:**

There is evidence of PGSP turning into a driver of change for the review of the Provincial Government Act (PGA) and the recognition of PGs as a major arm for sub national service delivery. Palpable effects of up scaling are evident. The existence of other programmes and funds which intervene at sub-national level pose a challenge to a harmonized approach to decentralization and corresponding policy development.

**EQ 8:**

PGSP has established synergies and solid partnerships with government MOFT, MID, IPAM, and line ministries, the parliament and some key donors (EU and AusAID/RAMSI). There is space for improved partnership and coordination with other programmes and institutions such as MDPAC / RDP and MRD / RCDF, which also intervene at sub-provincial level. The UNCDF approach through the PCDF is widely acknowledged by SIG and development partners, while the LED concept and the UNCDF response approach to environmental and climate change is still in need to be developed further.

***1.1.5.3 Key recommendations of the evaluation***

The following are key recommendations arising from the evaluation:

1. Review the log frame and recalibrate budget quantities (to reflect inflation and spending patterns and priorities) aimed at smooth transition from Phase I to II; accommodate lessons learned;
2. Elaborate a HR policy for PGs as well as for PGSP management, aimed at stabilizing the HR situation;
3. Seize the opportunity of MPGIS plans for 2012 to establish a M&E Unit and system to define an effective and simple monitoring framework and data base and include the provincial socio-economic context in M&E;
4. Reformulate the Planned Result (output) for Component 1 (output 1.1) aiming at a less ambitious, more technical formulation. Summarize studies in a scenario paper and feed it into the policy debate on functional assignments and decentralization options, together with the lessons learned on PGs' core business within PGSP (in Components 2 and 3)

5. Consolidate CD and complement it by training in matters such as maintenance, procurement and in skills. For Phase II: gradually capacitate PG (where feasible) in collection and administration of non-fiscal revenue (licence and user fees etc.) and environmental / LED issues;
6. Conceptualize PGSP approach to LED and environmental and climate change issues.
7. Consolidate partnership and conceptualize coordination with stakeholders at central government level and funding partners by involving them in review of log frame and budgets, as well as in transition from Phase I to II. Explore possibilities to engage with additional partners.

## 2 EVALUATION REPORT

### 2.1 *Introduction*

The Provincial Governance Strengthening Programme started in October 2008 and is a five year programme to end in 2012. The programme aims to develop the capacity of the 9 provincial governments in the Solomon Islands to deliver services and promote local development. The total programme volume is USD 18.1 millions with contributions from the Government of Solomon Islands (SIG), UNPD, UNCDF, the EU and the Australian Government.

After outlining the objectives and the methodology of the MTE and an analysis of the specific country context, relevant to understand the political economy and the system of government the project is part of, the report will summarize the findings of the MTR. These reflect the more detailed findings contained in the Evaluation Matrix (Annex 7). This is followed by the MTE team's conclusions and recommendations.

### 2.2 *Scope and Objectives of the Evaluation*

The mid-term evaluation serves to assess the project's performance and achievements according to basic evaluation questions and sub-questions, which are determined by the methodology used (see below). It assesses the progress in the implementation of the Project in its four constituent Components against four DAC criteria, namely Relevance, Efficiency, Effectiveness and Sustainability. The MTE of the PGSP is integral part of Component 4: Monitoring and Evaluation, and reflected in the ProDoc. Originally scheduled for mid-2011, it was only conducted in November and December 2011, due to both a late start of the project and delays in recruiting the MTR team. It nevertheless comes timely, since its results are relevant for the early design of the second of planned three phase (or 'platforms') of PGSP, which has a planned live cycle of a total of 15 years, divided in three five year phases. The first phase will end in December 2012, with the following phase scheduled for 2013-2018.

The MTE's **principal objectives** as defined by the TOR (see Annex 1) are:

- To assess overall project progress to date.
- To evaluate the procedures for local level planning, programming, budgeting, and implementation extended by the PGSP to provincial governments.
- To evaluate the effectiveness of the PCDF as a pilot fiscal transfer system and as an incentive to improve performance of the provincial governments in revenue and expenditure management; and

- To examine project management and institutional arrangements to ensure that they are adequate for and consistent with the attainment of expected PGSP results and the implementation of agreed project activities.

Taking into account the expectations of the Ministry of Provincial Governments and Institutional Strengthening (MPGIS), **secondary objectives** of the MTR are to address the following questions:

- a) Are PGSP approach and strategy commensurate with its expected outputs?
- b) What are the capacity building challenges inherent to PGSP?
- c) What inputs are needed for SIG and its partners and the stakeholders for the formulation of general direction and broad outline for next project phase (from 2013 onwards) as well as the extension of present phase due to late start-up?

Finally, **additional objectives** are defined in the TOR as:

- d) Assisting MPGIS, UNDP and UNCDF, donors and stakeholders understand the Development Assistance Committee (DAC) criteria for the project MTR (Relevance, Effectiveness, Efficiency, Sustainability);
- e) Assessing the level of satisfaction of project stakeholders and beneficiaries with the project and its results;
- f) Assessing whether implementing agency and partners are effectively positioned to achieve results;
- g) Assessing the relevance of project management arrangements and, in relation to those, advantages, bottlenecks and lessons learned;
- h) Collate and analyze lessons learned and best practises to contribute to partners' learning and for being taken into consideration for the remaining implementation period;
- i) Assessing quality, timeliness and effectiveness of inputs, reporting and monitoring systems;
- j) Recommend modifications to increase likelihood of success of project and the monitoring system that guide these findings.

## ***2.3 Evaluation Approach and Methodology***

### **2.3.1 SPIRE Approach**

The MTE follows the methodology defined in the UNCDF Special Project Implementation Review (SPIRE) approach<sup>3</sup>.

The idea behind this approach is to apply the same overall 8 evaluation questions (EQs) for all UNCDF evaluations, with a variable set of sub-questions. While the overall question are the same, the sub-questions are changed (i.e. partially removed and / or the addition of new ones) to accom-

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<sup>3</sup> Special Programme Implementation Review, SPIRE - Guidance on Formulation of the Terms of Reference, UNCDF 2010

moderate characteristics of specific programmes and national contexts, as is the case in the PGSP on Solomon Islands, a Pacific archipelago with unique geographical, historical and socio-economic features.

The eight overall evaluation questions are<sup>4</sup>:

**Table 1: SPIRE Overall Evaluation Questions**

Evaluation Questions	DAC Criteria
1. To what extent is the programme relevant and well designed?	Relevance
2. To what extent has the programme contributed to increased capacities and improved systems at local and national level?	Efficiency, Effectiveness
3. To what extent has the programme contributed to the improved planning of local development?	Efficiency, Effectiveness
4. To what extent has the Provincial Capacity Development Fund funded investments contributed to enhancing opportunities for local economic and socio-economic development?	Effectiveness
5. To what extent are the programme results likely to be sustainable in the longer-term?	Sustainability
6. How effective has implementation and management of the programme been at national and local level?	Efficiency
7. To what extent did piloted approaches lead to up-scaling and replication as well as to policy development?	Effectiveness
8. To what extent did the programme enhance the partnership with the government and other donors at national and provincial level?	Effectiveness

The full matrix with the 8 EQs and sub-questions developed specifically for the MTE of the PGSP is presented in Annex 6. As can be seen from the above table, questions 1-8 are associated with the DAC standard evaluation criteria.

### 2.3.2 PGSP Intervention logic and MTE Working Hypothesis

In order to apply the SPIRE questions to the specific PGSP context, the MTE team formulated their own understanding of its intervention logic followed by a discussion with the reference group (at the inception WS). It can be summarized as follows:

<sup>4</sup> Compared to the standard UNCDF 8 overall EQs the overall EQs in the table are formulated slightly differently.

**Figure 1: MTE Working Hypothesis**

**PGSP support to PGs in November / December 2011 =**

Transition from high risk initial phase (2008 to 2011)

- Producing, in a short time, “structuring interventions” (Vertical, horizontal),
- Tangible effects (Services, investments, increased flow of funding to Provinces, capacity )
- Strong national ownership, and
- Pressure for systemic change (PFM, continued capacity building )

To a phase (2012 to 2013), to increasingly feature

- Consolidation of the achievements
- Better grounding at sub national levels (Province and ward)
- Implementation of delayed planned activities and outputs (e.g. M&E)
- Possibly refocus of programme (e.g. mitigation of effects of climate change)
- Alignment with other sectors and programs (Rural Development Programme-RDP)
- Increased local revenue generation, review of PCDF allocation formula and planning and budgeting procedures.

*Motto: Continuity (incl donor support) and change*

*With intensive Capacity Development in PFM and funding for investments for public services a foundation is created for better provincial service delivery and local planning. By defining the provincial Governments' functions and their role in service delivery and with more Capacity Development in planning, revenue generation and governance a platform is established for long term sustainable local development and service delivery. And as a result poverty will be alleviated.*

Based on this intervention logic, the consultants, in both a backward and forward looking perspective, arrived at their **working hypothesis** for the MTR at this point in time in PGSP's life cycle, i.e. after roughly two and a half years of implementation. It is represented in Figure 1 above.

The conceptual framework for the MTE consisting of PGSP's hierarchy of objectives of PGSP, its intervention logic and the DAC criteria may thus be summarized as follows:

**Figure 2: PGSP Intervention logic and DAC criteria**

Context	Components			Intermediate Outcome	Purpose /Impact	Goal
	Inputs	Activity	Outputs			
	Component 1 - Responsibilities of PGs Clarified			Improved (capacity for) provincial governance: I. Expanded function II. Effectiveness , efficiency increase III. Promotion of local development	Improved and sustainable , local development . i.e. a. improved coverage and quality of public infrastructure and services; b. better managed natural resources and environmental protection c. an increase in local economic activity, employment and revenues.	Poverty Reduction / Wealth creation + MDG
	Component 2 – PGs Resources Commensurate					
	Component 3 – PGs Capacity for Local Dev.					
	Component 4 – M&E / MTR					
Other Programmes						
DAC EVALUATION CRITERIA						
Relevance						
	Efficiency					
			Effectiveness			
	Sustainability					

Given PGSP's long term perspective of 15-20 years, and its three phases or platform approach of five years each<sup>5</sup>, it would be unrealistic to assume that it will be able to contribute substantially to the production of the intermediate outcome in its first five years of life. The MTE is therefore only able to gauge whether the PGSP implementation is on the right track and to assess partial contributions to achieving the outcome, generated by the Components in the first two and a half years of the projects life cycle. This means, that the MTE focuses predominantly on the criteria of relevance, efficiency and effectiveness, with less emphasis on sustainability. Thus PGSP's purpose and goals (area in light yellow) are at the margin of this MTR.

<sup>5</sup> The foci of the platforms I to III for capacity development of the PGs are the Public Budget Management (PEM) cycle (I), expanded PG agency function for service delivery (II) and driver of Local Economic Development (LED) (III). This, however, does not mean that outputs produced by PGSP's first three Components must strictly follow the sequence indicated in the platform approach.

### 2.3.3 Working methods and field work

As part of the methodology the consultants went through a process of consecutive consultations (at all levels of government), with key stakeholders and partners<sup>6</sup>, and the local communities. Thus, the evaluators gained ever more understanding of the programme, its achievements and bottlenecks, as well as, obstacles and opportunities in its implementation. This process of consultations was accompanied by the focussed study of documents and research aimed at corroborating the findings which arise from the consultations. In case of contradictory information, this was validated by consultation of two independent sources.

It has been a two-way iterative process of interaction, mutual learning and intensive reading, which generated the essential information for this MTE. Perceptions and findings were shared with the stakeholders, contributing to a sense of ownership of the MTE exercise and to stakeholders' capacity of better understanding the basic elements and purpose of both the PGSP and the MTE.

In this way the consultants have been able to gradually mature and fine tune their understanding, findings and results and make corrections and adjustments. The diverse methods and tools applied in this MTE include:

- Study and analysis of documentation and analyses (programme documents, SIG documents, background information on SIG, yearly assessments of PGs, reviews and others);
- Data collection (statistics, programme financial data, CD, assessments, allocation and investments from the PCDF);
- Interactions with stakeholders in the form of individual and group interviews and focus group sessions;
- Four Workshops (inception WS, in Honiara, two in Choiseul with the administration and the executive respectively, one WS in the Central Islands Province with executives and the administration and finally seminars/de-briefing in Honiara with the reference group and national stakeholders);
- Field visits to three provinces, and
- Site visits to eight investment projects financed through the PCDF.

The provinces visited for field visits were selected following these criteria:

- Socio-economic profile of the Provinces<sup>7</sup>;
- Demographic profile;
- Grouping criteria defined by the JOC<sup>8</sup>;
- Geographical location and accessibility;
- Logistics<sup>9</sup>.

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<sup>6</sup> E.g. the members of the Reference Group specifically created for this MTE. Its members participated in the inception Workshop and the debriefing Workshop (see: Annexes 2 and 4)

<sup>7</sup> See section 2 and Annex 8.

<sup>8</sup> The JOC groups the nine Provinces into three sub-groups of three each (JOC, n.d.)

<sup>9</sup> Transportation from province to province is highly irregular due to boat and flight schedule failures.

The provinces visited were Choiseul, Western and Central Islands Provinces, which met the combination of the criteria above. This can be deduced from the following table:

**Table 2: Key data on the provinces selected for field visits<sup>10</sup>**

Province	Population	Extent (Area, m <sup>2</sup> )	Standard – performance assessment results (2010)	Distance to centre (Honiara)	Relative resource endowment, economic situation and organisation
Choiseul	Medium to Low (27,000)	Medium (3,294)	Highest	Long	Medium
Western Province	Large (77,000)	Largest (5,500)	Average	Medium	Good
Central Islands	Medium to Low (26,000)	Smallest (615)	Second lowest	Short	Low

### 2.3.4 Phases of the MTE

The figure below shows the five phases structuring the MTE exercise (see also: Annex 4).

**Figure 3: Phases of MTE**

<b>A: Inception phase</b>	Data collection, analysis of documents (see Annex 2) and initial interviews with key stakeholders; inception WS.
<b>B: Field Visits to Provinces</b>	Visits to Western, Choiseul and Central Islands Provinces. WS, interviews and consultations with the programme's stakeholders, site visits for PCDF infrastructure investments. Review of provinces' key documents, mainly: Development plans and budgets, financial reporting, accounts, revenue statistics and Mind Your Own Business (MYOB) accounting system.
<b>C: Meeting with central stakeholders</b>	Further meetings with stakeholders in Honiara (Government, donors, PGSP etc.) for further enquiries and to discuss findings from the field work, for comments, clarification and validation.
<b>D: Finalisation, validation, debriefing</b>	Workshop with members Reference group, JOC, PFGCC
<b>E: Reporting</b>	Honiara, Home office

<sup>10</sup> Initially Malaita province was selected, but due to logistic problems (defunct ferryboat and land controversy about the local airfield) the preferred choice was replaced by another large province: Western Province. For further details on provinces see Annex 8.



## 2.4 Country and Sector Context

By focusing on Provincial Governments (PGs) and their role as agents for delivering public services and promoting local economic development, PGSP attempts to contribute to the building of a stable state and effective government. This task faces considerable challenges particular to a small island state with a small and highly diverse population and a political economy dominated by resource extraction. This section attempts to summarize the most salient socio-economic, cultural and political features which define the context, in which PGSP operates.

**Table 3: Key National Data**

<b>Population</b>	515,870	<b>Land area</b>	28,369 km <sup>2</sup>
<b>Median age</b>	19.7 years	<b>Sea area</b>	2.34 million km <sup>2</sup>
<b>Indigenous cultural groups</b>	70+	<b>Customary land fraction</b>	>80%
<b>Urbanisation</b>	19.7 %	<b>Main exports</b>	round logs, tuna, copra, coconut oil, cocoa, palm oil, gold
<b>Unemployment rate</b>	2.0%	<b>GNI per capita (PPP 2005)</b>	\$1,782
<b>Literacy (15+)</b>	84%	<b>HDI Ranking</b>	142 (out of 187)
Sources: 2009 Census, Parliamentary records, UN Human Development Report 2011 2010 CBSI Annual Report			

Defining characteristics of the country relate to its considerable natural resource endowments, cultural diversity, its relatively shallow experience of colonisation, a democratic history free of authoritarianism and the continued territorial, economic and cultural autonomy of constituent populations. Despite these factors SI has followed an increasingly difficult human development trajectory and faced political turmoil, ethnic violence and instability, prompting regional forces to intervene through the Regional Assistance Mission to Solomon Island –RAMSI (Hameiri, 2010).

### Human geography

There are more than 70 indigenous languages and even more dialects, across all three Pacific peoples (Melanesian, Polynesian and Micronesian) in a population of less than 600,000. The most recent census estimated 209,463 children under 15 of a total of 515,870 people and the current population doubling time is under 30 years.

Several hundred inhabited islands lie across an expanse stretching 1,600 km between eastern- and western-most inhabited points. 80% of the population lives in more than 5,000 villages throughout the archipelago, and hold legal authority<sup>11</sup> through traditional rights, of a similar proportion of the land and coastal sea. This rural majority sustains itself from the resources in its various traditional territories, with a tenuous and contingent reliance on national and global integration. Most of the

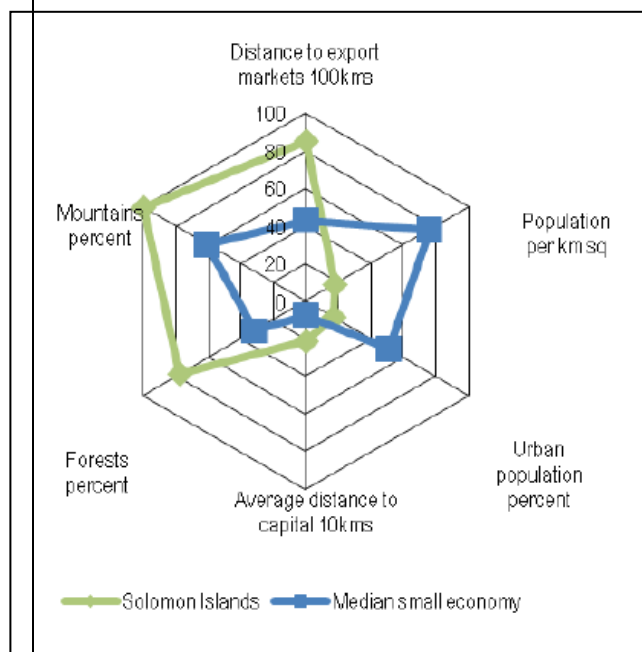
<sup>11</sup> See Box 1: Customary Land in Solomon Islands, and Evans, D., Goddard, M., Patterson, D. (2011) for more detailed discussion of the relations of customary land rights in the state legal system.

coastal areas, where 80% of the population lives, is vulnerable to the medium and long term effects of climate change<sup>12</sup> and to natural disasters (e.g. tsunamis).

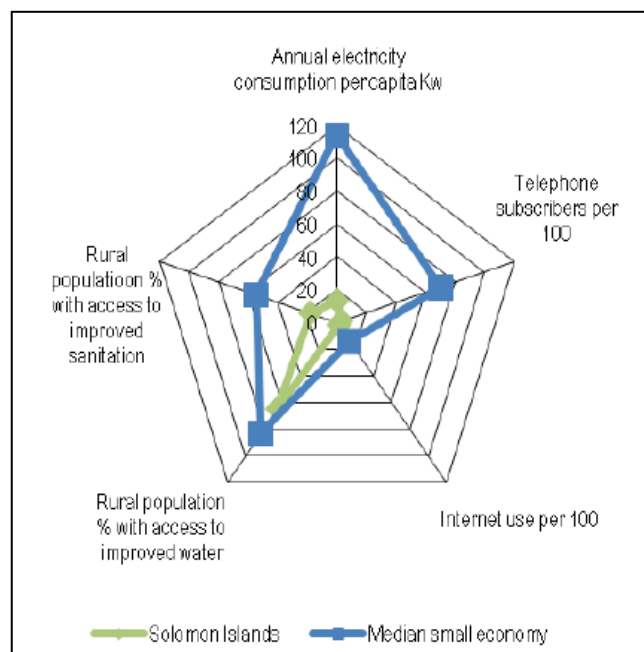
Livelihoods for this majority are characterised by a mix of subsistence and cash-based activities. There is good evidence that subsistence production of root crops and household-caught or gathered marine organisms provide the majority of national calorific and protein intake, respectively. A considerable portion of national house building and transport infrastructure is sourced directly from the customary forest estate.

The majority of Solomon Islanders exist in a network of more than 5,000 villages scattered throughout the archipelago. Inter-island transport and access to basic public services and infrastructure constitute a major challenge, notably for the PGSP. The following figures succinctly illustrate these challenges.

**Figure 4: Geographic features**



**Figure 5: Access to infrastructure**



Source: World Bank 2010: 7

Source: World Bank 2010: 7

<sup>12</sup> Water levels are expected to rise considerably over the next 15-20 years. See, Church, 2011, cited in Solomon Star, 7 December, 2011:7

### **State-society relations**

The local polities' relative autonomy reinforces their status of the predominant basis for societal relations, rather than a 'public' or 'civil society' as often presumed by notions of democratic statehood. The dispersed majority of individual polities maintains its viability through continued authority and control over the considerable livelihood resources of a productive coastal belt and forested interior of islands, and exercises its involvement in the institutions of formal governance from this perspective.

This situation has profound implications for governance in two important and interrelated respects. Firstly, the scope of public service delivery plays an augmenting role in the context of a considerable extant matrix of social, cultural and productive resources and relationships. Secondly, the (s)election of political representatives is conducted on the basis of individuals' efficacy in terms of "local government" criteria – the provision of shared goods with primary impact within local policies. While not strictly "private", such benefits are not "public" in the normal sense, and their basis for electoral choices provides very limited demand for broad policy platforms normally associated with parties and national politics.

### **Politics and governance**

Understanding the operation of government institutions in Solomon Islands requires an appreciation both of the socio-cultural dynamics influencing electoral politics as well as the implications of social embeddedness of individual leaders and public servants within these institutions.

An endogenous basis for this situation can be traced to a social complex of high cultural diversity associated with small political units and a model of leadership which is intensely competitive. The latter is often labelled "the big man system", in distinction to chieftainship. This model of leadership is characterised by a constant process of legitimacy maintenance through adroit use of symbolism and discretionary resources, including access to state funds and public service networks of patronage, and the ever-present threat of rivals. The 'Wantok' system, a kind of unwritten social contract, between those that speak the same language, to assist each other in times of need is part of the socio-political relations and may affect planning and management. Political parties do exist, however, they are characterized by fragile powerbases and changing loyalties often coupled to changing links to certain provincial interest groups, social bases and political figures. They have a low degree of internal and external consistency and effectiveness. Their fluidity forces them to form opportunistic electoral coalitions and an ill-informed federalism rhetoric, aimed at access for their candidates to power simultaneously in parliament and the executive, and thus to rents. The political / electoral

### **Customary land in Solomon Islands**

Customary land is distinguished by the absence of government registration or centralised record keeping, and by the autonomous nature of decision making regarding its rightful use and ownership as well as the authoritative knowledge basis for these issues. The use of customary land is, in the first degree, mediated by ongoing social dynamics of landholding groups and inhabitants. Issues of proper authority over customary land are settled by chief's panels constituted within the cultural domain of a particular language group, and only very generally regulated by state law. This represents a second degree of cultural embeddedness for customary land and considerably complicates the notion of state administration of land. In this sense, planning of land use is intensely social and the maintenance of social license for a particular use crucial, whether the use is governmental ('public') or not.

system can therefore be characterized as ‘unbounded politics’ in a non-party political setting, despite the proliferation of political parties.

Historically layered over this complex has been a brief period of limited colonial contact, relative to the colonial experience of almost any other region of the developing world. Taken together, these factors have permitted the persistence of complex interdependencies between indigenous cultural norms within government structures and across the notional public service-politics divide producing a clientelist system which is reproduced and legitimized by regular elections. They also play a prominent part in the dynamics between provincial and central government levels and in terms of the relationship between sub-national regions and the overall national frame.

### Formal governance structures

The formal framework of government in Solomon Islands is a derivative of the British parliamentary model. The country is a unitary state with democratic representation implemented through universal adult suffrage and a four-yearly electoral cycle, in a non-party system. There are 50 geographically defined constituencies each represented in the national parliament by a Member of Parliament (MP). A Prime Minister (PM) is elected from amongst the 50 by secret ballot whereupon he<sup>13</sup> appoints a cabinet. While formally in existence, there are no parties in a functional sense, with government comprising a coalition of individual members characterised principally by their common choice of Prime Minister.

**Table 4: Summary Details of Government**

<b>Government system</b>	Parliamentary constitutional monarchy	<b>Head of State</b>	Governor General Sir George Kabui
<b>Suffrage</b>	Universal adult (18+)	<b>Head of Government</b>	Prime Minister Gordon Lilo Darcy
<b>Size of National Legislature</b>	50 Members of Parliament (MPs)	<b>Size of Cabinet</b>	22 Ministers
<b>National Electoral Cycle</b>	4 years	<b>Mean Tenure of PM</b>	29 months
<b>Sub national government</b>	9 Provinces, 1 City Council	<b>TI CPI Ranking</b>	111 (out of 179)

*Sources: 2009 Census, Parliamentary records, UN Human Development Report 2011, TI Corruption Perceptions Index Report 2011.*

Due to the absence of functional parties, governments in Solomon Islands comprise loose and shifting coalitions of individual politicians, best understood as manifesting the aggregate choice of parliamentarians at a given moment in time. The resulting national political executive structure consists of a Prime Minister and Cabinet of Ministers, each heading a Ministry with an assigned portfolio of policy responsibilities. Ministries are administratively headed by a Permanent Secretary, a position originally conceived to be occupied by a career public servant but now largely filled by contracted appointees recruited by specific political administrations.

<sup>13</sup> The male form of terms is used throughout this section to denote the extreme lack of female participation in elected roles. There has only ever been one female MP and never any female Provincial Premier.

### **Public Service Delivery: Ministries and Mechanisms**

The majority of public services are not assigned to the provinces and continue to be provided through sector ministries, in the form of ongoing programmes as well as capital investments, an issue the PGSP has to grapple with (see below). This situation has led to a set of parallel mechanisms and considerable opacity when attempting to monitor and plan for provincial service delivery. The **key ministries relevant for PGSP** are:

#### The Ministry of Provincial Government and Institutional Development (MPGIS)

Under the Provincial Government Act (1997) the MPGIS is responsible for administration of: Provincial elections, the transfer of functions, the exercise of functions, finances and personnel establishment, management of funds and the management of special projects. Its key ongoing impact occurs through its role in administering provincial finances in the form of service grants and in staffing of provincial establishments, as well as its key role in PGSP implementation. Provision of the core executive staff of each province is the responsibility of the MPGIS and one with considerable direct impact on the capacity of Provinces to perform. The organisation of the *Annual Premiers' Conference* has increasingly become a major activity in itself, and now acts to provide an interprovincial forum for addressing issues of interprovincial equity and balance in access to national governmental resources.

#### The Ministry of Development Planning and Aid Coordination (MDPAC)

MDPAC is implementing the Rural Development Program (RDP), a donor programme to establish improved mechanisms for delivery of priority infrastructure and services to rural areas at ward and village level, via participatory planning and budgeting. In doing so, the RDP has implemented Ward Development Committees which offer MPAs the possibility of a working relationship with their constituents, something currently hardly available through provincial governments.

#### The Ministry of Education

Under the Education Act, teachers are employed and schools administered by Education Authorities (EAs) which may be provincial governments, churches or private entities at sub-national level. At present, individual churches administer a significant proportion of schools in multiple provinces, but retain closer working relations with the Ministry than with their schools' host provinces.

#### The Ministry of Rural Development

The Ministry of Rural Development, originally a division in MPGIS until 2007, administers the Rural Constituency Development Fund (RCDF), a form of aid provided by Republic of China (ROC) / Taiwan and SIG and allocated to MPs for discretionary spending at the constituency level on construction and business activities in their parliamentary constituencies<sup>14</sup>. The external funded Component currently totals 1 million SBD per annum per constituency (or a total of 50 million SBD per annum), rivalling provincial spending in size. It is spent off budget, off treasury, off audit, and thus with un-

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<sup>14</sup> It has for Components, namely a) The ROC Support to Constituency Development (RSCD), b) the ROC Millennium Development Fund (RMDF), the ROC Constituency Micro Project Fund (RCMPF) and the Rural Constituency Livelihood Fund (RCLF), the latter financed by SIG.

clear reporting, accountability and results. Public pressure for increased transparency (via the media and the local chapter of TI) is building up.

### **Other ministries relevant for PGSP**

Two other ministries are heavily implicated by the scope of the PGSP; the Ministry of Infrastructure Development (MID) and the Ministry of Public Service (MPS), which runs the Institute of Public Administration and Management (IPAM). The significant flow of the PCDF into provincial territories has clear implications for future infrastructure maintenance as well as for planning other investments. At the same time the considerable capacity development initiatives of the program as well as its intervention logic, intersect with the issues of public service reform and overall capacity.

### **Provincial government structure**

In a political geography dominated by central government institutions and the excessive political weight of the capital Honiara, the provincial governments are rather weak and under-structured. The sub-national government structure consists of nine provinces<sup>15</sup> established under the Provincial Government Act (1997). A Provincial Assembly comprises the elected leadership of each province, with a single elected member (the MPA) representing a physically defined ward and, in some provinces holding simultaneously the position of Chairman of the Ward Committee.

The administrative body of provincial government is headed by a Provincial Secretary, who performs a chief executive role within the provincial administration, analogous to that of the Permanent Secretary of a Ministry. Other key staffs include a Deputy Provincial Secretary, Treasurer and Chief Legal Officer. The latter post is often vacant. This complement of staff is employed by the Ministry of Provincial Government and Institutional Strengthening (MPGIS), which is mandated by the Act to administer its provisions.

Provincial wards are geographical substituents of national parliamentary constituencies and individual provinces have a varying number of wards, according to demography and geographical factors. The provincial ward is not an administrative sub unit of the PG, but rather represents the basic level of electoral representation, often without an infrastructural or service delivery basis. As such, ward representation lacks the administrative processes and physical structuring to extend the relations between MPA and his electorate.

In an analogous process to that for selecting a Prime Minister, a Premier is elected by and from amongst, the Provincial Assembly. He appoints his Cabinet of Provincial Ministers which by law must not exceed in size, one half of the Provincial Assembly.

**In concluding** one sees the formidable challenges PGSP is facing, arising from the political, socio-economic and socio-cultural context. Three key contextual factors will, on the one hand, influence the outcome and impact of PGSP, underlining on the other, the importance of the institutional role

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<sup>15</sup> There is also one city council for Honiara, the capital city, but it is not considered a province and is beyond the scope of PGSP. A third layer of government, called "local" government comprised Area Councils, but these were abolished in 1996/7.

of provincial governments and their service delivery capacity as a stabilizing factor in a fragile institutional environment.

*Firstly*, the non-party system linked to power networks and central state resources, together with ever-changing, short-lived clientelist political settlements among the elite does not necessarily promote political stability but rather creates favourable structural conditions for political violence. This was the case before and after the turn of the century, prompting, on the basis of the a peace agreement signed by warring militia and the national and provincial governments in Townsville, Australia in October 2000, the ongoing political, economic and military intervention by the Regional Assistance Mission to the Solomon Islands (RAMSI). *Secondly*, the political economy of rent seeking based on resource extraction notably in the logging business faces its major challenge of sustainability and will thus affect the established patron-client networks and distribution patterns of rents, apart from leaving behind major challenges concerning environment and climate changes. This will be increasingly felt at provincial level. And *thirdly*, the features of the human and socio-economic geography of the Solomon Islands will add substantial costs for the delivery of the components of PGSP.

## **2.5 Programme Profile**

### **2.5.1 Programme description**

PGSP is an institutional strengthening program aiming to develop the capacity of the Ministry of Provincial Government and Institutional Strengthening (MPGIS) and the nine Provincial Governments (PGs) to fulfil their mandates in service delivery. PGSP is implemented by MPGIS, with UNCDF and UNDP providing support for the implementation of the program as participating UN agencies. UNDP has been delegated the role and responsibility as the Administrative Agent of the Joint Program.

The total joint program budget is 18.9 million USD. It is financed by the Government of Australia through the Regional Assistance Mission to the Solomon Islands (RAMSI), the European Union (EU), the United Nations Capital Development Fund (UNCDF), and the United Nations Development Programme (UNDP) who collectively contribute 14.6 million USD. The Solomon Island Government (SIG) has committed 3.5 USD million USD with the Provincial Governments<sup>16</sup> contributing between 10 to 15% minimum as counterpart.

The time perspective for the programme is 15 years, divided in three phases (or 'platforms') of 5 years each. The project document was signed in April 2008 for duration of 5 years (2008-2012), which represents Phase I of PGSP. Following the project inception phase, PGSP project activities commenced in July 2008 with provincial consultation on Provincial Capacity Development Fund (PCDF) manual. This phase is planned to end in December 2012 as per the project document and agreement with the donors.

The first phase is to lay the institutional groundwork (attributing functional assignments to PGs, increase their capacity notably in Public Financial Management (PFM) and provide funding for public investment via the Provincial Capacity Development Fund (PCDF), a provincial budget support facility for discretionary development spending. With the help of PGSP all nine Provinces will develop a level of capacity characterized by the ability to program, produce and execute credible budgets, through appropriate participatory and transparent procedures.

Phase II is aiming at consolidating the provincial planning and budget cycle management (including generation of own provincial resources) and increasingly bring about a local economic development dynamic necessary to reduce poverty levels. It also will increasingly capacitate the provinces in providing tangible answers, including investment, to pertinent issues arising from environmental and climate change.

The third phase would see credible, transparent, well functioning and well endowed PGs as consolidated political administrative institutions, vertically well embedded in the overall structure of gov-

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<sup>16</sup> To the PCDF funds and excluding non-cash contribution.



ernment and administration from central to local (sub-provincial) level, and horizontally delivering good quality services across all provinces and their islands and wide coverage in a way that fairly balances the social and resource asymmetries between them.

In this way PGSP will not only contribute substantially to achieving the Millennium Development Goals (MDGs) concerning poverty reduction and wealth creation, but would produce a considerable positive impact on political and social stability on Solomon Islands, a country considered politically fragile (Hameiri, 2010) and which has suffered political and social convulsions during the past 15 years. Table 5 gives a succinct overview of PGSP's hierarchy of objectives.

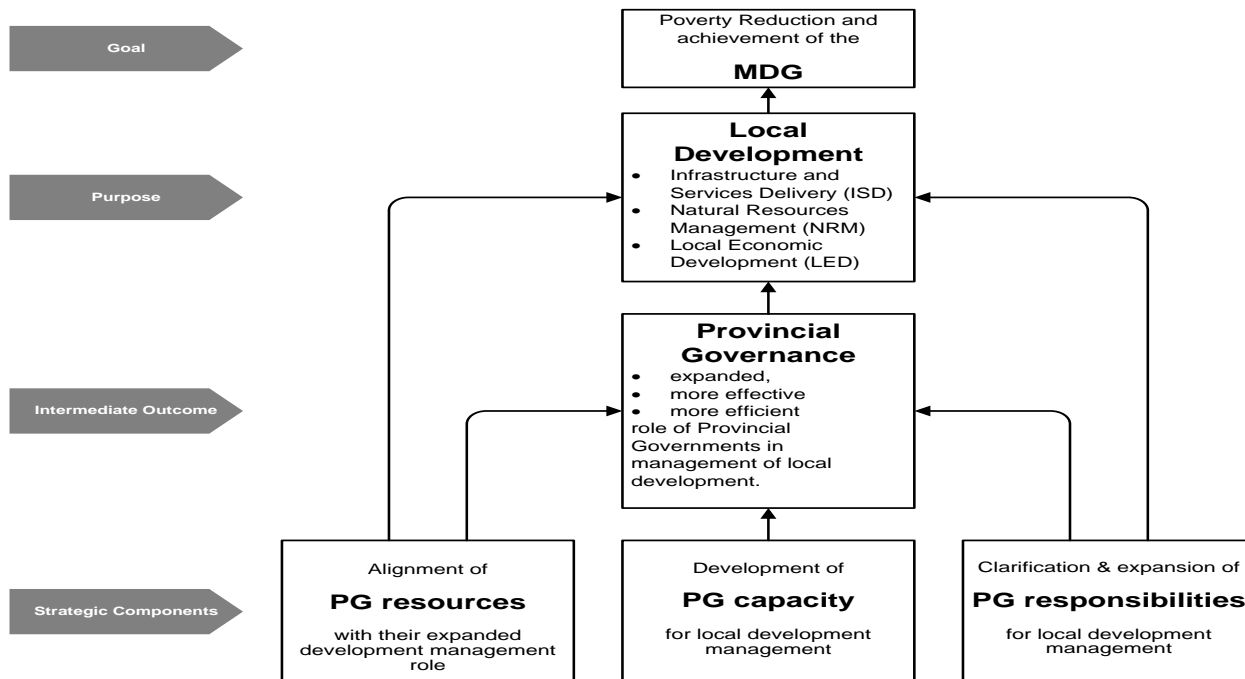
**Table 5: PGSP - Goal, Outcomes and Expected Outputs**

<b>Objective</b>			<b>Description</b>
<b>UNDAF outcome 2.2. (for SI)</b>			Decentralization of governance and participatory decision making is enhanced.
<b>Overall Goal</b>			Contribute to the reduction of poverty and the achievements of the Millennium Development Goals (MDG) on Solomon Islands
<b>Project Purpose / Impact</b>			Improved and sustainable, local, i.e. sub national development (provinces, wards), notably a) Improved coverage and quality of public infrastructure and services; b) better managed natural resources and environmental protection, and c) An increase in local economic activity, employment and revenues.
<b>Expected Outcome</b>			Improved provincial governance for (local) development, i.e. an expanded, more effective and more efficient role of Provincial Governments in the promotion and management of local development.
<b>Output (Planned Result) 1</b>			The responsibilities of Provincial Governments are clarified and expanded
<b>Output (Planned Result) 2</b>			The resources of PGs are commensurate to their responsibilities
<b>Output (Planned Result) 3</b>			The local development management capacity of PGs is developed
<b>Output (Planned Result) 4</b>			PGSP Monitoring and evaluation (M&E) in place

Source: PGSP

This hierarchy of objectives translates into PGSP's intervention logic, represented in the figure below:

**Figure 6: PGSP Intervention Logic**



Source: PGSP

In relation to its intermediate outcome, ('strengthening the capacity of provincial governance structures'), the PGSP is addressing the needs of four sets of actors at provincial and central government level:

- Provincial Executives (Provincial Premier and Ministers), strengthening their capacity to formulate and oversee the implementation of local development policies and programmes which will include sub-provincial or ward levels;
- Provincial Assemblies, strengthening their capacity to represent their constituents, pass ordinances, and oversee the implementation of local development policies and programmes by the provincial executive;
- Provincial Administrations ("posted", "line ministry" and "directly employed" staff), strengthening their capacity to implement such policies and programmes; and
- The MPGIS, strengthening its capacity to: a) represent and advocate provincial development issues with the central Government and coordinate with other relevant programmes; and b) support, supervise and monitor the performance of Provincial Governments.

## 2.5.2 Programme Status

The table below gives a detailed overview on the budget and total expenditure to date.

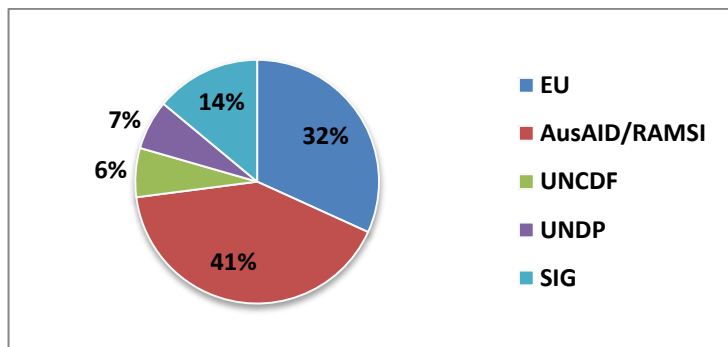
**Table 6: PGSP budget and total expenditure, 2008-2011 (USD)**

<b>Planned Results</b>	<b>Budget</b>	<b>Total</b>	<b>% of Budget</b>
<b>COMPONENT 1: The responsibilities of Provincial Governments are clarified &amp; expanded</b>	<b>460,804</b>	<b>89,892</b>	<b>20</b>
1.1. Provincial Governments own functions are clarified and expanded	173,724	81,825	47
1.2. Provincial Governments "agency functions" are regulated and co-provision arrangements are developed	287,080	8,067	3
<b>COMPONENT 2: The Resources of Provincial Governments are commensurate to their responsibilities</b>	<b>3,839,556</b>	<b>2,511,938</b>	<b>65</b>
2.1. Domestic resources flow to Provincial Governments is enhanced	276,776	61,882	22
2.2. External resources flow to Provincial Governments is enhanced	3,562,780	2,450,055	69
<b>COMPONENT 3: The LD management Capacity of the Provincial Governments is developed</b>	<b>9,674,018</b>	<b>6,179,226</b>	<b>64</b>
3.1. The governance capacity of Provincial Assemblies (PA) and Provincial Executives (PE) is enhanced	785,296	364,746	46
3.2. The Local Development Management capacity of Provincial Governments is enhanced	5,138,980	2,903,646	57
3.3. An effective system of central support and supervision of PG is in place	3,749,742	2,910,834	78
<b>COMPONENT 4: PGSP Monitoring and Evaluation</b>	<b>1,004,406</b>	<b>485,032</b>	<b>48</b>
4.1. An effective M&E system of PGSP is in place	1,004,406	485,032	48
<b><i>Output 5 - General Management Services Fee</i></b>	<b>1,068,732</b>	<b>515,042</b>	<b>48</b>
<b>Total</b>	<b>16,047,516</b>	<b>9,781,130</b>	<b>61</b>
<b>Government of Solomon Islands</b>	<b>3,500,000</b>	<b>1,587,105</b>	<b>45</b>
<b>Total</b>	<b>19,547,516</b>	<b>11,368,235</b>	<b>58</b>

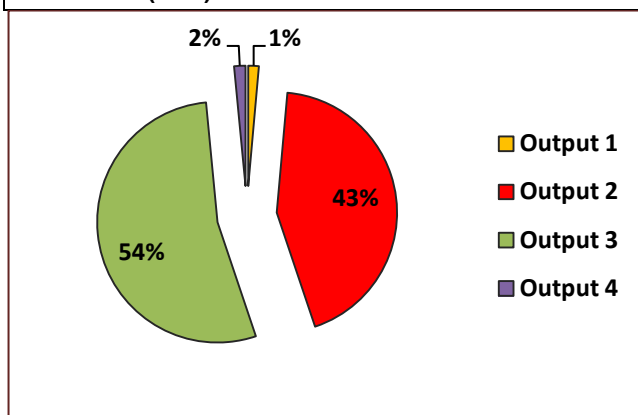
Source: PGSP

A more differentiated picture of financing and spending patterns can be gleaned from the following three figures. Whereas Figure 7 shows the relative weight of the funding agents' contribution to the overall budget, Figures 8-10 below differentiate the expenditure by participating UN Agencies, Components as well as cost categories.

**Figure 7: Total expenditure by donors / partners against overall contribution, 2008-2011 (%)**

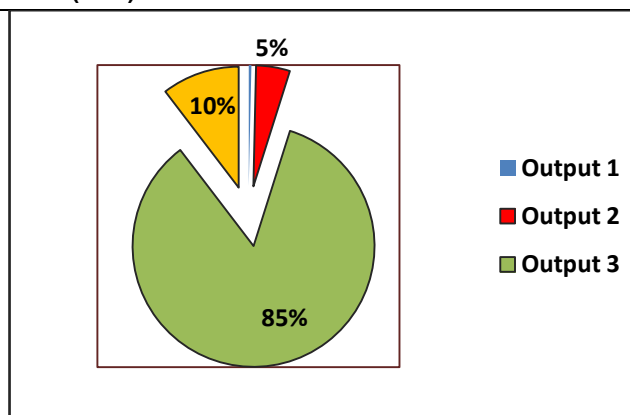


**Figure 8: Total expenditure by UNCDF by output, 2008 -2011 (in %)**



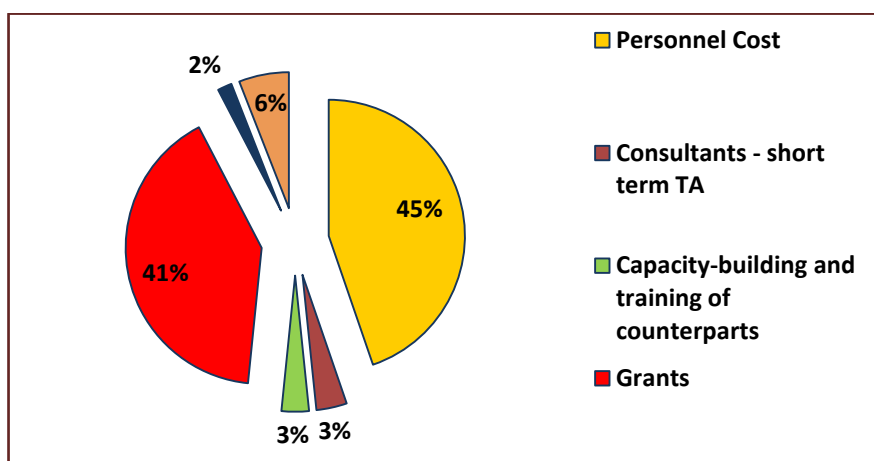
Source: PGSP

**Figure 9: Total expenditure by UNDP by output, 2008-2011 (in %)**



Source: PGSP

**Figure 10: Total expenditure by category, UNCDF 2008 -2011<sup>17</sup>**



Source: PGSP

<sup>17</sup> The data for UNDP was not yet available at the time of writing

## 2.6 Evaluation findings

### 2.6.1 EQ 1: To what extent is the programme coherent and well designed?

The PGSP was and still is a highly relevant programme for the SIG and the 9 provinces and meets their respective needs. The design captures the relevant elements for a programme to strengthen local governments in Component 1 and 2 but the implementation plan for these Components are too “frontloaded” with the ambition to implement all major activities and reaching in particular output 1 and 2 within a very short timeframe. The Programme’s Component 3 on local economic development, climate change and environmental issues is not conceptualized and dovetailed with Components 1 and 2. Gender mainstreaming and environment issues are only addressed indirectly in ProDoc. However, PGSP is starting mainstreaming gender in budgeting and training.

The PGSP was from its formulation and implementation in 2007 and 2008 **highly relevant** and in keeping with the SIG’s policies as articulated in the Medium Term Development Strategy 2008-2010. In 2011 its relevance was confirmed by the SIG’s new National Development Strategy, 2011-2020 (NDS). The strategy articulates the provincial governments and their role as interlockers in the national planning circle (SIG,2011a p. 2). Furthermore the NDS’s objective 8 (p. 44), states the provinces role as actors in local governance and development for the overall alleviation of poverty - thereby making the programme and its intervention logic through provinces highly relevant.

The PGSP is **well embedded** in the national structures. The MPGIS is the implementation agent and programme staff, are integrated with their national colleagues in MPGIS and the provincial governments. The programme is mentioned specifically in the NDS (p. 42) as the programme to support the provincial governments for their inclusion in the SIG structure.

*‘.....together with the government, I shall make genuine attempts to improve the provincial capacities in terms of infrastructure and financial support. We cannot keep on arguing over the fact that provincial governments need resources to deliver when very little is being done....*

*Speech delivered to the Second-Appointed Day Celebrations of Western Provincial Government by the Prime Minister, Hon. Gordon Lilo Darcy, Gizo, 7<sup>th</sup> December 2011*

The programme’s intention to strengthen PGs and in particular with regards to the transfer of resources for development from the central government to provinces **addresses the Solomon post-conflict situation**, which had tensions between different provinces about the sharing of resources and their role in the national development process (Malaita, Guadalcanal and Western Province) at its core.

**National stakeholders participated** in the programme formulation and UNDP’s experiences in the SIG-UNDP Isabel Province Development project (2003-2005) were applied to capture the needs of the provinces and the design. Additionally, the Preparatory Assistance Phase 2006-2007 enhanced the SIG involvement in the PGSP.

The programme is elaborated **in alignment with the Provincial Government Act (1997)** and the NDS (see 1.1), which acknowledges the provinces as important actors for the national development. The programme is designed with considerations for the PGs absorption capacity with **modest capital investments** and a balanced approach to **training activities** starting with **public expenditure management (PEM)**.

The programme is the **only programme that exclusively supports provincial governments**, as such, there is no overlapping with activities from other programmes directed to the provinces. There is, however, a certain potential tension with the Rural Development Programme (RDP) implemented by the Ministry of Development and Aid Coordination (MDPAC) and financed by the WB. The issues to be resolved –in the view of the evaluators by improved coordination mechanisms and information sharing – are the set-up of the Ward Development Committees and the provinces' coordinative role in the planning system. The PGSP planning system is neither coordinated with the Rural Constituency Development Fund (RCDF) which is available to Members of Parliament (MPs) and administered by the Ministry of Rural Development (MRD)<sup>18</sup>. Coordination with RCDF may be difficult, since the two programmes follow a substantially different philosophy, the latter lacking an explicit governance approach including institutional checks and balances at provincial level. Coordination of public investments financed by the PGSP and those of central ministries (e.g. education and health) is only at its very early stages and not routine business yet, implying a risk of uncoordinated PCDF investments and PGSP becoming a gap-filler for central ministries.

**The programme design has some deficiency in its internal structure and sequencing.** The ProDoc acknowledges a PGSP programme for 10 to 15 years on, one hand, but on the other hand, the output targets and indicative activities are **highly frontloaded** i.e. main indicative activities for Component 1, 2 and 3 will be implemented within the first one to three years of the programme.

This is not to say that the Components' activities are irrelevant: although, the **sequencing** may not be the most adequate for efficient and effective implementation. An example is the clarification of the PGs functions (Component 1), which is normally a precondition for deciding on the resources to be made available for their execution ('finance follows function') and decisions on investment plans, accountability mechanisms and revenue management. In the case of PGSP, activities related to all Components are executed simultaneously already in the first three years of a total of three scheduled phases of five years each.

Component 3 (Local Development) is vaguely defined with regard to the **approach to local economic development (LED)** and revenue enhancement as well as with regard to how Local Development (LD) and LED are related to conventional public sector investments (e.g. public works, schools etc.) via the Provincial Capacity Development Fund (PCDF). This, of course is linked to the still unresolved issue of functional responsibilities of PGs. The necessary clarification of this relationship will also influence the focus of capacity development. PGSP will need to get a clearer understanding if PCDF focuses on classical public sector investments (in infrastructure) or in a livelihood oriented LED

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<sup>18</sup> Each of the 50 members of the National Parliament (NP) has a discretionary fund (apparently between SBD 1 and 2 million / year) to spend in his constituency. Anecdotal evidence show that the practise, transparency and relevance of the use of the fund vary considerably between the MPs.

approach or on both. Maybe this is the reason for why some intermediate output targets are not budgeted. It appears that this Component is not expected to be fully developed before the first five years of the programme cycle.

The same is true for **environmental and climate change issues**, which are gaining increasing importance and relevance for PGs, due to the effects of both logging (short and medium term) and predicted sea level rises (long term). PGs are supposed to gain competence in addressing these issues which are reflected at PGSP's outcome level. A number of PCDF investments are already geared towards mitigation of the effects of environmental change. However, the Components neither attempt to conceptualize these issues, nor clearly define activities considered necessary or sufficient to produce these competencies. In the **absence of a clear conceptual framework** it is 'somehow' expected that PGs eventually will prioritise the environment and climate change in their use of the PCDF. Demand at provincial and sub-provincial, as well as at central (MDPAC, MECDM) level for a stronger PGSP focus on adaption to the effects of environmental and climate change, deforestation, etc. This is clearly evident from the talks to some interlocutors at national and provincial level and from the feedback received at the debriefing in Honiara on the December, 8<sup>th</sup>.

For the reasons enumerated, there is a sense of urgency for PGSP to develop a conceptual understanding and strategic cum operational approach to LD/ LED and concerning adaption to environmental and climate change at provincial level.

The design of the **monitoring system** for the programme (Component 4) is not clear. There is not yet a fully developed strategy for a functioning institutional system for monitoring of results, despite a thorough and broad baseline study having been undertaken. Such a system should have been an integral part of the programme from the very start<sup>19</sup>.

The ProDoc **covers an exceptional long list of programme risks (6 pages)** – it is unclear what the purpose of this extensive list is as there is no indication of their inclusion in the monitoring process (context monitoring).

**Contingencies** due to inflation are not included in the design and budget, and no provisions exist to adjust budget quantities assigned to the Components. This may jeopardize the performance in one or the other Component, notably under a scenario, in which all staff foreseen in the programme design and budget are on board – which is not the case at present. According to the PGSP management and its submissions to JOC, funding gap for 2012 cannot be excluded (see below).

The programme **approach to gender mainstreaming is to work through other programmes** i.e. UNIFEM, AusAID/RAMSI, the Ministry of Women, Youth and Children's Affairs, (MWYCA) and the Parliamentary Strengthening Programme, but the 'how' is not specified. Provincial Capacity Development Fund (PCDF) has taken up gender mainstreaming in the provincial development planning and capacity building (in manual, training module), but effects at PG level are still to be seen.

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<sup>19</sup> This issue is highly criticised in the EU result Oriented Monitoring (2009 and 2010) as well as in the Joint Review mission in August 2010 and has not yet been tackled by the programme.

## 2.6.2 EQ 2: To what extent has the programme contributed to increased capacities and improved systems at local and national level?

Despite a non conducive institutional and human resource environment, PGSP has made great strides to successfully increase HR, institutional and financial capacities, the unresolved issue of defining the functional assignments for PG notwithstanding. The advances made in capacitating PGs in budgeting and PEM are innovative and can be considered a success story. The increase in HR capacity has, however, not always resulted in a more efficient administration, capable of managing and absorbing the increased flow of funding as well as addressing the issue of generally insufficient own source revenue. PGSP has recognized the need for complementary action and training, while efforts to consolidate the achievements continue.

The programme's intended contribution to **defining PGs functions and responsibilities (Component 1)** in terms of own and delegated functions as well as of provision of administrative and public services has been **considerably delayed**. Two studies were produced and discussed in 2010 and 2011 and further studies (one on costing of services and administrative functions as well as on assignment of expenditure to PGs are to be undertaken in 2012. **Consultations** on potential functional assignments to be transferred to PGs with two **line ministries** providing much needed services and investments and thus collaborate with PGSP, the Ministry of Health and Medical Services (MHMS), and Ministry of Education & Human Resource Development (MERHD), have started in 2011. The same is true in the case with the Ministry of Environment, Climate Change, and Disaster Management & Meteorology (MECDM) keen to extend its reach to PG level. However, neither agreements with line ministries on delegated functions has been reached to date nor has the **line of command** between the divisions and staff of the PG administration and the Provincial Executive, on the one hand and the line ministry on the other been clarified. The staff is thus **doubly subordinated**, which may affect the staff's loyalty and productivity. The functional relationship and competence between, for example, a provincial minister of health and his national counterpart also lacks clarification. Through the CD process, progress has been made in identifying **PG's core functions** (administration, planning budgeting, procurement internal control and maintenance), but these are rather 'assumed' by default, rather than defined, standardized and reflected explicitly in the legal instruments.

It should be noted, that, on the one hand, stakeholders, especially donors, want to see a broader and more politically exposed platform for the **policy discussion of decentralized models** for PGs. On the other hand, there is an awareness of the **political sensitivity** of the issue of PG's assignments and attribution of resources, taking into consideration federalism rhetoric especially on the part of Provincial premiers. In the view of the evaluators, the observed delays in Component 1 are linked to a hesitation on the part of PGSP to advance to quickly into potentially politically 'troubled waters'.

However, the lack of clarity regarding the clear definition of the PG's core functions negatively affects not only the menu for provincial investment (which therefore is very broad), but also prevents the application of more rigorous budget constraints linked to the PG's core functions (conditioned



grants vs general purpose grants), while general purpose grants are the preferred allocation modality at present. This in turn increases the risk of moral hazard, notably when, as it were, the available resources have recently been increased (see below).

Concerning the extent to which PGSP has contributed to **increased institutional and human capacity** at provincial level, the **results are generally positive**, although mixed. On the one hand, the capacity of PG to manage their HR has increased dramatically through training (see below) and the TA provided by national and International PGSP advisors, with significant **variations across provinces**. However, **challenges** continue: high staff turnover associated with lack of accommodation and sometimes dire working conditions, double subordination, lack of basic management skills, non-existent TOR and job descriptions etc. come together to produce only **very basic administrative efficiency**. As one of the interlocutors said: *'we come to work, but we do not know what exactly to do'*.

Interlocutors in Western Province made the team aware of the practice by line ministries not to fill **vacant posts**, and, eventually scrap the established post altogether. Figure 15 in fact shows that the payroll Component in the current expenditure remains more or less constant, although the number of projects brought through PCDF and that of associated tasks has increased. This means that either the productivity of the existing staff has increased (not likely, according to the interlocutors), or a prevailing **stagnant staff situation not commensurate with increased responsibilities** of the PG.

**Internal control** (of time, HR, logistics and funding) as well as regular **staff evaluations are still the exception**. The need for capacity building for internal control has been recognized and is reflected in the 2012 AWP.

One particular challenge addressed by all interlocutors at provincial level is the **lack of sufficient technical capacity** necessary for the design, execution and supervision of public works (architects, civil engineers, quantity surveyors, draftsmen, technical supervisors and quality controllers etc.). MPGIS has responded to this need by seconding of **Chief Works Officer** to each province to reinforce the technical capacity of PGs. This might, however, not be enough, assuming that more funding to the provinces may generate a higher demand for public works and construction.

Associated with this challenge is a perceived lack of the PGs capacity in **procurement and competitive tendering**, on the one hand, and competitive and competent bidders for public tenders generated by PCDF, notably building contractors, on the other. This results in contracts being awarded mostly to bidders from the capital city, with a high cost element for mobilization and logistics. This does not necessarily contribute to LED and the strengthening of provincial capacity in execution of public works, entrepreneurship and employment creation. Together with the entrenched practice to tender out separate bids for a number of Components of an investment (instead of tendering all encompassing bids), the low procurement and bidding capacity at PG level leads to extended and truncated periods of construction of public works, at higher overall cost. PGSP has recognized the need to **strengthen the procurement Component** in PG capacity building; it can, however, do little to change the structural disadvantages *vis-à-vis* Honiara-based bidders, many provinces have.

The **interaction between Executive and PA is regular** and has benefitted from specific CD measures. Oversight Committees in PA have been established and capacitated and a framework for Provincial Accounts Committees has been established.

With regard to the extent to which the programme has **contributed to the strengthening of the PEM cycle, considerable progress** can be reported. This is attributable to the activities carried out in Components 2 and 3. In the case of the **training element and institutional capacity building**, one might feel inclined to speak of a **show case**.

As a result, the PGs' **budgeting, PEM and accounting capacity has increased considerably**, innovatively strengthened through PGSP/PCDF training, with guidelines and manuals, the introduction of international accounting standards and charts of accounts adapted to the needs of PGs, and a user-friendly, adequate accounting software (MYOB). Up-scaling effects have been produced, i.e. other ministries have also introduced MYOB.

*'...provincial budgets are now linked up to the annual work plans of the provincial governments and the cash basis of budgeting is linked to the International Public Sector Accounting Standards (IPSAS), something the National Government is yet to achieve'. (Hon Minister for PGIS, at Parliament, 28 Nov 2011)*

**SHOWCASE 1:**

In the view of the evaluators, three factors are most likely to have prompted SIG's willingness to substantially increase its contribution to PCDF: a) the impressive progress made in capacity development of PGs in PEM; b) the fact, that PCDF is the only Programme providing PGs with funding and c) checks and balance mechanisms in place for PCDF (annual assessment, appropriation of budget by Provincial Assemblies and audits by the OAG)

This success must be seen against the backdrop of an **enormous human resource constraint**, affecting human and institutional capacity at all levels and sectors of public administration and government SI. The labour market is demand-driven, with scarce supply of technically qualified experts at mid- and upper level of education and there is a **high turnover of staff** between sectors and levels of government, negatively affecting the retention capacity of national and local administrations, including MPGIS and PGSP. Even if successfully and timely recruited, the **retention capacity** of PGs for qualified staff and advisors is precarious: local working and living condi-

tions are not always conducive and there is what appears to be a fierce competition between projects and ministries for qualified staff, especially at PG level. Coupled with the high turnover rate of provincial advisors, the HR challenges represent a major risk for PGSP's successful and timely implementation.

Despite this structural constraint, PGSP has done considerably well to **contribute substantially to increase institutional capacity** in all basic fields relevant to **public finance**, in both MPGIS and particularly at the level of PGs. The reasons for this success can be enumerated as follows:

- A **holistic approach to capacity building**, i.e. the creation of adequate working conditions (supply of workstations and equipment, and, in remote Provinces, establishment of regular communication (email) between provinces and with the capital Honiara), the supply of systems (e.g. accounting software MYOB) provision of organizational inputs (e.g. through the advisors), and above all, training both formally and on-the-job, with targeted follow ups (e.g. by roving trainer in accounting, or attachment of MPs of PAs to NP);

- The aiming at a **broad target group** relevant to PGSP, including provincial Executives and Members of PA, as well as the technical staff of the administration e.g. treasury;
- The introduction of periodic **training needs assessments**,
- **Selectivity of topics** of training, linked to the purpose of PGSP (PEM, budgeting, Accounting, PCDF procedures, LEL, and, partially, procurement etc.);
- Provision of **training manuals** of high quality on these issues, a modular curriculum for PFM training (including a gender Component), as well as teaching aids (case studies, practical assignments);
- Investment in a **pool of trainers** coming from various institutions (SICHE, IPAM, NPO, MPGIS, and CALG etc.) and the use of Training of Trainers (TOT) approach.

The following table gives an exemplary overview of the **training events conducted in 2011**. Other data is available to document training

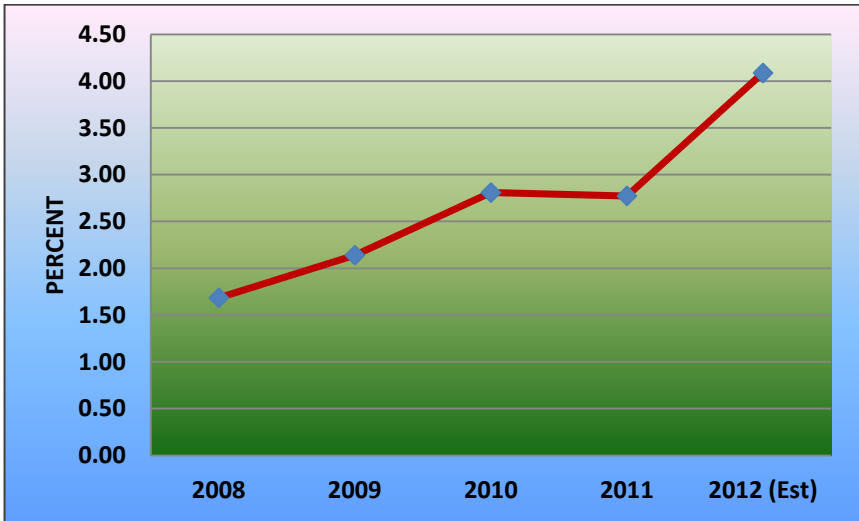
**Table 7 Training, by topic N° of participants, gender (2011)**

Topic	Provinces	No Particip	Gender	Date	MPGIS Division
Induction Training for MPAs	Malaita	39	100 % M	3-6th April 2011	PGD
Induction Training for MPAs	CIP	21	100% M	13-16th February 2011	PGD
Induction Training for MPAs	RenBel	16	100% M	9-12th February 2011	PGD
Induction Training for MPAs	Isabel	21	1% F,99 % M	9-12th March 2011	PGD
Induction Training for MPAs	Temotu	23	100% M	22-26th March 2011	PGD
Induction Training for MPAs	Guadalcanal	29	1% F,99 % M	17-18th March 2011	PGD
Locally Elected Leadership	Guadalcanal	26	1% F,99% M	18 -20th July 2011	PGD
Locally Elected Leadership (TOT)	(Honiara)	17	50% F,50 %M	11-15th July 2011	PGD
CDNA	Guad, Mal, West, Isabel		41% F, 49% M	22-26th August 2011	PGD
Clerk and Speakers (Group 1)	4 PGs	9	18% F, 82% M	11-15th April 2011	FINANCE/PGD
(Group 2)	5 PGS + City Council	12	100% M	6th -9th June 2011	FINANCE/PGD
IPSAS Trainings	Nine provinces	18	30% F,70% M,	4-8th July 2011	FINANCE
Planning and Budgeting	Nine provinces	35	30%F, 70% M,	11-15th July 2011	FINANCE
PAC training	Mal, Cent, Renb, West	27	97% F, 3% M	26-28th July 2011	FINANCE

The MTE also produced evidence for a considerable demand for **complementary training packages**, notably on formulation of public policies at PG level, office and computer skills, general administration, procurement, internal audit and maintenance. Some of these topics have already been conceptualized and introduced into the 2012 AWP. In the provinces visited, the MTE team also identified a strong demand for a more workplace-oriented approach to training and **more frequent on-the-job training** opportunities, as well as the inclusion of substitutes of officers in the training events to ensure a broadening of the knowledge and skill base of PGs and as contingency measure.

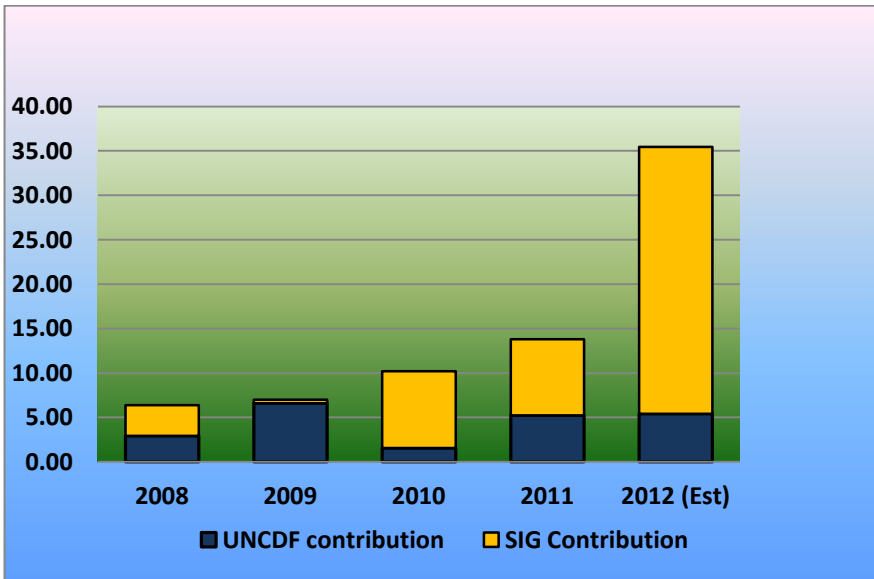
Has PGSP contributed to increased **financial capacity** of PGs? Answering this question is telling another **success story**, as far as central government transfers to the PCDF (i.e. to the Development budget) is concerned. The following two figures speak for themselves.

**Figure 11: Transfers by SIG to PCDF as % of National Development Budget, 2008-12 (incl UNCDF contribution)**



Source: authors on data provided by PGSP

**Figure 12: Transfers by source of financing, 2008-2012 (million SBD)**



Source: authors on data provided by PGSP

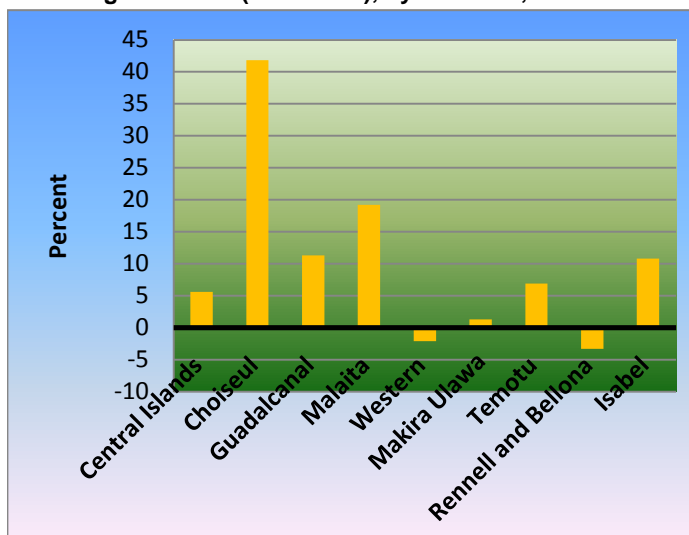
**SHOWCASE 2:**  
The dramatic increase of SIG re-sources signals, in the view of the evaluators, ownership of PGSP and PCDF and political will to make them a success. It also recognizes SIG’s trust in UNCDF and its approach to strengthening PGs.

The stark projected increase in funding to PGs via PCDF reflected in these figures is attributable to an **allocation of an extra 24 million SBD** (approx 3 Million USD) for 2012 decided in July 2011 by Cabinet, over and above the regular SIG share to financing PCDF, which increases annually by 3%.

Without doubt, this increase is somewhat dramatic and demonstrates SIG's will to turn the PCDF into a success story, taking into account that before PGSP / PCDF '*...no efforts had been made by the successive National Governments to build the capacities of the provincial governments to take their rightful responsibilities*'<sup>20</sup>. And it will certainly enable the PGs to make considerable investments, although doubts about their **absorption capacity** have been raised by various interlocutors during this MTE<sup>21</sup>. However, if we undertake a **comparison between** the volume of the projected increase of **PCDF** and the annual volume of the **RCDF** (annual volume of 50 Million SBD or 1 Million SBD / constituency), the increase does not seem to be out of proportion. And if we take a look at the proportion of the Recurrent National Budget which is transferred to the PGs in the form of the **Provincial Service Grants (PGS)**, we note that this ratio actually decreased between 2008 and 2010. Nevertheless, the issues of low absorption capacity and associated risk of moral hazard need to be taken seriously. In the opinion of the evaluators, this risk will diminish once the PG's functions, grant modalities of the transfers and the budget constraints are better clarified.

Lastly, the **own source revenue mobilization** has been modest, on average. Figure 13 gives an idea of the performance, across the Provinces. The MTE team was informed that this pattern is likely to have changed since 2008, but there is scant evidence to prove it. The variation can be explained by a couple of factors, such as the existence and effectiveness of a revenue administration (absent in Temotu Province, where private entities are charged with revenue collection, retaining 30% of the yield), the breadth, diversity of a revenue base, cultural factors concerning (avoidance of) taxation etc. The high growth rate for own source revenue in Choiseul

Figure 13: Own source revenue: Annual average growth rate (2006-2008), by Province, in %



Source: GHD, 2011

Province, and, more recently, in Makira-Ulawa, and the negative rate in Western Islands Province, a relatively wealthy province and thus with a seemingly considerable revenue base (contrary to Rennell and Bellona- a comparatively poor province)<sup>22</sup> is, however, notable. One also needs to see clearly, that the **poorer provinces** may not have sufficiently broad-based and buoyant revenue sources and will structurally depend, contrary to others, more on transfers than on own resource revenue. Having said that, however, the consultants assume a considerable potential of **non-tax revenue** (user fees, licences for logging etc.) in all provinces, which needs to be studied and explored.

<sup>20</sup> Hon Minister for PGIS, in Parliament, 28 November, 2011.

<sup>21</sup> For example, the PS in MDPAC pointed out, that the PGs normally 'under spend' their annual budgets. Debriefing WS, Honiara, 8 December, 2011.

<sup>22</sup> See Annex 8, Provincial Profiles for details.

## Case study: Western Province--revenue and expenditure

Figure 14: Own source revenue 2009/10 to 2011/12 (SBD)

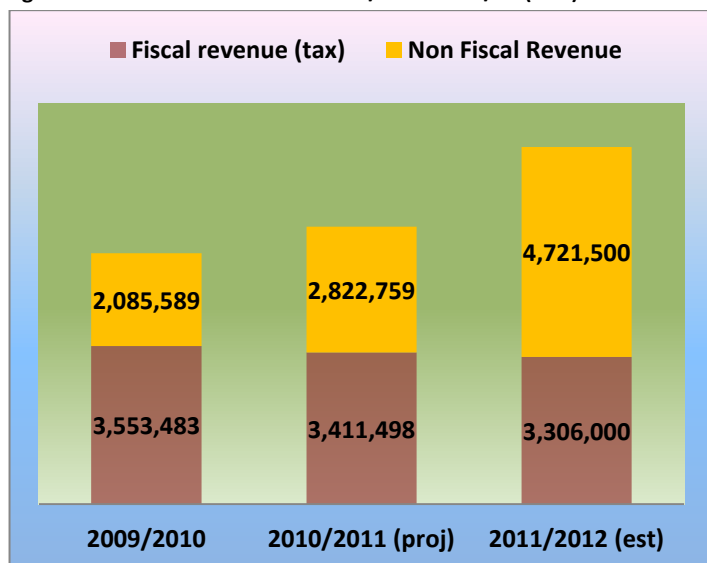
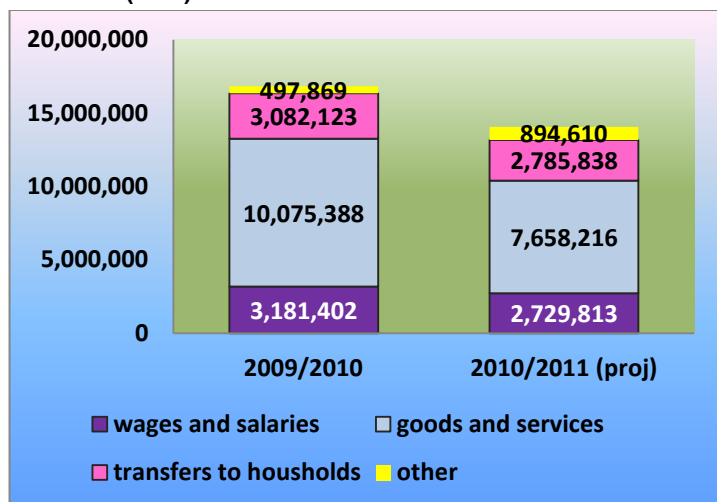


Figure 15: Current expenditure by category, 2009/10 – 2010/2011 (SBD)



Source: Western Provincial Government

Examining **Westerns Island Province**, one detects an increasing effort to collect non-fiscal revenue (fees, user charges etc.), from 2009/10 onwards. Its own source revenue however, is a far cry from what is needed to finance the Province's recurrent expenditure: **financial sustainability** (as measured by the ratio (own revenue / current expenditure) will not be realized for quite some time to come, even assuming an increased effort at revenue collection: the expenditure levels were in the fiscal year 2009/2010 three times the volume of own source revenue, and in the projections for 2011/12 still 1.6 times higher.

For reasons of fiscal sustainability of PGs and their ability to generate income for maintenance, an **improved local revenue administration**, which focuses on non-fiscal revenue, is a basic precondition.

A final point should be added here: as studies have demonstrated, local revenue generation and democratization varies considerably with the degree of dependence of a given political economy on rents from various sources, including foreign aid<sup>23</sup>. Thus continued massive **donor support** to SIG might have counterproductive **effects on revenue generation** both at national and local level.

<sup>23</sup> Evidence from sub-Saharan Africa suggests that resource rich countries enable their elites to substantially lower the cumulative tax burden of their citizens, which – without the recourse to rents would be needed to support the reproduction of the elites' economic base. Low tax burden is positively correlated with little popular demand for democratic change, or 'voters' acquiescence with the status quo, which cement the hold of the elite onto power and leads to the deterioration of institutions of checks and balance (Mc Guire, 2010).

### 2.6.3 EQ 3: To what extent has the programme contributed to improve planning at local level?

Strategic planning (on a three to five year rolling basis) by PGs is in an incipient phase. MPGIS and PGSP have provided important CD inputs to this process (Manual, consultations etc.). Not all provinces have formulated their three year plans. Based on some evidence (Choiseul, Central Islands and Western Provinces), one sees the major challenges associated with provincial planning: Producing more realistic (and costed) plans, involving the local communities in a meaningful and cost effective way, and cutting across a segmented institutional landscape involved in planning at local level.

Some progress is noted concerning **provincial strategic planning**, with a focus on the three year rolling plan, which is to be extended to five years. **Guidelines** have been formulated and distributed by PGSP in 2011, which stress the need of **alignment of PG Plans with the NDS 2011-2011, the MPGIS Corporate Plan**, and, facultatively, to those of line ministries. As pointed out above, consultations with three of them (MERHD, MHMS, MECDM) have started at national level. This approach has yet to be put into practice including the necessary CD measures. Some provinces do not yet have a three year plan. The planning exercise has started or is ongoing in some provinces (e.g. Choiseul) at the time of the MTE. The provinces' authorities (Executive, PA, and Administration) understand their respective roles.

Existing plans show a bias towards investments, and they are neither systematically quantified and costed, nor linked to budget forecasts. Thus, they have more the character of a **shopping list** rather than of a realistic plan. The three plans to which the MTE had access (Choiseul, Central Islands, and Western Province) are not comprehensive, in the sense of encompassing all planned activities and investments projects of line ministries, and important NSA operating in the Provinces, notably in the field of environment and conservation. **Choiseul Province attempts to make a difference** by including all sectors and NSA in their planning exercise. Cross cutting and gender issues are not (yet) sufficiently reflected in the existing strategic plans, annual budgets and work plans, the effort towards gender mainstreaming by PGSP notwithstanding. The strategic plans are not systematically linked to the AWP and budgets and vice versa, i.e. the latter not reflecting necessarily the strategic planning priorities.

There is a basic understanding and intention on the part of PGSP to use a **participatory approach** to planning, especially at sub-provincial level (wards, villages). However, four factors militate against this intention. Firstly, the **cost of popular consultation is extremely high** given the features of Solomon Islands infrastructure and human geography addressed in the section 2.4 on the context.<sup>24</sup>

Secondly, not all Provinces have a so called **ward profile**, which specifies their resource endowments, needs and challenges etc., thus providing important information relevant for planning. Thirdly, the **RDP's vocation** is exactly to produce ward profiles and take planning to village and ward level, thus, in comparison to PGSP, having much more comparative advantages, including equip-

<sup>24</sup> Assembling the key members of all wards in Choiseul Province at a planning meeting at the provincial capital Taro is estimated to cost 100,000 SBD per day only in terms of logistics.

ment and logistics. The MTE team learned about an understanding with the RDP to the effect of not duplication work and harmonize (participatory) planning approach. But there is scant evidence in the provinces visited, that this collaboration is yet operational. The last factor is related to a **complex institutional landscape of interventions at sub-provincial level** (see Figure 19), in which the MRD's RCDF plays an unclear role. This complicates planning, especially if one takes into consideration that it is somehow linked to the SIG's attempt to promote a 'Growth Pole Policy and Strategy', little about which is known at provincial level<sup>25</sup>.

Despite these challenges, there is evidence that improved provincial strategic planning with a time horizon of three to five years is increasingly seen as a pre-condition for effective resource allocation via PCDF. However, there is little awareness yet about **planning and allocation criteria** such as the intra-provincial territorial dimension of planning, the poverty and vulnerability profiles of wards and the need to link the annual plans and budgets to the strategic plans. In the opinion of RAMSI, there is scope for PGSP to pilot some basic initiatives in integrated PG planning, including incorporating cross-cutting issues, in coordination with and involvement of the RDP.

#### **2.6.4 EQ 4: To what extent have PCDF funded investments contributed to enhancing opportunities for socio-economic development?**

The PCDF has so far mainly served for the social sector to meet its important needs, in particular education, health, fisheries and agriculture. In some provinces (e.g. Western Province), PCDF seems to have been excessively taken advantage of by one line ministry (Education). No evidence of a systematic LED approach is available although a few particular investments in the productive sector exist as a result of ideas from the communities without a strategic or integrated LED approach. An update of the PCDF manual is needed aimed at including the actual formula and to give more emphasis on some performance criteria. The clarification of the provinces' functions is urgently needed, particularly to narrow down the programme's investment menu and to establish a stronger focus on LED-related investments.

The Provincial Capacity Development Fund (PCDF) is the **centrepiece** to the programme established in 2008 to provide funding to provinces for execution of infrastructure projects. It is provided to the provinces through SIG transfer system via the treasury to a bank account in each province and distributed following a formula based on equal share, population and performance (see Table 8 below).

The "**positive list for funding**" follows the PCDF Operational Manual from April 2008<sup>26</sup>. "...PCDF grants is guided by the assignment of functions in the PGA, 1997, and the overall objectives (nature)

<sup>25</sup> Apparently the Bureau of Economic and Social Reform in the Office of the Prime Minister.

<sup>26</sup> As follows below the formula for the PCDF and other procedures are changed, so an update of the manual is highly needed – also to cater for necessary changes that follow from this MTE.

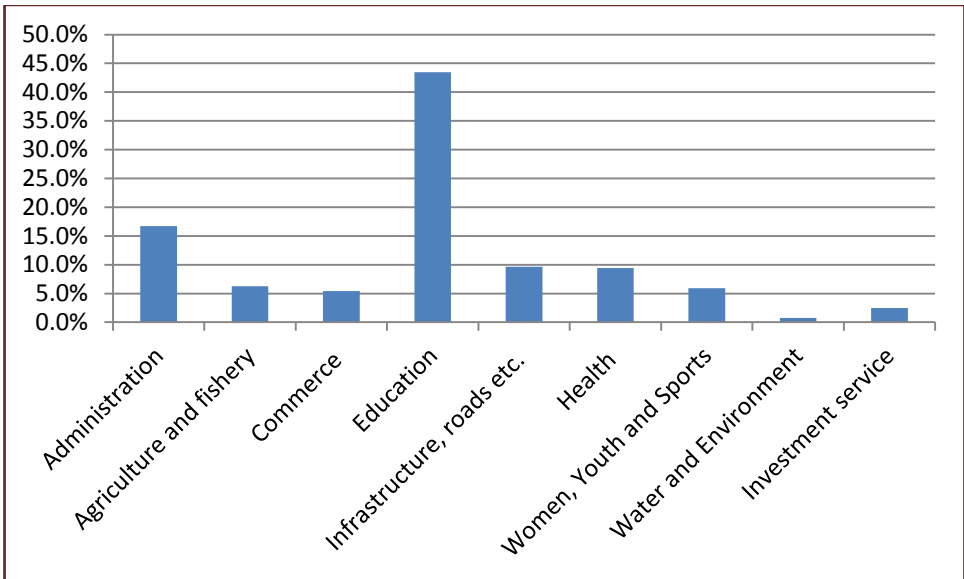


of the grant, which are: to improve PEM/PFM systems, procedures and practices, provide funds for small scale investments in needed infrastructure and service delivery according to local needs and improve the capacity of the provinces” (p. 9).

This implies that “the law provides for a range of permissible but few mandatory functions” a **broad menu into the delivery of all public services**” with the limitation that only 20% can be spent for administrative building (offices, staff houses, etc.).

The PCDF is now in its fourth cycle - starting 2008/2009 and **264 investments have been implemented for a total expenditure of SBD 34.1 millions including PGs’ contribution of 9% on average.** Below is presented an overview of the investments.

**Figure 8: Distribution of projects financed by the PCDF**



Source: PGSP

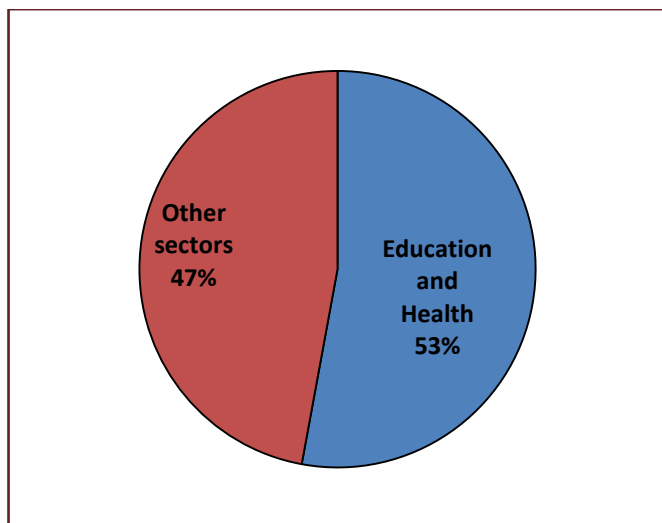
The 264 investments are spread out over almost all sectors, the major sector being education (44%)<sup>27</sup>, followed by administration (17%), and health and larger infrastructure projects (each 10%). Fishery and agriculture account for 6% of the investments.

It is clear from meetings with national and local stakeholders and site visits, that **all these investments have improved the provision of services for the citizens** included in the more remote areas of the provinces. The evidence from the field visits and interviews also suggests **that the investments are relevant for the citizens and communities**. In Choiseul province, however, it seems that the provincial capital had somehow been favoured for projects instead of the communities. This may be a result of the planning process, which so far mainly has been carried out by the provincial administrations with participation of the executives, actors in the provincial capitals, and, to some

<sup>27</sup> An extreme case is the Western Province, where all investments, apart from two in administrative buildings, were implemented in the educational sector.

extent, assembly members (see also section 2.6.3). It is important to note that **53% of the investments from PCDF are carried out in education or health** as these are non-devolved sectors with substantial central control.

**Figure 16: Investments from the PCDF in health and education and other functions.**



Source: PGSP

This questions the investments' relevance in relation to the provinces' functions and also implies that the **PCDF functions as 'gap-filler'** for the government sectors. Provinces are investing in functions, which are not (yet) their mandate although they may be when the functional responsibilities of the provinces are clarified. The clarification of the provinces' functions has, however, not been finalised as yet, in spite of its high priority in the programme. The dispersed distribution of investments also stresses the lack of a **strategic focus** on what is really important for the provinces' development, which is, however, also a result of the very broad investment menu in the PCDF manual. A different opinion holds that PCDF is the only cost efficient way for delivering infrastructure, at PG level e.g. in education. From this perspective, PCDF is **not a gap-filler, but rather an efficient delivery mechanism**. Therefore line ministries have appreciated that PCDF is subsidising their development budget. This is partly behind the rationale to increase PCDF taking funds from that development budget as it can efficiently use them. But also from this point of view, there is a need to clarify the PGs functions as well as the focus of PCDF and its investment menu.

The necessary clarification process also needs to take into consideration that the PCDF is **not yet functioning as a decisive factor for LED** or for natural resource management (depending, of course, how LED is framed). The PCDF has financed 31 investments in commerce (e.g. 14 markets and 6 storages) and 22 projects in fisheries and agriculture (see also fFigure 8 above). These are investments that may be important for local economic development but there is **no evidence of** provinces that have made a **specific strategic approach to LED** in their development planning<sup>28</sup> **e.g. with value**

<sup>28</sup> A project was visited in the Central Islands Province, which dealt with production of ice for fishermen's storage of fishes in their boats during fishing and transportation to the market. This is an interesting idea. However, the development plan in the province has nothing on LED and productive investments and the province still base their plan on needs.

**chain analyses** or a strategic approach to productive investment – the investments are mainly isolated ideas captured during the need based identification process. The main reason for this is, that the LED focus would be introduced at a later stage of the PGSP implementation, i.e. in Phase II (Platform II).

For **management of natural resource and climate changes** only a few projects have so far been developed e.g. two re-forestation projects in Choiseul province. For the construction of a new school in *Iringile (Vella la Vella Island, Western Provinces)* – the community had decided to apply for a construction site further up from the coast than planned due to the recent Tsunami in 2007 – so, some awareness exist that can be developed by proper support, once these issues are better conceptualized in PGSP and the PG's functional assignments clearly define responsibilities in these areas. There are a considerable number of proposals already submitted to PGSP on which the programme can draw upon in its next stage of implementation

The project has only financed a limited number of projects to cater for needs of women and youth by **financing 12 women centres and 12 sports facilities**. The planning process still needs to **focus more on identifying investments of importance for gender mainstreaming**; although investments in facilities for youth and sports, education and health do have an implicit gender dimension which could be made explicit.

The PCDF has **worked effectively as a transfer system** to the provinces with a **transparent formula** and an **effective performance element** for improved PFM in provinces.

The PCDF is generally **disbursed with a delay of approximately three months** due to either delays from the SIG or UNDP/UNCDF in providing the funds e.g. the first PCDF transfer for 2011/2012 was transferred to the provinces' PCDF account in July 2011. The **delays seem, however, not to be a major problem for the provinces** as provinces' projects seldom are possible to be implemented in the first quarter of the budget year and funds are sometime carried forward from the previous budget year. Furthermore, the new procedure from 2011/12 with three yearly disbursements (60%,20%,20%) has also helped to "kick start", the implementation of investments instead of four equal disbursements of 25%.

**PCDF is the only major discretionary investment fund provided to the PGs.** The fund is, however, not well coordinated with other transfer mechanism to the provinces i.e. sector grants, the RCDF and the RDP, which finance investments in provinces' communities without hardly any integration into the provincial development planning. The PGSP's and the RDP's approaches differ in particular in the set up of the Ward Development Committees (WDC), as the RDP demands that Executives (Ministers) of the provincial governments cannot be chairmen of the development committee i.e. the WDC's elect their own chairman, while the PGSP prefers that the members of the provincial governments each chair the ward development committee in that ward from which they got their electoral mandate. A need exists for streamlining the approach. One way of doing it is making the MRP part of the JOC. It was formerly part of the MPGIS with the status of department anyway.

One grant is now being streamlined with the PCDF formula i.e. the recurrent **Provincial Service Grant (PSG)**. Up to 2008/2009 it consisted of eight grants with different non transparent formulae. With a gradual transition from 2010/11 (25%, 50%, 75% and 100%), it will follow the PCDF formula in 2013/14 (20% equal share and 80% population).

The formula for the PCDF is often questioned and the issues are typically whether it is fair, based on needs, and if it favours provinces with less financial capacity for revenue generation (fiscal capacity)? And whether it should also cater for different cost levels from province to province?

**Table 9: Formula for PCDF 2008/09 to 2012/13**

Year	Equal share	Population	Performance
2008/09	20%	80%	0
2009/10	20%	80%	0
2010/11	20%	64%	16%
2011/12	20%	56%	24%
2012/13	40%	42%	18%

In 2008, the PGSP/MPGIS selected a simple formula for the PCDF, which from 2010/11 onwards was adjusted to include the provinces' performance measured by the yearly performance assessments (see below).

The formula is simple and need-based with *equal shares* favouring less populated provinces, which need basic investments and with *population* to cater for need of larger populated provinces. More sophisticated models were proposed but the lack of data is a problem<sup>29</sup>.

More remote provinces claim that, the costs are higher for construction due to transportation, which is obviously true, but on the other hand salaries and basic living expenditures are likely to be lower in some provinces **making an inclusion of costs in the formula** cumbersome.

**The provinces have to qualify for the PCDF each year by fulfilling eight minimum criteria.** This is a challenge every year.

Presented below are the results of the yearly assessments for provinces for the minimum criteria and also the performance assessment. The latter is based on performance in a number of areas with indicators (100 in total). Details on minimum and performance criteria follow in table 11 below.

<sup>29</sup> The latest census from 2007 is said to show high discrepancies between actual population and the census figures. Furthermore data for a modified revenue sharing formula. e.g. on poverty levels in the Provinces and their own fiscal capacity, do not exist.

**Table 10: Number of Provinces fulfilling (MC) and Average Performance for all provinces**

Time	PGs with fulfilment of MC	Average performance (max 100)	Comments
2008 (disbursements for quarter 1 and 2 in 2009/2010)	2	N/A	Choiseul and Western qualified
Mid 2009 (disbursements for quarter 3 and 4 in 2009/2010)	8	N/A	Isabel did not qualify
September 2009 (2010/11)	9	42	
September 2010 (2011/12)	8	62	Guadalcanal did not qualify
September 2011 (2012/13)	7	63	Draft report. Malaita and Renbell-Bellona not qualified

Source: PGSP

The yearly assessments are discussed in the Provincial Fiscal Grant Coordination Committee (PFGCC), which reports to the PGSP Joint Oversight Committee (JOC) and recommends any adjustments. In practice, the JOC has discussed the assessments and in 2009, the JOC decided to carry out a new assessment for 2009/2010 to provide those provinces, which did not qualify for the first disbursement of the PCDF, a change to qualify for the third and fourth disbursements of the PCDF. In 2010 the JOC accepted some complaints about the audits reports' availability, so all except one province qualified for 2011/2012. Judging from the JOC's minutes, it appears that the "reassessments" were fair and based on reasonable grounds<sup>30</sup>.

The minimum criteria and performance criteria follow from the table below:

**Table 11: Minimum Criteria and Performance Criteria in the yearly assessment**

8 Minimum Criteria (MC)		Performance assessment	
		8 performance criteria	Points
1	<b>Core Staff in Place:</b> Core posts are filled in the provincial administration i.e. PS, DPS, PTR, DPTR and the CPO	Existence and Quality of the Development Plan and Annual Budget	19
2	<b>Principles of Natural Justice:</b> Memorandum of understanding signed on procedures and natural justice on staff management	Achievement of budgeted/estimated targets and project Implementation (budget performance)	17
3	<b>Financial Management:</b> The PG has a special designated development bank account for PCDF in a commercial bank	Revenue collection performance and contribution to own development (sustainability)	7
4	<b>Financial Reporting:</b> The PG has completed annual financial statement for the financial year 2009/10 and submitted them to the Office of the OAG	HR management capacity and performance	6
5	<b>Cash Books:</b> Cash books are up to date for the main PG account and the PCDF account (with a minimum of 2 weeks delay)	Financial Management	23
6	<b>Bank Reconciliations:</b> Bank reconciliations are up to date for the main account and the PCDF account (with a maximum of 1 month delay)	Procurement	12
7	<b>Audit report:</b> The PG responded to the most recent audit report from the OAG and has identified ways and means to address the audit findings.	Transparency and Governance	8
8	<b>Co-Funding of 10%:</b> The PG has complied with the co-funding requirement for the previous FY. The PG has budgeted for co-funding for PCDF activities for the on-going FY.	Operation of Assembly and Executive and links to Administration	8

<sup>30</sup> given the increasing weight of SIG's contribution to PCDF, it seems reasonable and fair to consider also an increasing weight in the deliberations of the JOC.

All interviewees agreed that the **performance incentive for the MCs and the performance criteria are working well**, encouraging PGs for improved PFM, planning, HRD and other administrative issues. The provinces struggle yearly to fulfil the minimum criteria and they also want to improve their performance assessment<sup>31</sup>.

#### **SHOWCASE 3**

**The introduction of the annual assessment of Minimum Conditions (MC) with the consensual selection of assessment criteria for resource allocations to PGs is innovative and works well. It serves as an incentive for improved performance, institutional capacity development and audit.**

The performance assessment **does not cater for incentives for better maintenance of investments and establishment of systems for internal control**, which are two crucial issues for improvement of the provinces' performance (see also 6.3.2 and 6.3.5). The criteria for revenue collection are very conservative and should be modified towards the **yearly actual improvement in collected own revenues**. These issues should be included in the **forthcoming revision of the formula for the PCDF**.

The SIG's **contribution to the PCDF has increased yearly with 3 % points starting at 50% in 2009/2010**. From 2012/13 the SIG will finance more than 80% of the PCDF with an additional contribution of SBD 24 million.

**The demanded contribution from the provinces to the PCDF** has been inconsistent and has shifted from 10%, to 5%, to 15% and then again apparently to 5% for 2012/2013. This has been done based on the provinces' ability for co-funding and not based on the provision of a reasonable contribution for ownership and ability to maintain the investments. The actual average contribution from the provinces has been 9%.

### **2.6.5 EQ 5: To what extent are the programme results likely to be sustainable in the longer-term?**

Recently the likelihood of sustained PGSP's results has increased with the institutionalization of the programme in MPGIS and a general acknowledgement of the PGSP as a key programme for improving service delivery at PG level. Locally the planning process is, however, still at an early stage, HR fluctuations are considerable and the fiscal sustainability of most PGs not yet given. The sustainability of investments from PCDF is at risk as maintenance is not prioritised or budgeted.

A key issue for the sustainability of the PCDF funded investments **is the institutional arrangement** after the investments' completion. The common practice revealed through the interviews with three provincial governments during is that either :

- the PCDF investments are managed by the provincial governments if the investments are located within the provincial capital and are within the provincial functions, or

<sup>31</sup> Choiseul province administration was proud to be the best performer for 2011/2012.

- the PCDF investments are managed by the line ministries, if the investments are within their functions and located within the provincial capital, or
- other investments are handed over to the communities for their operation and maintenance with funding from the PGs, line ministries, CSOs (churches), or a combination of these.

Based on the evidence from the field visits and interviews with line ministries, these arrangements demonstrate **little likelihood for PGs/ministries and communities to maintain the PCDF investments** in the future.

Public assets, in general, and infrastructure, in particular, are **not registered and poorly or not maintained** – irrespective of being financed by PCDF or other sources. The financial management of the investment maintenance is poor, there is hardly any budget for their O&M and responsibilities for finance and expenses are not transparent. Some examples from the field visits are provided below:

- primary and secondary schools get funds from several sources (PGs, MERHD, sponsors, parents) not reflected in the budget;
- free electricity is provided to the citizens e.g. in Taro (Choiseul);
- administration of municipal companies are not separate from the provincial administration – e.g. the newly constructed provincial guesthouse in *Tulagi* (Central Islands) functions without a separate budget or accounting system and its revenue in 2010/11 corresponded to only 4% of the potential;
- An agreement is not made with the new “owner”, when investments are handed over to a community or a sector ministry - e.g. the Hospital Guest House in *Taro*, was handed over to Ministry of Health and Medical Services (MHMS) upon completion without a specific agreement.

Furthermore, the PGs budgets have less than 1% of the recurrent budget for maintenance and line ministries’ allocation to provincial officers and schools are only used for operations. No mechanism exists for MPGIS to control that a reasonable figure (e.g.10%) is allocated in the budget for maintenance. The recent letter by MPGIS to PGs stressing the need to budget a sufficient percentage in their annual budgets for maintenance is a step in the right direction, which opened an opportunity for PGSP to include maintenance and operations as a budget line in PCDF, and eventually consider it as a criterion in the annual assessment.

With the PGSP’s recent **absorption in MPGIS** and to some extent in the provinces the programme’s **viability** is strengthened. This is seen by the programme’s inclusion in the MPGIS’s corporate plan but also its inclusion in the National Development Strategy and the substantial government funding to the PGSP - so far USD 1.6 million and an additional SBD 24 million from 2013/14 for the PCDF. It seems, however, that the SIG has more interest in additional investments than M&O as the provincial service grant has decreased relatively, which might jeopardise the results.

**The local planning process** in the provinces is still at an **early stage** and not yet institutionalized (see also 6.1.3). The development plans studied during the evaluation were mainly prepared by the PGs’ administrations with some involvement of the executives, actors in the provincial capital, and to

some extent the ordinary members of the provincial assemblies. Thus, the participation of wards and civil society is limited. The development plans contain a list of projects with a need for financing without a clear strategic vision for their importance and prioritization, so the instrument is still new to the PGs including the consultation process. The PGSP management is aware of the need to address this issue.

Furthermore, **the development plans neither reflect intra-provincial territorial criteria nor are they linked to the yearly budgets.** Only a limited numbers of staff have been trained to manage the planning process and the involvement of line ministries for a coordinated provincial process is not yet taking place systematically.

### 2.6.6 EQ 6: How effective has the implementation and management of the programme been at national and local level?

The efficiency of PGSP in management (including financial management) and delivering the outputs, especially a functioning M&E system (absent so far) is clearly below the established potential and does not match the needs generated by an ambitious, frontloaded approach to PGSP implementation. The reasons for this are manifold, but boil down to a high staff turnover, a sub-optimal management structure with a fragile link to the PG level, as well as a complicated funding architecture. The PGSP's leadership has recognized the deficiencies and seeks to remedy the situation, although under pressure arising from a wish of an early and smooth transition to Phase II as well as a looming funding gap.

PGSP is very **well aligned with the MPGIS** procedures and standards, and embedded in its organic structure, well represented and reflected in the ministry's Corporate Plan. Strong **political and managerial owner- and leadership** is exercised by the Director and Coordinator of PGSP, the Ministry's PS and deputy PS, respectively, assisted by the acting CTA. All staff of PGSP and the ministry is familiar with the logic and programmatic aspects of the programme, due to strong in-house capacity building. The strong leadership manifest itself not only in the management of the day-to-day operations of PGSP, but also in the **regular meetings of JOC** (with well defined TOR) and the PFGCC. The partners and stakeholders are provided with **regular updates and reports** (annual, bi-annual, quarterly and fortnightly) on AWP activities and the financial situation, with information coming from UNDP delayed, for various reasons.<sup>32</sup> However, donor members in JOC observe a lack of result and outcome-oriented (as complement to activity-oriented) information needed to effectively gauge the PGSP's impact in the various components and its risk management.

The coordination function of the JOC could be improved by a **conceptually improved coordination mechanism.** e.g. via specific thematically working groups or more encompassing information shar-

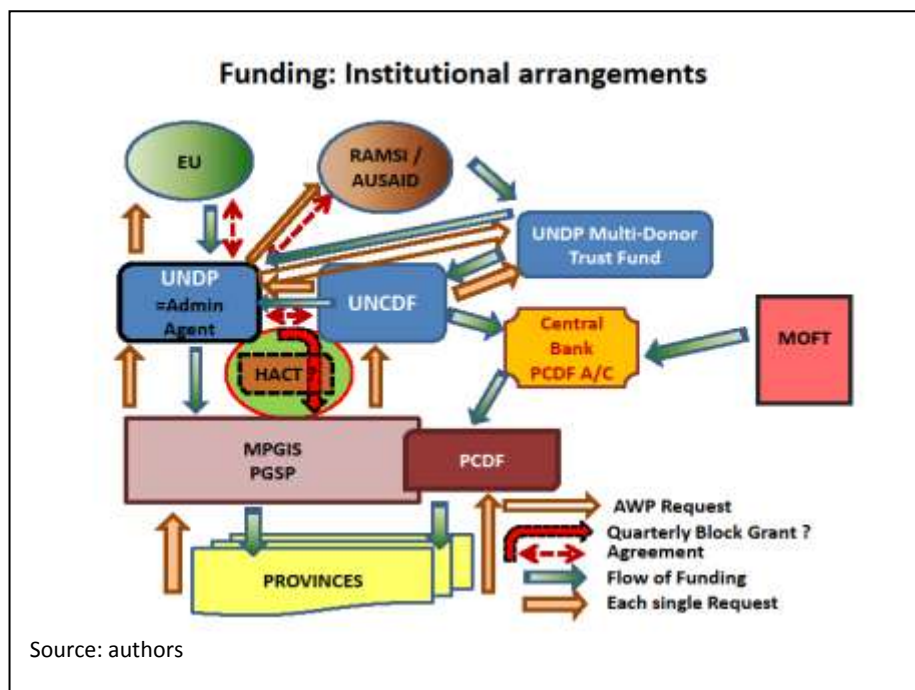
<sup>32</sup> UNDP's procurement division is based on Fiji and there is an obvious work overload on the shoulders of the Assistant Res Rep and Head of the UNDP Sub-Office in Honiara



ing mechanisms between the PGSP and other sectors and programmes i.e. education, health, environment etc. with central ministries (MOFT, MPAC, MID), as well as additional development partners (WB, Asian Development Bank and New Zealand Aid).

Nominally, PGSP is implemented as National Implementation Modality (NIM), with the MPGIS as Implementation partner (IP), but in practice, a **mix of NIM and Direct Implementation Modality (DIM)** prevails, due to a rather complex management architecture and the fact, that, although the MPGIS as IP is fully responsible for project activities, efficient use of resources, delivery of project outputs, it is not involved in managing the financial flows to PGSP. This and the necessary request and reporting are entrusted to UNDP and UNCDF, respectively. MPGIS has not met as yet the criteria which would make it eligible for the **Harmonized Cash Transfer (HACT)**. A shift to this modality for the flow of funds would have the advantage of MPGIS having available a quarterly type of 'block grant' of funding (granted on the basis of the AWP), thus avoiding the cumbersome actually prevailing process of being obliged to request each single payment. Figure 17 shows the complex funding architecture with its high transaction and opportunity costs. This, associated with the absence of an effective M&E system (see below) poses a **risk for the continual flows of funding** for PGSP, especially at critical junctures such as the transition from phase I to II of the Programme. A funding gap is already on the radar of PGSP management (see below).

**Figure 17 : PGSP funding architecture**



The figure also shows that the MOFT is somewhat sidelined in PGSP implementation: its role is reduced to signing cheques for financially alimentering the PCDF. MOFT staff consulted was not very familiar with the contents of PGSP and lacked regular reporting.

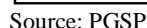
The **major HR challenge** in SI at all levels and in all sectors of government, alluded to above, also negatively affects the PGSP management: To give **three examples**: firstly, the PS in MPGIS changed three times in the three

years of PGSP's life. Secondly, the crucial post of CTA has been occupied by three persons in three years, being held at present by the International Financial Advisor on an acting basis. And thirdly, three vacancies exist for the posts each of national and UNV advisors to PGs, despite repetitive attempts at recruitment. In fact, since the beginning of PGSP implementation in mid 2008 the project never had the full staffing foreseen in the ProDoc. The volatile staff situation is considered by a

**Staffing deficit and high turnover of staff** in key positions leads to a situation whereby interim, improvised ‘solutions’ prevail, without always a clear tasking and accountability structure and line of command, or with arrangements changing all the time with incoming and outgoing staff. This has negative consequences for functional responsibility and efficiency the logistics for the MTE field visits may serve as an illustrative example: The consultants dealt simultaneously with four different persons for rather simple matters such as hotel and flight reservation and agenda setting.

The **management and communication link to the PGs** and the national and international advisors posted there – structurally of utmost importance from the point of view of the programme logic – is particularly fragile. From a bottom up perspective it is not always clear who is doing what and when, and whose responsibilities are involved, although, nominally, the Division for PG is clearly charged with maintaining the link with the PGs. Coupled with a slow grinding of the financial machinery, this may lead to embarrassing situations, notably when payments and delivery of equipment etc. is involved.

**Figure 18 : PGSP management and functional reponsibilities**



meetings are not held with regularity. If one compares this chart with one produced by UNCDF for the purpose of training, one notes little congruence between the two.

The **AWPs**, reviewed once a year, are elaborated regularly and require a major collective effort. However, they are activity-based and not result oriented, and, above all, they do not really permit a systematic comparison between targets / benchmarks planned and actually realized / met.

The prevailing situation exacerbates the financial management challenges alluded to above. It **impacts negatively on performance, and the efficiency** with which outputs are delivered - which in turn affects the effectiveness of reaching planned results and impact. According to an insider, only approximately **60% of the total performance potential** is achieved at present.

Under pressure to resolving the pending staffing issues and to improve management efficiency, and a looming funding gap of up to 1 million USD (PGSP, n.d.), the MPGIS **endeavours to fill all vacant posts and localize as many positions** as possible.

Finally, with regard to **M&E** (Component 4) little progress has been made. The only M&E system in place is the Annual Minimum Condition assessment of provincial governments, a kind of proxy indicator system which is able to gauge the extent to which capacity building in PEM has been successful and the invested effort produced consolidating effects on PEM. A solid, comprehensive baseline study as well as a sophisticated M&E framework has been produced in 2011, but both are not used yet for practical purposes. This means, that **no result and impact monitoring** is taking place, an aspect considered crucial not only from the point of view of the funding agencies. The latter expressed to the MTE team the wish to have timely and relevant information and reporting on impact, and not only on activities, arising from a functioning M&E system. The present capacity profile in PGSP for M&E is not congruent with the generally recognized need and demand for improvement on this score. MPGIS is planning to respond to by setting up, in 2012, a **M&E Unit** and by contracting an international (short term) consultant to review and fine tune the M&E framework as well as for training of the M&E personnel in its use.

#### **2.6.7 EQ 7: To what extent did piloted approaches lead to up-scaling and replication as well as to policy development?**

There is evidence of PGSP turning into a driver for change for the review of the Provincial Government Act (PGA) and the recognition of PGs as a major arm for sub-national service delivery, even of some modest effects of up scaling. The co-existence programmes and funds pose a challenge to a harmonized approach to decentralization and a corresponding policy, as well as improved local services and economic development.

There is substantial evidence that the pilot implementation of PGSP led to **up scaling effects** (e.g. introduction of International Accounting Standards and of accounting systems in government

*'.....The Provincial Governments hardly deliver any tangible projects from mainstream government funding apart from those funded through Provincial Capacity Development Fund of PGSP and the Rural Development Programme.....*

*.....the National Government is gradually gaining confidence in the provincial governments as a result of the efforts of the Ministry of Provincial Government and Institutional Strengthening since the inception of the Provincial Governance Strengthening Programme (PGSP). The PGSP through MPGIS has focused well in developing the capacities of the provincial governments in public expenditure management system and good governance.'*

Speech by the Prime Minister, Hon. Gordon Lilo Darcy, Gizo, delivered to the Second-Appointed Day Celebrations of Western Provincial Government 7<sup>th</sup> December 2011

ministries). Moreover, the PGSP led to an increasing awareness and recognition of the importance of PGs as local arms of government's endeavour to improve service delivery, to an increased sense of ownership, and, most notably, to an increasing flow of funding to PGs, as amply demonstrated above. The piloted approach of a formula-based distribution of resources across provinces is gaining value as 'currency', as testified not only by the adjustment of the PCDF formula itself<sup>33</sup>, but also by the intention of central government to allocate the PSG on a formula basis.

The PGSP has clearly contributed to **shift the attention and resources to PG** and improved service

delivery, as well as improved governance and accountability. This is evident by recent speeches of members of Cabinet and the PM himself. Together with the Premiers Annual Conference and MPGIS, PGSP can be considered a driver of change for a review of the PGA and a more decentralized and effective service delivery coupled with local development dynamics, even in the absence of a defined decentralization policy and strategy.

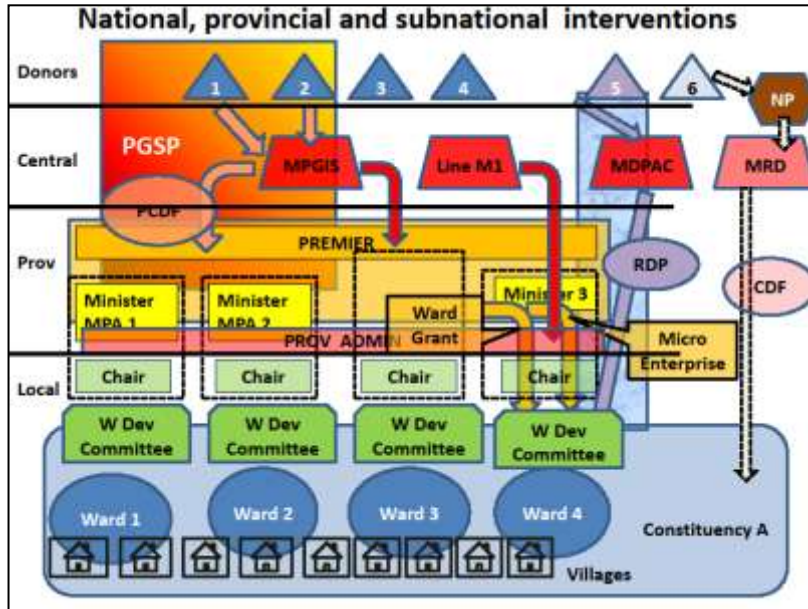
A major challenge and testing ground of its robustness for PGSP will be its persistence *vis-à-vis* programmes, equally well endowed with resources, which put less or no emphasis on good governance (proper budgeting, PFM systems and accountability, audit and internal control procedures), such as the RCDF. Figure 19 below gives a visual overview over the coexistence, of three programmes at sub-national level, two with substantial funding (PCDF, RCDF), which in a certain way compete with each other, using different modalities and criteria of delivery and producing potential contradictory effects on citizens in their quality as voters, demanders of services, economic subjects and taxpayers. It was said, by several of the MTE team's interlocutors that the three different approaches would eventually have to be, if not harmonized then, coordinated. According to these views, this touches on the essence of statehood and legitimacy, each in its own way.

**SHOWCASE 4:**

PGSP has already at an early stage produced up scaling effects, notably concerning PFM instruments. At the same time it has shifted the attention of key stakeholders (SIG, Parliament, Provincial Premiers, civil society and donors) to the opportunities existing at PG level, as well as to the capacities and challenges in addressing citizens' needs. The inclusion of PGSP in the National Development Strategy (NDS) 2011-2020 testifies to these early achievements.

<sup>33</sup> From a ratio of 10 % (equal share Component): 90% (population factor) to 20%: 80%, benefitting the provinces with less population.

Figure 19: Programmes at sub- national level



Source: Authors

### 2.6.8 EQ 8: to what extent did the Programme enhance the partnership with the Government and other donors at national and regional level?

PGSP has established synergies and partnerships with some donors and the government i.e. MPGIS, EU and AusAID/RAMSI. Partnerships have also been established with the IPAM / MPS, the Parliamentary Strengthening Project (PSP) and, to some extent, MDPAC / RDP, while it has not been possible to foster a better understanding with MRD / RCDF, which also intervene at sub-provincial level. The UNCDF approach through the PCDF is acknowledged widely by SIG and development partners, while the LED concept is still in need to be developed further, including in its role in advocacy for LED.

The programme has promoted a **framework for donors' harmonization** with the integration of EU and AusAID/RAMSI in the PGSP and the establishment of the UNDP Trust fund in 2008. **No donor other than AusAID/RAMSI, however, is part of the trust fund arrangement.**

**The partnership** with MPGIS, AusAID/RAMSI and the EU has been **effective** in terms of joint pooling of funds, management of the PCDF, transfers to provinces through the MFT and harmonized reporting system for the PCDF. SIG and the provinces are very satisfied with these procedures, although there is space for improvement.

In terms of management of activities and reporting to partners **the partnership with UNDP has been less effective because of** slow procurement of services and goods, delayed reporting to part-

ners (i.e. EU and AusAID/RAMSI), provision of relevant information by UNDP, unclear division of labour between UNDP, UNCDF and MPGIS, and slow procedures in general, for administration. The management and administrative arrangements are complex and suffer from high transaction costs.

The **UNCDF approach** through the PCDF mechanism and its effectiveness are **widely recognized and appreciated** by SIG and the funding partners. This is testified by the emerging new formula for the PGS, which is simplified and aligned to the PCDF formula.

It is acknowledged by all actors that the **system with minimum criteria and performance indicators is a viable incentive system** and the standing of UNCDF within donors and SIG is highly appreciated, a perception emphasized by the additional SIG contribution of SBD 24 million to the PCDF for 2012/2013 (see also Figure 12 and 13). At the national level a viable alliance is established with MPGIS, but also with the SIG, as seen by the PGSP inclusion in the National Development Strategy 2011-2020.

Good opportunities should exist for the development of **further engagement and strategic partnership with SIG and development partners**, and possibly new ones, potentially WB and ADB. **However, a risk exists for the EU to withdraw** from the PGSP at the end of Phase I, in particular if the needed results-oriented strategic approach and the reporting and administrative procedures do not prove effective enough for that agency.

The UNCDF **has promoted the PCDF approach at the national level, but the LD approach and in particular the LED approach is not yet sufficiently clear** for promotion at the national level, as a UNCDF concept for LED has not yet materialised in the Solomon Islands.

Concerning **regional collaboration**, partnerships have been established with the Commonwealth Association of Local Governments (CALG) and with a research institute in Australia (on the matter of review of the PGA). Decentralization processes and arrangements in other countries of the region (Indonesia) have been brought into PGSP via consultants and study visits. In the admittedly superficial view of the consultants, it is not clear, however, according to which criteria partnerships and 'best practices' were selected. It is suggested that the range of **study cases** should be broadened beyond the Pacific region, to include, for example a case such as Cape Verde, an archipelago with some features and major challenges comparable to those of Solomon islands, but with an excellent track record concerning governance in general and local governance, service provision and PEM in particular (IMF, 2010).

The UNCDF regional office has advocated for the **LoCAL modality** for climate change prevention and the Primers have discussed it at the Premiers' Conferences. This should be a new innovation to include in Phase II of PGSP taking into consideration a number of factors:

- there is an objective need for including climate and environmental change adaption in the list of priorities for CD of PGs, as expressed by various interlocutors during the MTE;
- various project proposals for investment have already been submitted to PGSP for financing via PCDF, which could, however, not be considered for a number of reasons linked to the sequencing of PGSP and capacity constraints;

- LoCAL being an add-up facility complementary to PCDF – it does not require planning, budgeting and monitoring arrangements separate or additional from those already in place. It is thus a cost-efficient way to address environmental and climate change issues of local dimension;
- there are concrete possibilities of dovetailing LoCAL with other programmes addressing capacity building in this field, notably the Strengthening Environment Management and Reducing Impact of Climate Change (SEMRICC).



## 3 CONCLUSIONS AND RECOMMENDATIONS

### 3.1 Overall Assessment

PGSP has, in a very short time (less than three years) of its long term lifecycle of 15 years made **considerable progress towards producing the planned results** in the three main Components (1 to 3) or areas of intervention. This is due to a somewhat **heavy frontloading in implementation**, which attempts to produce many of the envisaged outputs and planned results at an early stage and in a tangible manner. This way it has been able to produce **quick wins** in the form of a considerable increase of resources to the provinces for public investments, and **more than 400 investment projects**, as well as increased institutional and financial management capacity at PG level. It has also contributed to a sharpened attention to the needs and challenges of sub-national levels of government. PGSP has become a **driver of change** for strengthening PGs, together with MPGIS and the Annual Premiers' conference. This, in turn, has contributed to a gradually **increasing public awareness of key actors** (parliament, Government, civil society) of the important role PGs need to play towards political, social and economic development and stability, as well as improved governance and accountability. Indicators for this tendency are the public debates in Parliament of the Annual Premiers conference communiqués, a growing sense of ownership of PGSP by MPGIS, and, most notably, the increased allocation of SIG resources to provinces. In this way, PGSP has helped, by default, not by design, to pre-empt a somewhat premature and politically controversial debate on federalism.

These **impressive early achievements** generated by PGSP, are recognized by monitoring exercises funded by donors (EU, 2010) and government<sup>34</sup> alike. They result from the tremendous effort the key stakeholders (MPGIS, PGs and the PGSP core team) have undertaken to produce the planned outputs of three successive, quite ambitious AWP's covering all PGSP Components.

However, the contributions to the overall early successes as well as performance in achieving results planned in the AWP have, **varied considerably across the Components 1 to 3**. Most progress has been noted in Component 2 (PR 1: *The Resources of Provincial Governments are commensurate to their responsibilities*), which also absorbed most of the available resources to date. Component 3 (PR 2: *The Local Development management capacity of the Provincial Governments is developed*) has also provided considerable inputs to PGSP's early success, strengthening the PGs' management role (e.g. in planning, budgeting and accounting, etc.), despite a somewhat blurred understanding of what 'Local Development', 'Local Economic Development' and inclusion of environmental and climate change issues would entail. We conclude therefore, that these terms should be conceptualized and possibly the planned outputs reviewed.

Relatively **little progress** has been achieved in Component 1. In the understanding of the MTE team, this is attributable to the political 'loading' of the Component's Planned Result (PR 3: *The responsi-*

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<sup>34</sup> See: Speech by The Honourable Minister for PGIS in Parliament, and following debate on 28 November, 2011, which include a number of explicit references to PGSP



*bilities of Provincial Governments are clarified & expanded*). While there is no doubt, that PGSP can and must provide **technical inputs**, the clarification and expansion of the PGs' functional assignments together with a policy or roadmap for decentralization of functions and resources <sup>35</sup> is an eminently **political process**, often with uncertain outcomes and / or political compromises which may be technically dysfunctional. A coherent decentralization policy and strategy entails political negotiations between key national stakeholders (parliament, Premiers, Government of the day etc.) and often conducive political conjunctures / opportunities, apart from long term political commitment. For this reason, the MTE team suggests a rethinking of Planned Results and outputs of Component 1. This could and, in the opinion of the evaluators, should, in fact, entail the inclusion of the lessons learned and documented stemming from PGSP's experiences with Component 2 and 3, notably with regard to the PGs core business (planning, budgeting, accountability etc.). No one is in a better position to produce such a feedback loop. It could be helpful for the SI policy process on decentralization for PGSP to consider promoting a **discussion forum** in the form of a working group or international conference which looks at possible scenarios for decentralization and local government, analyses the respective relevance, advantages and disadvantages and produces technical recommendations to policy makers (Parliament, SIG, Premiers).

Attention is also called for to the relatively **unorthodox approach** the PGSP has chosen to take. Contrary to conventional wisdom in literature on public finance, ('Finance follows Function') the project has started with providing (and increasing) finance before the functions of PGs were clarified. There are clearly **risks** associated with this approach (lack of absorption capacity, moral hazard), risks emphasized by the absence of hard budget constraints (e.g. in the sense of stronger emphasis on conditioned grants instead of the prevailing practice of general purpose grants). From this perspective, the MTE team concludes, that the issue of **internal and external control / audit** needs to be better reflected in the planned outputs of Components 2 and 3.

The broad, **all encompassing implementation strategy** adopted by PGSP for its first five years phase I (out of a total of three), referred to in this report as '**frontloading**', is considered quite ambitious, if not risky, given the constraints on human resources (see below), and related to this, a less than optimal efficiency by PGSP to deliver and the doubts about PGs' capacity to absorb all investment alluded to above. An approach to AWP elaboration and review, which emphasizes of activity orientation instead of result, and in which the quantity of activities may not be matched with quality is not seen to mitigate this risk. This takes into consideration the virtual absence of a proper and functional 'navigational instrument' in the sense of an effective M&E system (Component 4).

The MTE team therefore concludes that a review of the priorities and the approach to the elaboration and review of AWP is called for, as is, as a matter of high priority, the establishment of an efficient and cost-effective M&E system. It thus fully endorses the MPGIS intentions to set up an M&E unit in the ministry and review and put into practice the M&E framework already drafted. Taking into consideration the frontloading aspect of PGSP implementation, the total life cycle of the PGSP as well as the HR constraints (which are likely to continue), the MTE team concludes that a

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<sup>35</sup> This may take various forms, including delegation, administrative decentralization ('deconcentration'), fiscal decentralization or fully fledged devolution.

more realistic time perspective for the AWP is called for, a perspective able to provide ‘value time for money’. This may imply, during and after the transition from Phase I to Phase II a re-sequencing of future activities in all Components, with emphasize on consolidating the gains and achievements, some of which may appear still fragile<sup>36</sup>. As PGSP has already demonstrated, there is not always a need to carry out all activities in, and for all, provinces at the same time. The stretching of the planning horizon for PGSP and the correspondent adjustment of the AWP may require negotiation and lobbying for continued support by partners and donors , and possibly the identification of new ones (e.g. for climate change and environmental issues).

For the reasons mentioned above, the MTE concludes that a **restructuring of the log frame and the budget quantities** is needed, in fact, as soon as possible, to guarantee a smooth transition from Phase I to Phase II, and to put Planned Results and outputs into perspective, consolidate the impressive gains made so far, distribute the work load more evenly across the three life cycles of PGSP and to clarify outstanding issues (LED and environment / climate change)

With regard to the results of the evaluation in respect to the **DAC criteria**, the MTE arrives at the conclusion summarized in the figure below. If we attribute the maximum of five points for each of the four DAC Criteria for performance, PGSP has achieved an overall score distribution as follows:

**Figure 20: Evaluation results by DAC criteria**

CRITERIA	PERFORMANCE				
Relevance	X	X	X	X	
Efficiency	X	X			
Effectiveness	X	X	X		
Sustainability	X	X	x		

Thus, on the basis of the assessment conducted with the help of the Evaluation Matrix the consultants conclude, in consonance with the members of the reference group established for the MTE<sup>37</sup>, that PGSP has in its almost first three years of operations, performed well in relation to demonstrating its **Relevance** in the SI context and with regard to the challenges the country is facing. It has done moderately well with regard to the **Effectiveness** in which the planned results were transformed into outcomes. Still moderately well, but with less brilliance, PGSP has contributed to the **Sustainability** of the changes it has helped to initiate, with maintenance of assets and infrastructure still a pending issue, but already strategically recognized as being important for sustainability. PGSP’s performance was relatively poor with regard to the **Efficiency** with which the inputs and

<sup>36</sup> The Annual Assessment of Minimum conditions for the PCDF show that the average performance of the 9 provinces is stagnating, after a dramatic increase in 2009.

<sup>37</sup> This result matrix was presented at the MTE wrap-up WS with the reference group in Honiara, on the 7 December, as well as with members of the JOC and the PFGCC on the 8<sup>th</sup> December, 2011. No comments contrary to these conclusions were received.

activities produced the outputs foreseen for each Component<sup>38</sup>. There is considerable need – and space – for improvement.

## **3.2 *Conclusions to specific evaluation questions***

### **3.2.1 EQ 1: is the programme coherent and well designed?**

The PGSP was and still is a highly relevant programme for the SIG and the 9 provinces. The design captures the relevant elements for a programme to strengthen local governments in Component 1 and 2 but the implementation plan for these Components are too “frontloaded” with the ambition to implement all major activities and reaching, in particular output 1 and 2, within a very short time-frame. The Programme’s Component 3 on local economic development, climate change and environmental issues is not conceptualized and dovetailed with Components 1 and 2. Gender mainstreaming and environment issues are only addressed indirectly in ProDoc. However, PGSP is starting mainstreaming gender in budgeting and training. An early review of the log frame as well as the budget quantities per Component, aimed at guaranteeing a smooth transition from Phase I to Phase II and accommodating necessary adjustments is deemed necessary.

### **3.2.2 EQ 2: Increased capacities and improved systems at local and national level?**

Concerning the functional assignments for PG, little progress has been made. This is basically due to the unsuitability of using a technical approach to solve a political and policy question (see above). Substantial progress has been made regarding capacity building, which has yet to be consolidated and translated to improved efficiency management capacities, taking into account both the increasing flow of resources to PGs and the challenges concerning internal control, maintenance and basic skills. The present approach might need a complementary focus on on-the-job training. For reasons of fiscal sustainability of PGs and their ability to generate income for maintenance, an improved local revenue administration, which focuses on non fiscal revenue, is a basic precondition.

### **3.2.3 EQ 3 -Contribution to improved planning of local development?**

PGSP has recognized the importance of strategic planning for provincial development and has provided important inputs into this process, which is in its incipient phase. Not all provinces have started with this planning exercise, and issues related to the institutional landscape (sectors, programmes) intervening in the planning process at PG level, as well as the involvement of communi-

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<sup>38</sup> One of the contributing factor is sub-optimal performance of UNDP

ties and villagers at sub-national level (ward, villages) in participatory planning need to need to be addressed and resolved. There is an understanding between PGSP and RDP (the latter intervening directly at ward level) as to the division of labour between the two programmes and the most appropriate methodology. The existing plans, in the process to be reviewed, seen by the consultants, suggest the prevalence of a shopping list approach to planning.

#### **3.2.4 EQ 4: Have PCDF-funded investments contributed to enhancing opportunities for socio-economic development?**

The PCDF has so far mainly served for the social sector to meet its important needs, in particular education, health, fisheries and agriculture. Investments are dispersed and so far without a strategic development focus e.g. in some provinces (e.g. Western Province), PCDF seems to have been excessively used by one line ministry (education), which appears to be satisfied to have investments subsidized by PGSP. No evidence exists of a LED approach but a few particular investments in the productive sector exist as a result of ideas from the communities without a strategic or integrated LED approach. An update of the PCDF manual is needed, aimed at including the actual formula, to give more emphasis on some performance criteria and reduce the investment menu to investments within provinces' functions and to encourage investments in LED. The assessment system is generally working well and encourages the PGs for improved PFM, planning, HRD and other administrative issues. The fulfilment of the 8 minimum criteria is not yet a routine for the PGs as provinces struggle every year to fulfil all 8 criteria and some do not qualify for the PCDF every year (except 2009/2010). The performance system is also working well but there is a need to put more emphasis on revenue collection, maintenance and internal control.

#### **3.2.5 EQ 5: Are the programme results likely to be sustainable in the longer-term?**

Sustainability in medium and long term perspective is difficult to gauge at the very early stage of a programme planned for 15 years. Recently the likelihood of sustained PGSP's results has increased with the beginning institutionalization of the programme in MPGIS and a general acknowledgement of the PGSP as a most relevant programme for improving service delivery at PG level. Locally the planning process is, however, still at an early stage, HR fluctuations are considerable, the fiscal sustainability of most PGs not yet given. The sustainability of investments from PCDF is at risk as maintenance is not prioritised or budgeted.

#### **3.2.6 EQ 6: Effectiveness of implementation and management at national and local level?**

The efficiency of PGSP in management, in general, and financial management, in particular, is clearly below the established potential and does not match the needs generated by an ambitious, frontloaded approach to PGSP implementation. The absence of functioning M&E system does not

permit to gauge the effectiveness of programme implementation. Personnel problems (vacant positions, interim solutions), some of them the consequence of past erroneous decisions, continue to negatively impinge on PGSP's management capacity. This does not only affect productivity and the capacity to delivering the planned outputs, but has also has implications for the effectiveness of the programme to produce the intended impacts. The PGSP's leadership has recognized the deficiencies and seeks to remedy the situation. A cautious approach to the issue of early localization of key staff is called for, taking into consideration such a step at a moment crucial for the transition from Phase I to Phase II.

### **3.2.7 EQ 7: Did piloted approaches lead to up-scaling and replication as well as to policy development?**

Evidence for up scaling effects is emerging, e.g. the intended replication of the formula approaches for the PSG. Together with The Premiers Conference and MPGIS PGSP is part of an alliance for change which drives the review of the PGA and the recognition of PGs as a major arm for sub-national service delivery. However, the co-existence of programmes and funds with less emphasis on governance and accountability poses a challenge to a harmonized approach to decentralization and a corresponding policy toward improved local services and economic development.

### **3.2.8 EQ 8: Did the Programme enhance the partnership with the Government and other donors at national and regional level?**

The PGSP clearly enhanced partnership and synergies between SIG, especially MPGIS, UNCDF and the supporting donors. Partnerships have also been established with the IPAM / MPS, the Parliamentary Strengthening Project (PSP) and, to some extent, MDPAC / RDP, while it has not been possible to foster a better understanding with MRD / RCDF, which also intervene at sub-provincial level. Concerning the regional / international dimension, partnerships have been established with the Commonwealth Association of Local Governments (CALG) and with a research institute in Australia (on the matter of review of the PGA). The UNCDF approach through the PCDF is acknowledged widely as relevant and innovative by SIG and development partners, while the LED and LoCAL concepts are in need to be developed further, including their potential advocacy role.

## **3.3 Recommendations**

### **3.3.1 EQ 1: Is the programme coherent and well designed?**

- a) Short term (first half of 2012): Review log frame and recalibrate budget quantities (to reflect inflation ,spending patterns and priorities) aimed at smooth transition from Phase I to II, ac-

commodation of lessons learned and clarification of pending issues. The review should consider, in particular, the following issues:

- i. Review “frontloading” approach in a more realistic time perspective (Platform I to Platform III)
  - ii. HR constraints on SI and in PGSP are to remain: refocus and concentrate efforts on core business of PGSP, on consolidation of achievements and on areas (topical, geographical) where quick wins are likely and sustainable;
  - iii. Clarification / conceptualization: Services vs LED (approach, sequencing, resources, menu);
  - iv. Clarification / conceptualization of environmental / climate change dimension in PGSP and consideration of possible inclusion of a pilot for LoCAL;
  - v. Reformulation of Component 3 to cater for LED and provision of feedback loop to Comp 1 and 2;
  - vi. Revise, reduce and update the programme’s risks and establish monitoring system;
  - vii. Organize an exchange visit to draw on best decentralized governance practice. As argued above, Cabo Verde could be a relevant choice given its geographical environment and socioeconomic challenges very similar to those of SI.
- b) Consider negotiation of a stronger environmental Component with present and potentially new partners, given the vulnerability of coastal areas to effects of climate and environmental change. This might include attracting support for the UNCDF add up component LoCAL, e.g. in the context of the regional framework (CTI, Pacific Islands Forum, AOSIS) and might including new partners (UAE?) as well as exploration of partnerships within the UN family (e.g. SEMRICC);
- c) Negotiate continued partner support with established and potentially new partners (e.g. WB, ADB, New Zealand Aid)
- d) Review the terminology used in project related documents and reports. The Components should have ‘Planned Results’ instead of ‘outputs’, whereas ‘outputs’ should be used for the activity level. Substitute the ‘output 5’ in project and funding statistics by a more adequate term to avoid confusion.

### **3.3.2 EQ 2: increased capacities and improved systems at local and national level**

- a) Medium term: Reformulate the Planned Result (output) for Component 1 (output 1.1) aiming at a less ambitious, more technical formulation. Summarize studies in a scenario paper and feed it, together with the lessons learned on PGs’ core business within PGSP (in Components 2 and 3) into the policy debate on functional assignments.
- b) Short Term: Design and review, where necessary, and execute CD programmes aimed at strengthening procurement and maintenance function of PG, as well as that of internal control and consider more and broader on-the-job-training and general skill training. The latter may be outsourced.

- c) Short term: Effectively use the opportunity of the imminent costing study for reviewing PG budgets, using the 'zero budgeting' approach (as opposed to 'incremental budgeting') in all PGs, document the results and mainstream the approach , including feeding it into the policy debate;
- d) Medium term: intervene with line ministries (Education, Health, Environment, Infrastructure Development) to guarantee sufficient staffing of provincial administrations and to ensure that established posts are filled and maintained (MPGIS);
- e) Medium Term: Design a CD programme for PGs local revenue administration with a focus on non-fiscal revenue which is related to the public services provided by the PG. Implementation should not be precipitated, given the complex nature of revenue collection issues. Matter of taxation with its strong national and political dimension should be avoided in Phase I and II. At a later stage, PGSP experience with own non fiscal revenue administration may feed into a review of SI tax systems, outside the PGSP framework (see also: 3.3.5: sustainability).
- f) Monitor closely flow, use and effects of the additional PCDF resources to be transferred to PG in the 2012/13 budget.

### **3.3.3 EQ 3: Contribution to improved planning of local development?**

- a) Take a Medium term perspective to provincial strategic planning and promote, conceptually and in practise, joint efforts, cooperation and exchange of results with MDPAC / RDP, possibly on the basis of a MoU.
- b) Medium Term: Align the annual planning and budgeting exercise with strategic plans, where they exists, for improved and territorially targeted annual resource allocation and for M&E purposes.

### **3.3.4 EQ 4: have PCDF-funded investments contributed to enhancing opportunities for socio-economic development?**

- a) The eight existing MC are to be maintained.
- b) Review the criteria in the performance system to include more focus on improvement in revenue collection, funds for maintenance and internal control, in line with the suggestions in Table 12 below.

**Table 12: Suggestion for changes to the performance assessment system:**

<b>New criteria:</b>	More than 1% of the budget for recurrent costs are allocated for maintenance	Max 3 points (one point per %)
	Systems for internal control in place i.e. monitoring of staff and use of provinces' resources – IT, transportation (vehicles, boats, accommodation, travel exp. etc.) and implemented	Max 3 points
<b>Modification of criteria:</b>	<b>Existing:</b> Revenue estimates in the budget for the current year are realistic in terms of past collections	
	<b>Modified:</b> Revenue estimates in the budget for the current year are realistic in terms of past collections <i>and provincial revenue strategy</i>	
	Existing: Own source revenues increased from the previous FY New: Local revenues increased with more than 10% in previous FY compared to two years before the FY	
<b>Change to weight:</b>	Actual own source revenue is at least 80 % of the original estimate, and original budget was balanced	Weight reduced to 3 from 6

- c) Formula and investment menu for the PCDF: The PCDF formula is transparent and the modification in 2012/13 with more weight on equal share part (40%) helps less populated provinces. In general, the formula could be more related to needs and fiscal capacity. About 60% of the PCDF is spent on non-devolved functions and in particular education. It is therefore recommended that the formula for the PCDF is maintained for the time being, until better data for fiscal capacity and expenditure needs exist, e.g. reliable census for population distribution.
- d) For avoiding over-investment in sectors outside the provinces' function, it is recommended to adjust the formula in the sense to introduce a ceiling for investments in non-devolved functions of 20% of PCDF funding per year. This should be included as a new trigger for disbursement<sup>39</sup>.
- e) Update the PCDF Manual accordingly
- f) Medium term: Conceptualize LED approach (public investment / infrastructure vs livelihood/ income generation, value chains etc. or mix) and define LED inspired allocation criteria for PCDF;
- g) Medium term: carefully consider Pilot of LoCAL in a selected province (e.g. where there is a necessary and sufficient environmental competence). Determine the criteria for (top up) allocation.

### 3.3.5 EQ 5: Are the programme results likely to be sustainable in the longer-term?

- a) Medium term: For Phase II: gradually capacitate PG (where feasible) in matters of collection and administration of non-fiscal revenue (licence and user fees, etc.). Make the necessary investments in systems (registers, schedules, databases) and in the selection, training and su-

<sup>39</sup> It could also be a new MC, but the provincial budgets are not prepared, when the yearly assessment takes place.



pervision of revenue officers. “Ring fence” non-fiscal revenue for purposes of maintenance of the services which generate the revenue (i.e. use fees collected from water supplies for maintaining the infrastructure (e.g. pumps) and ensure that the price for the service offered is commensurate with the services quality).

- b) Medium term: Monitor and document the evolution of PG’s own source revenue and recurrent PSG revenue in relation to current expenditure, to get a better understanding of PG’s trajectory towards financial sustainability.
- c) Short term: Introduce a mandatory percentage for maintenance of infrastructure in the annual PG budget for maintenance. A realistic estimate appears to be 10% of recurrent budget;
- d) Short term: Given a declining tendency of the Provincial Service Grant (PSG) relative to total national recurrent budgets and to PCDF (2008-2011): negotiate an increase with the national government.
- e) Medium term: Consider providing TA to MPGIS for **elaborating a HR policy for PGs, aimed at stabilizing the HR situation**. Elements thereof could be a more attractive package (e.g. better staff housing conditions), a policy of bonus for service in PGs and of credit system for accomplished trainings in the career development of an officer.
- f) Short term: Clarify the conditions for PGs ‘handing over’ and maintenance of investments not administered and maintained by the PGs themselves (e.g. investments and assets in remote parts of the province) to line ministries, communities, religious institutions etc. and sign a MoU / Terms of hand over with such institutions.

### 3.3.6 EQ 6: Effectiveness of implementation and management at national and local level?

- a) Confirm Acting CTA as CTA, and recruit international Financial Advisor as well as Programme Associate. The latter should preferably work as assistant to CTA and make sure that the link to PG advisors is functional;
- b) Short to medium term: Concede a stronger role to MPGIS leadership in the recruitment (short listing, selection, contracting etc.) and continuous performance evaluation of national and international PGSP staff;
- c) Medium term: review AWP structure and complexity;
- d) Short term: Re-assess MPGIS and introduce HACT;
- e) Short / Medium term: Seize the opportunity of M&E Unit and system planned for 2012 to **set up simplified and effective monitoring framework** and include the provincial context in the M&E system and data base, (e.g. in an intelligent partnership with the National Statistics Office)<sup>40</sup>. Include also the monitoring of context (see: Risk mitigation table in ProDoc). After all, the M&E system should permit to measure the changes produced (or not) over the whole lifespan of PGSP. Motto: keep it simple but not simplistic, and consider outsourcing of annual monitoring exercise.
- f) Short-term: Establish a plan with the most adequate solution concerning staffing options and the necessary funding.

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<sup>40</sup> The provincial profiles in Annex 8 could serve as a point of departure

Concerning the last point, careful consideration of the consequences of early localization of key staff should be considered with caution. The following table may provide an input for the necessary discussions within the competent decision making bodies:

**Table 13 : Scenarios for PGSP staffing arrangements**

	<b>Scenario 1</b> <i>muddling through</i> (Status quo)	<b>Scenario 2</b> <i>Rapid localization</i>	<b>Scenario 3</b> <i>Stabilizing transition</i>
<b>Key features</b>	<ul style="list-style-type: none"> <li>• High transaction and opportunity cost</li> <li>• Interface and responsibilities fluid</li> <li>• High workload for CTA</li> </ul>	<ul style="list-style-type: none"> <li>• Strong and growing sense of ownership</li> <li>• All international posts are localized within two years</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying 2-3 key international posts whose localization is phased (two years perspective)</li> <li>• Review of positions and management structure</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• Interim arrangements adopted as permanent</li> <li>• Existing vacancies (central / Provincial) can be filled in time*</li> <li>• Stop gap solutions through international consultants</li> <li>• Patience of donors and SIG</li> </ul>	<ul style="list-style-type: none"> <li>• availability of qualified HR on national HR market</li> <li>• vacancies at Central and PG level can be filled in time *</li> <li>• HR Retention capacity at national and PG level</li> <li>• Stop gap solutions through international consultants</li> <li>• Consent by donors</li> </ul>	<ul style="list-style-type: none"> <li>• Key International technical advisors available and interested in continuity</li> <li>• Advertising and recruitment of 1-2 positions, depending on management structure review</li> <li>• Stop gap solutions through international consultants</li> </ul>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Does not need change of current mind set</li> <li>• Does not need additional reform effort</li> <li>• Unlikely loss of competence in short term</li> </ul>	<ul style="list-style-type: none"> <li>• Rapid transition to a fully nationalized programme based on MPGIS HR Corporate Plan</li> <li>• Does not need additional reform effort</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely loss of competence in short and medium term</li> <li>• Capacity in place for transition to platform / phase 2</li> <li>• Increased efficiency and effectiveness</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Reduced effectiveness and efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Expertise may lacking</li> <li>• Possible adverse effects on external funding</li> <li>• Effectiveness and efficiency of implementation may suffer</li> </ul>	<ul style="list-style-type: none"> <li>• Takes time</li> <li>• Takes additional (internal) reform effort</li> </ul>

\* identified in MPGIS Corporate Plan

### 3.3.7 EQ 7: Did piloted approaches lead to up-scaling and replication as well as to policy development?

1. Medium term: Continue, conceptualize and broaden consultations with sector ministries (Health, Education, Environment) and with MOFT, MID, MRD and others;
2. Medium term: summarize results of studies (Components 1 and 2) in a policy cum scenario paper and feed it into dialogue with NP, Premiers Conference, SIG / sector ministries and media
3. Short – medium term: Negotiate MoU with MDPAC / RDP on ward profiles and participatory planning

### **3.3.8 EQ 8: Partnership with the Government and other donors at national and regional level?**

- a) Consolidate partnership with present stakeholders and funding partners as well as potentially new ones (e.g. WB, NZAID, ADB) by involving them in review of log frame and budgets, as well as in transition from phase I to II (see: 3.3.1)
- b) Timely negotiate continued support for phase II with EU and AusAID/ RAMSI;
- c) Explore possibilities for diversification of partnership e.g. with new potential donors including sub-national entities (states, regions) in the European region in general and with special reference to adaption to effects of climate and environmental change within the PGSP framework, i.e. LoCAL, etc. (see 3.3.1) in particular.

# ANNEXES

## ***Annex 1: Terms of reference***

### **Provincial Government Strengthening Program**

#### **Mid-term Evaluation**

##### **Terms of Reference (TOR)**

ACTIVITY TITLE:	Mid-term Evaluation
AGENCY/PROJECT NAME:	UNCDF/UNDP/MPGIS
DURATION:	25 days, ASAP July - August 2011
COUNTRY OF ASSIGNMENT:	Solomon Islands
CONTRACT TYPE :	Individual Consultant

#### **I. Overview**

As indicated in the project document of the Provincial Governance Strengthening Programme (PGSP) a mid-term evaluation will be undertaken 24 months after project start-up. The mid-term evaluation serves to assess overall project progress to date, to document lessons learnt and plays a critical role in supporting accountability. As such, the report of the mid-term evaluation will be disseminated for review to the implementing agency, implementation partners and other stakeholders of the project. The Joint Oversight Committee (JOC) meeting will be held to discuss the mid-term evaluation findings. Therefore, three (3) individual consultants are required to conduct PGSP mid-term evaluation.

#### **II. Project Background**

PGSP is an institutional strengthening program aiming to develop the capacity of the Ministry of Provincial Government and Institutional Strengthening (MPGIS) and the nine Provincial Governments (PGs) to fulfil their mandates in service delivery. PGSP is implemented by the Ministry of Provincial Government and Institutional Strengthening (MPGIS), with UNCDF and UNDP providing support for the implementation of the program as participating UN agencies. UNDP has been delegated the role and responsibility as the Administrative Agent of the Joint Program.

The total joint program budget is 18.9 million USD. It is financed by the Government of Australia through the Regional Assistance Mission to the Solomon Islands (RAMSI), the European Union (EU), the United Nations Capital Development Fund (UNCDF), and the United Nations Development Programme (UNDP) who contribute 14.6 million USD. The Solomon Island Government (SIG) has committed 3.5 USD million USD with the Provincial Governments<sup>41</sup> contributing between 10 to 15% minimum as counterpart.

The first phase of PGSP focuses on basic capacity for public expenditure management (PEM) and will develop in all nine Provinces a level of capacity characterized by the ability to program, produce and execute credible budgets, through appropriate participatory and transparent procedures. To provide incentives for the adoption of improved governance

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<sup>41</sup> To the PCDF funds and excluding non-cash contribution.

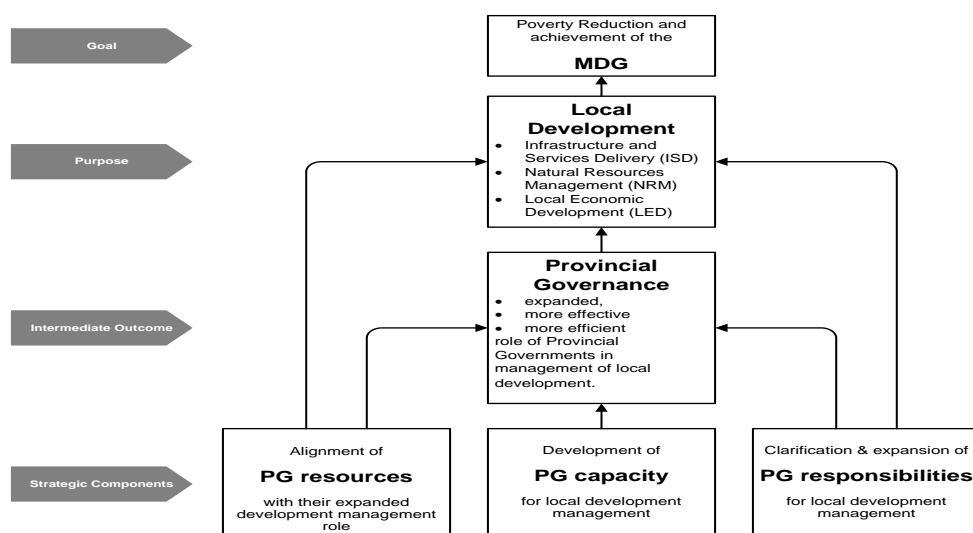
and administration practices, PGSP has set up “Provincial Capacity Development Fund” (PCDF) as a provincial budget support facility for discretionary development spending.

The program builds the capacity of the central administration (particularly the Ministry of Provincial Government and Institutional Strengthening and Ministry of Finance and Treasury) to effectively support and supervise the performance of the Provincial Governments. PGSP other critical partner ministries are the Ministry of Development and Aid Coordination (MDPAC), Ministry of Public Service (MPS) and Prime Minister’s Office.

The overarching goal of the PGSP is poverty reduction and achievement of the Millennium Development Goals (MDGs) in the Solomon Islands. The intermediate outcome for the program is improved provincial governance for development, more specifically, an expanded, more effective and more efficient role of Provincial Governments in the promotion and management of local development and in service delivery. Key project activities are organized against four (4) major Components which will aim to:

- **Output 1:** The responsibilities of Provincial Governments are clarified and expanded. The first output of PGSP is concerned with clarification and expansion of the PG responsibilities for delivery of both administrative and developmental services, either as devolved functions or as functions delegated to them by line ministries under agency agreement as per Art. 29 of the Provincial Government Act.
- **Output 2:** The resources of the Provincial Governments are commensurate to their responsibilities; the second output of PGSP is concerned with the alignment of the financial resources and fiscal powers of the Provincial Governments with their developmental mandate. PGSP aims to immediately improve the current system of Provincial Grants, to ensure a more transparent allocation, a differentiation between purpose-specific and general-purpose (discretionary) grants and an increased allocation of the latter to development spending. PGSP will also review the legal framework and current practices for provincial own-source revenue mobilization and broader central-provincial revenue transfers, developing options for reform of the current fiscal and non-fiscal revenue instruments of the provincial governments.
- **Output 3:** *The local development management capacity of the Provincial Governments is developed.* . The third output of the PGSP is concerned with building system-wide capacity for effective local-level governance and development. It will improve governance capacity of Provincial Assemblies (PA) and Provincial Executives (PE). The Local Development Management capacity of Provincial Governments is enhanced through an improved PEM cycle and service delivery – infrastructure service delivery (IDS), local economic development (LED) and natural resource management (NRM). MPGIS capacities are strengthened for an effective system of central support and supervision of PGs.
- **Output 4:** *PGSP monitoring and evaluation.* This Component is concerned with having an effective M & E system in place focusing on institutional mechanisms for policy director of the project, develop and implement the M & E/MIS System and support to MDPAC.

Illustrated below is the PGSP Logic.



In relation to its intermediate outcome, in the strengthening the capacity of provincial governance structures, the PGSP will address the needs of four sets of actors:

- Provincial Executives (Provincial Premier and Ministers), strengthening their capacity to formulate and oversee the implementation of local development policies and programmes;
- Provincial Assemblies, strengthening their capacity to represent their constituents, pass ordinances, and oversee the implementation of local development policies and programmes by the provincial executive;
- Provincial Administrations (“posted”, “line ministry” and “directly employed” staff), strengthening their capacity to implement such policies and programmes; and
- Ministry of Provincial Government and Institutional Strengthening, strengthening its capacity to: a) represent and advocate provincial development issues with the central Government; and b) support, supervise and monitor the performance of Provincial Governments.

The project document was signed in April 2008 for duration of 5 years (2008-2012), which represents phase I of PGSP. Following the project inception phase, PGSP project activities commenced in July 2008 with provincial consultation on Provincial Capacity Development Fund (PCDF) manual. This phase is planned to end in December 2012 as per the project document and agreement with the donors.

### III. Project Status

#### Outputs

- **Output 1:** The responsibilities of Provincial Governments are clarified and expanded.

#### Summary of current project status

Since 2010, functional assignment consultations are being held with targeted line ministries, donors and Provincial governments (PGs) to reach “Agency agreements” regulating devolution of more responsibilities and resources to PGs in 2011. In addition, PGSP is considering introducing a new facility to enhance the involvement of PGs in Climate change

adaptation, the Local Climate Adaptive Living (LoCAL) facility.

- **Output 2:** The resources of the Provincial Governments are commensurate to their responsibilities.  
The Project has established the Provincial Capacity Development Fund as performance-based grant to provide PGs with predictable resources for capital investments as a seed grant as well as an incentive for PGs to embark on Public Expenditure Management and Financial Management reforms with the aim of fostering fiscal decentralization.
- **Output 3:** The local development management capacity of the Provincial Governments is developed.  
2009 to 2011 has been a dedicated to capacity building activities for PGs. After adopting the International Public Service Accounting Standard (IPSAS), PGSP has organized trainings accordingly for PGs treasurers and planners. A new standard format for planning and budgeting has been adopted by the Ministry for all PGs to align planning and budgeting and ensure fiscal discipline. PGs payroll has been computerized and specific software purchased and customized for PGs: the MYOB. Additional trainings are organized for PGs in the areas of Leadership.
- **Output 4:** PGSP monitoring and evaluation.  
In 2010, the baselines study was completed and the M&E framework designed. Next steps include the design of the M&E manual and the training of MPGIS staff for implementation.

#### IV. Objective

As indicated in the project document<sup>42</sup>, there is a need to conduct a mid-term evaluation (MTE):

- To assess overall project progress to date.
- To evaluate the procedures for local level planning, programming, budgeting, and implementation extended by the PGSP to provincial governments.
- To evaluate the effectiveness of the PCDF as a pilot fiscal transfer system and as an incentive to improve performance of the provincial governments in revenue and expenditure management; and
- TO examine project management and institutional arrangements to ensure that they are adequate for and consistent with the attainment of expected PGSP results and the implementation of agreed project activities.

In addition to the above, the Ministry of Provincial Government and Institutional Strengthening expects the MTE specifically:

- To assess PGSP strategy and approaches with regard to progress toward achieving its outputs.
- To evaluate capacity development challenges faced by the project.
- To help project partners and stakeholders formulate general direction and broad outline for the next phase of the project (to start in 2013) and the extension of the current project phase with regard to the initial start up delay.

<sup>42</sup> PGSP Joint Programme Document, p. 31.

Further objectives of mid-term evaluation are:

- To assist the MPGIS, UNDP, UNCDF, donors and beneficiaries to understand relevance, effectiveness, efficiency and likely sustainability of results of the project.
- To assess the level of satisfaction of project stakeholders and beneficiaries with the project and its results.
- To assess whether implementing agency and partners are effectively positioned to achieve results,
- To assess relevance of project management arrangements, identify advantages, bottlenecks and lessons learned with regard to project management arrangements.
- To collate and analyze lessons learned and best practices which will contribute to project partners' learning and be taken into consideration during the remaining project implementation period.
- To assess the quality and timeliness of inputs, reporting and monitoring system and extent to which these have been effective.
- To recommend modifications to increase the likelihood of success of the project and the monitoring system that guides these findings.

## V. Scope of Work

The mid-term evaluation will assess project's performance and achievements according to the following basic evaluation questions and sub-questions. Please note that the sub-questions may, at the request of the reference group, be subject to change during the inception phase of the evaluation:

Question	Corresponding UN Evaluation Criteria
<b>Question 1: To what extent is the project relevant and well-designed?</b> <ul style="list-style-type: none"> <li>- To review and assess project design relevance to the national development objectives and to the needs of project clients and beneficiaries</li> <li>- To assess how well/to what degree project integrates cross-cutting issues - gender, principle of equality and inclusive development in the design, implementation and outcome; whether the project has advocated for, and has contributed to empowering and addressing the needs of the disadvantaged and vulnerable populations in the Solomon Islands.</li> <li>- To assess the level of public involvement in the project and whether the scope of public involvement has been appropriate given the broader goals and objectives of the project.</li> </ul>	Relevance
<b>Question 2: To what extent has the project contributed to increased capacities and improved systems at local and national government level?</b> <ul style="list-style-type: none"> <li>- To evaluate the procedures for local level planning, programming, budgeting, and implementation extended by the PGSP to provincial governments</li> <li>- To assess the extent to which the project contributed increased human and institutional capacity in provincial governments.</li> <li>- To assess the extent to which the project contributed to improved PEM cycle in the provincial governments.</li> </ul>	Efficiency and Effectiveness
<b>Question 3: To what extent has the project contributed to the improved planning of local development?</b> <ul style="list-style-type: none"> <li>- To assess to what extent the project contributed to improved development plan formulation by provincial governments and community participation.</li> </ul>	Efficiency and Effectiveness



<p><b>Question 4: To what extent has Provincial Capacity Development Fund (PCDF) -funded investments contributed to enhancing opportunities for local economic and socio-economic development?</b></p> <p>To evaluate the effectiveness of the PCDF (i) as a pilot fiscal transfer system, (ii) as an incentive to improve performance of the provincial governments in revenue and expenditure management and (iii) as leverage tool for provincial government further financing</p>	Effectiveness
<p><b>Question 5: To what extent are project results likely to be sustainable in the longer-term?</b></p> <ul style="list-style-type: none"> <li>- To assess the likelihood of continuation of project outcomes/benefits, identify gaps and recommend sustainability mechanisms – MPGIS, PCDF projects and policy initiatives and others.</li> </ul>	Sustainability
<p><b>Question 6: How effective has implementation and management of the project been at the national and local levels?</b></p> <ul style="list-style-type: none"> <li>- To examine project management and institutional arrangements, how adequate, efficient and effective they are for and the attainment of expected PGSP results and the implementation of agreed project activities.</li> <li>- To review the clarity of the roles and responsibilities of the various positions, agencies and institutions and the level of coordination with relevant players.</li> <li>- To evaluate the effectiveness of governmental learning activities and didactic processes employed by the project and suggest improvements/changes if necessary.</li> <li>- To assess the M&amp;E system of the project and make recommendations for its improvement.</li> <li>- To assess the monitoring and quality control of project implementation, knowledge management and the effectiveness of technical advisory services provided in the ministry and provincial governments.</li> </ul>	Efficiency
<p><b>Question 7: To what extent did piloted approaches lead to up-scaling and replication as well as to policy developments?</b></p> <ul style="list-style-type: none"> <li>- To assess the initiatives on the policy support to the Solomon Island Government/MPGIS for the Provincial Governments particularly in the relevant areas.</li> <li>- To assess to what extent the piloted approaches have been conducive to policy change and increased flow on resources at national and/or provincial levels.</li> </ul>	Effectiveness
<p><b>Question 8: To what extent did the project enhance the partnership with the government and other donors at national and regional level?</b></p> <ul style="list-style-type: none"> <li>- To evaluate the partnership arrangements for project implementation with special regards to the level of ownership by the government.</li> <li>- To assess the extent to which the representatives of the participating country are actively involved in project implementation.</li> <li>- To assess whether the government and associated implementation partners have maintained financial commitments to the project.</li> </ul>	Effectiveness

Mid-term evaluation will also:

- Make recommendations how to improve project performance in terms of effectiveness and efficiency in achieving impact on institutional and capacity development.

- Identify and propose suggestions/solutions to any problems affecting the implementation of the recommendations of earlier review and evaluations (Annual Joint Supervision Mission and the EU Results Oriented Monitoring (reports available on demand)).
- Assess the underlying factors that are beyond project's immediate control that may influence its outcomes and results. Consider the appropriateness and effectiveness of the project's management strategies for these factors.
- Describe the main lessons applicable to the project and the lessons that may be of value more broadly in terms of: a) strengthening national ownership and stakeholder's participation; b) institutional strengthening and capacity building; c) application of adaptive management strategies; d) efforts to ensure sustainability; e) knowledge transfer and knowledge management, and; f) role and use of M&E in project implementation.

## **VI. Evaluation Team**

The Evaluation Team (ET) is composed of: (i) a team leader (international consultant), (ii) two team members (one international and one local).

### **5.1. The Team leader will:**

- Lead the planning of the mission's activities, discussions at the national level and liaise with the implementing agency and partner agencies
- Ensure timely preparation of the deliverables outlined in this Terms of Reference
- Assign the tasks of contributing to the various parts of the evaluation and the report to the team members. Lead the pre-wrap up meeting to MPGIS and PGSP staff to develop the agreed actions on the preliminary findings and recommendations. The output of this consultation should be a draft Evaluation follow-up matrix.
- Lead the preparation of the Stakeholders Consultation Workshop including the wrap-up meeting where the Summary of key Findings and Recommendations will be presented.
- Furthermore, he/she will be in-charge of coordinating with other team members on the progress on preparations for the relevant policy dialogues.
- Conduct of debriefing to UNDP sub-office and UNCDF regional office.

### **5.2. The team members will:**

- Assess implementation progress based on their respective sector expertise and other areas agreed upon.
- Be individually responsible on contributing for the review of the status of compliance in the programme management systems, institutional arrangements for coordination and policy direction programme planning, and monitoring, financial reporting and management systems, and procurement procedures.
- Contribute to the presentation of the evaluation findings and recommendations
- Contribute to the drafting and finalization of the evaluation report.

## **VII. The Reference Group**

The Evaluation Team will be supported by a Reference Group (RG) composed the representatives of (i) MPGIS, RG Leader, (ii) UNDP, (iii) UNCDF, (iv) RAMSI, (v) EU, (vi) MoFT and (vii) MDPAC.

The Reference Group will work closely with the Evaluation Team to guide the evaluation process, provide necessary documents and information, facilitate contacts and ensure logistical support.

## VIII. Methodology

The evaluation team will undertake **the desk review and analysis** of the key primary and secondary documentation, including project documents, work plans, progress reports, analytical reports, national policies/laws etc.

The desk work will be followed by in-country work. This will include **individual interviews, group consultations, focus groups and facilitated kick-off and wrap-up workshops with the key stakeholders**, including the members of the JOC. They may include but are not limited to: (i) MPGIS; (ii) Provincial Governments; (iii) PGSP technical and operational staff; (iv) Ministry of Finance and Treasury; (v) Ministry of Development Planning and Aid Coordination; (vi) Ministry of Women, Youth and Children Affairs; (vii) Ministry of Public Service; (viii) Ministry of Environment and climate change, (ix) Ministry of Health, (x) Ministry of Education, (xi) Ministry of Finance and Treasury including the Office of the Auditor general, (xii) Office of the Prime Minister and the National Parliament, (xiii) UNCDF, (xiv) UNDP, (xv) AusAID/RAMSI and (xvi) EU. The team will also conduct **individual interviews, group consultations and/or focus groups with the project beneficiaries and service users**.

The evaluation team will also undertake **field visits** to at least four provinces, which will be representative enough of the program. The provinces are to be selected by the evaluation team in consultation with the stakeholders. The following criteria should be considered: a) Size of the province (territory and population); b) Challenges faced by the province; c) Travel accessibility of the province and implications for the mission travel.

The consultants will comply with the UNDP Evaluation Policy and the norms and standard for evaluation in the UN system.<sup>43</sup>

## IX. Mid-term Evaluation Plan

Time Table	Activities
<b>INCEPTION PHASE</b>	
Day 1 -2	Desk work – review and analysis of the key primary and secondary documents Briefings and preliminary consultation with project partners and Reference Group
Day 3	Start up workshop - Conducted by the Team Leader and the evaluation team to Reference Group and stakeholders - To present and validate evaluation design, plan and methodology
Day 4	Finalization of evaluation design, plan and methodology and submission of Inception Report
<b>CONSULTATIONS and FIELDWORK PHASE</b>	
Day 5-8	Consultations, interviews, focus groups with stakeholders in the capital Honiara (national line ministries and other state agencies, donors and international organizations, NGOs, and so on)
Day 9 - 17	Field Visits - consultations, interviews, focus groups with stakeholders, clients and beneficiaries in 3 provinces (provincial governments, communities, NGOs)
Day 18	Preparation of the Aide Memoire
<b>DE-BRIEFING PHASE</b>	
Day 19	- Presentation of the Aide Memoire to Reference Group and feed-back
Day 20	National de-briefing workshop: The Team Leader presents the Aide Memoire to stakeholders
Day 21-23	Draft evaluation report
Day 24 -25	Submission of the final report by the Team Leader

<sup>43</sup> UNDP Evaluation Policy <http://www.undp.org/evaluation/policy.htm>

## X. Reporting arrangements and administrative/logistical support

The evaluation team reports to the UNDP Deputy resident representative who will ensure that all necessary administrative and logistical support to arrange and carry out the evaluation will be provided<sup>44</sup>.

## XI. Deliverables

Under the supervision of the Team Leader, the evaluation team will submit the following deliverables:

- **Inception report.** It will include a brief summary of the key outputs and outcomes of the project as understood by the evaluation team, detailed evaluation design, methodology, sources of data and a plan of tasks, activities together with designated team members.
- **Aide Memoire/Presentation** on main findings and recommendations. It will include summary of findings and recommendations and will be submitted and presented to the stakeholders at national de-briefing.
- **Draft evaluation report.** It will include, but not be limited to, the executive summary, key findings, good practices, lessons learned and recommendations and will be submitted to reference group for their comments.
- **Final evaluation report** following the suggested outline in Annex 1, which may be refined in consultation with the stakeholders. The report should not exceed to 50 pages excluding annexes.

## XII. Remuneration

Payment for this consultancy will be a daily lump sum based on the UNDP international and local consultancy fee rates and payable upon submission and acceptance of deliverables.

This will be exclusive of the DSA payable to the contractor on the basis of his/her travel from home country to Solomon Islands and from Solomon Islands to home country.

The costs of provincial travel (travel tickets) will be paid separately.

## XIII. Payment Schedule

Deliverable	Possible activities	Payment
Inception report	<ul style="list-style-type: none"><li>- Conduct desk review and analysis of project documentation</li><li>- Hold briefings and start-up workshop</li></ul>	25% payment after receipt of inception report to team leader and team members
Draft Evaluation Report	<ul style="list-style-type: none"><li>- Report writing, any clarifications</li><li>- Share draft for feedback</li></ul>	75% to team members and 25% to team leader
Final Evaluation Report	<ul style="list-style-type: none"><li>- Incorporate feedback</li><li>- Finalize the report and submit</li><li>- Approval of the final report</li></ul>	50% to team leader (payment after approval of final report)

## XIV. Qualifications

8.1. *International Evaluation Team Leader.* (25 person-days). The qualifications are the following:

- a. Education: Master's Degree, in Public Administration, Social science, Political Science, Public policy, Public administration, Development studies or any other relevant field.
- b. Work experience.

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<sup>44</sup> Although the final report must be cleared and accepted by UNDP before being made public, the evaluation function should be structurally independent from operational management and decision-making functions in the organization. UNDP management will not impose restrictions on the scope, content, comments and recommendations of evaluation reports. In the case of unresolved difference of opinions between any of the parties, UNDP may request the evaluation team to set out the differences in an annex to the final report.

- At least 15 years of experience with strong comparative experience in field of decentralization and local development; fiscal decentralization; decentralized infrastructure and service delivery;
- With local government capacity building for decentralized public expenditure management and operationalization of decentralized systems of planning and budgeting, policy, legal and regulatory reform related to decentralization including rural development experience preferred;
- At least 8 years of experience in leading evaluations of decentralization and local development programme, including experience using a range of qualitative evaluation methodologies to assess programme results at the institutional, sector and policy level.
- Appreciation of performance measures desirable.

c. Others:

- Thorough understanding of key elements of results-based programme management.
- Demonstrated capacity for strategic thinking, and excellent analytical and writing skills.
- Strong task management and team leading competencies.
- Regional experience relative to the programme to be evaluated an advantage.
- Experience in UNDP/UNCDF Evaluation preferred.

VIII- *International Service Delivery Specialist* (20 person days). The qualification are the following:

a. Education: Master's Degree in rural development and related field.

b. Work Experience.

- At least 15 years of experience in decentralized financing (or fiscal transfers) to improve service delivery - Small-scale infrastructure, natural resource management and local economic development. With experience in small scale infrastructure preferred in order to assess technical quality and cost effectiveness.
- Experience in promoting fiduciary management at local government focusing on the appropriateness and quality of procurement processes with experience in community contracting highly desirable.
- Experience in providing technical assistance in project proposal, project appraisal and project cycle strategy (from social preparation to operations and maintenance).
- At least 8 years of experience in evaluations of decentralization and local development.
- With experience in gender mainstreaming in the implementation of projects by local government institutions.
- Appreciation of performance measurement desirable.

c. Others

- Thorough understanding of key elements of results-based programme management
- Demonstrated capacity for strategic thinking, and excellent analytical and writing skills.
- Regional experience relative to the programme to be evaluated is an advantage.
- Experience in UNDP/UNCDF evaluation.

IX- (National) *Local Governance Specialist* (20 person days). The Local Governance Specialist, providing knowledge of the local context, will have the following qualifications:

- a. Education: Master Degree in Finance and administration or other related fields but with at least a total of 12 years of experience or Master's Degree with relevant qualification and 8 years of experience.

b. Work Experience:

- With at least 7 years management/advisory experience in the public sector with at least 3 years experience of working with MPGIS and Provincial Governments.
- Knowledge of Provincial Government act, Financial Management Ordinance and other quasi-regulatory laws related to Provincial Governments.
- At least 2 years experience in reviewing PG programmes in the government sector funded by donor agencies.
- Experience in results-based management and UNDP evaluation is highly desirable.
- With knowledge on gender issues of the Solomon Islands.
- Knowledge of performance measurement linked with capacity building and public reform is an added plus.

## XV. Evaluation and Selection

The procurement modality will be least cost where the lowest financial proposal<sup>45</sup> with the highest technical score will garner the highest point. The technical proposal is evaluated on the basis of its responsiveness to the Terms of Reference (TOR) as per the evaluation criteria below. Minimum Qualification: Any CV's getting below 50% in each of the criterion will not be eligible for short-listing.

Criteria	Points
<b>Consultants Experience</b>	
1. <b>Applicable Experience.</b> Record of previous and actual engagement and/or work experience including quality of performance in similar projects. Knowledge in results-based M & E preferred.	<b>40</b>
2. <b>Relevant Projects for similar international organization.</b> Applicable experience that contributes to the overall understanding and experience of the assignment with projects funded by other government agencies and/or international organization particularly in public sector reform, decentralization and small grants facility.	<b>20</b>
3. <b>Previous relevant UNDP Projects.</b> Knowledge of UNDP cluster portfolio, particularly governance and decentralization is preferred. Experience in UN System is desirable.	<b>10</b>
4. <b>Qualifications and relevant training or specialization:</b> Qualification of personnel to be assigned to the project compared to the complexity of the undertaking. This includes the education and applicable length of experience related to the project to be undertaken.	<b>20</b>

## XVI. Submission of Proposals

15.1. Interested qualified individual consultants that meet the above requirements are invited to submit the following:

- Cover letter/EOI that indicate how the consultants meet the selection criteria and state the specific posts applied.
- Curriculum Vitae that includes list of previous work, contractual responsibility and successful completion of consultancy services related including name, contact numbers and email address of focal persons for each contract.
- Financial proposal stating: Lump sum cost that includes a) fees or daily rate and minor miscellaneous expenses and b) travel costs and insurance. Costs of tickets due to distance is considered.

<sup>45</sup> With consideration to the costs of travel.

- 15.2. Mail subject in a sealed envelope addressed to Mrs Cecilia Pau'u, PIU Manager, UNDP, Solomon Islands Sub-Office, under the title PGSP Midterm Evaluation or e-mail to Cecilia.Pau'u@undp.org and [registry.sb@undp.org](mailto:registry.sb@undp.org)
- 15.3. This Opportunity is open to male and female candidates. Applications from qualified female candidates are encouraged.

**XVII. Provision of support to the Review Team**

Office space	Yes ✓	No <input type="checkbox"/>
Provision of documentation	Yes ✓	No <input type="checkbox"/>
Setting up of meetings	Yes ✓	No <input type="checkbox"/>
Equipment (laptop)	Yes <input type="checkbox"/>	No ✓
Secretarial Services	Yes <input type="checkbox"/>	No ✓
Travels within provinces (facilitation)	Yes <input type="checkbox"/>	No ✓

***Annex 2: List of people interviewed/project sites visited***



Date	Name	Function	Institution	Observation
18 Nov	Alice Mauki	M&E Specialist	PGSP / UNDP	MTE Planning meeting
	Fakri Karim	Local Capacity Development Specialist	PGSP / UNDP	
	Janka Geckova	Programme Specialist	UNCDF	
	Jude Devesi	Assistant Res Rep, Head,	UNDP Sub Office	
	Momodou Lamin Sawaneh	Local Government Finance Specialist, Acting CTA	PGSP / UNDP	
21 Nov	Akiko Suzaki	Joint Presence Manager and UNDP Deputy Res Rep	UNDP, UNICEF, UNFPA	Security briefing
	Momodou Lamin Saawaneh	Local Government Finance Specialist, Acting CTA	PGSP / UNDP	Coordination Meeting (logistics etc.)
	Fakri Karim	Local Capacity Development Specialist (international)	PGSP / UNDP	MTE Interview
	Alice Muaki	M&E Specialist (national)	PGSP / UNDP	MTE Interview
	Lennis Rukale	National Project Director, PGSP Permanent Secretary, MPGIS	PGSP / SIG	MTE Interview
	Nancy Rose Legua	National Project Coordinator, PGSP Deputy Permanent Secretary, MPGIS	PGSP / SIG	MTE Interview
	Momodou Lamin Saawaneh	Local Government Finance Specialist, Acting CTA	PGSP / UNDP	MTE Interview
22 Nov	Juan Carlos Hinojosa	Attaché Social Sectors/Governance	EU Delegation	MTE Interview
	Edward Ronia	Auditor General	Office of the Auditor General	MTE Interview
	Ismael Avui	Permanent Secretary	Ministry of Public Service	MTE Interview
	Allen Daonge	Undersecretary,	Ministry of Development	MTE Interview
	Micael Pasikeni	Officer for Provincial Planning	Planning and Aid Coordination	
	Ms. Florence	Deputy Clerk	National Parliament of Solomon Island	MTE Interview
	Ian Rakafia	NPOs		
	Celsus Talifu			
	Pultesen Lusi			
23 Nov	John Patterson	CTA, Project Manager	Parliamentary Strengthening Project (PSP)	
	Inception Workshop ( see separate List)		Reference Group	Workshop
	NN	Permanent Secretary	Ministry of Women and Youth	MTE Interview
	Elizabeth Kansemal	Undersecretary, Finance	Ministry of Finance and Treasury	MTE Interview
	Merrylin Kodoleke	Director, SIGAS		
	Denty Tuke	Assistant Accountant General, IMPREST, Payroll and revenue		
24 Nov	Janka Geckova	Programme Specialist	UNCDF	MTE Interview
	Flight Honiara to Taro / Choiseul Province			
	John Tabebuda	Provincial Secretary	PG	Briefing , MTE Interview
	Raj Krishna Shaestha	UNV Advisor	PSGP	
25 Nov	MTE Workshop with Provincial Administration (see list of participants below)		PG, All sectors	Workshop
	Provincial Premier and Executive		all ministers	Briefing Workshop

	Geoffrey Pakipota	Chief Planning Officer	P Administration	MTE Interview
	Scott Butcher	Planning Adviser		
	Sam Keqa	Provincial Treasurer	P Administration	MTE Interview
	Helen J Zazu Nowak	Women's Development Officer	P Administration	MTE Interview
	Graham Quaqara	Principal Forester	P Administration	MTE Interview
	Nelson Kere	Principal Fisheries Officer		
	Jimmy	Programme Officer	Nature Conservatory Laura Land Conference (NGO)	
	Solomon Poloso	Speaker	Provincial Assembly	MTE Interview
<b>26 Nov</b>	PGSP financed projects (accompanied by Provincial Secretary, Minister of Education and UNV Advisor: a. Secondary school dormitories, (meeting with Deputy Principal and Matron) b. Forestry nursery (meeting with Graham Quaqara , Principal Forester c. Hospital waiting guesthouse			Site visits
	Franklin Qaloboe	Project Support Unit	RD Programme (MDPAC)	MTE Interview
	Raj Krishna Shetha	UNV Advisor	PSGP	MTE Interview
<b>27 Nov</b>	Raj Krishna Shetha	UNV Advisor	PGSP	Debriefing
	John Tabeuda	Provincial Secretary	PG	
	Flight Taro to Gizo Airport . Western Province			
<b>28 Nov</b>	Jonathan Bana	Deputy Provincial Secretary	PG, Western Province	MTE Interview
	Margret Moveni	Planning Officer	PG, Liason officer to PGSG	MTE Interview
	Joshua Simbe	Treasurer	PG	MTE Interview
	PGSP- Financed School Projects on Vella la Vella Island: a) Iringile, b) Tomua (Accompanied by Planning Officer)			Site Visit
<b>29 Nov</b>	Arno Moveni	Provincial Secretary	PG, Western Province	MTE Interview
	Jonathan Bana	Deputy Provincial Secretary	PG	Debriefing
	Return Flight Gizo to Honiara			
	Janka Gezkova	Planning Officer	UNCDF	Coordination Meeting
<b>30 Nov</b>	Serina Boso	Permanent Secretary	Ministry of Rural Development	MTE Interview
	Eddie Piturara	PEM Consultant	MYOBB	MTE Interview
	Dr. Lester Ross	Permanent Secretary	Ministry of Health	MTE Interview
	Charles Viva	Permanent Secretary	Ministry of Education	MTE Interview
	Julian Barbara	Director, Machinery of Government	RAMSI / AusAID	MTE Interview
	Atenasi Ata- Wasuka	Programme Manager	RAMSI / AusAID	
	Lynn Iapea	Senior Governance / Public Sector Analyst	AusAID	
	Lennis Rukale	Permanent Secretary, Director PGSP	MPGIS	MTE Interview
	Momodou Lamin Sawaneh	Acting CTA, Public Finance Advisor	MPGIS/ PGSP	MTE Interview
<b>1 Dec</b>	Boat Trip Honiara to Tulaghi Central Islands Province (only PH and PR)			
	Workshop with Provincial Administration (see list of participants below)		PG, All sectors	Workshop
	Marvin Parina	Senior Accountant	Provincial Admin	MTE Interview
	Elijah Taikole	Revenue Clerk		
	Lionel Elota	Deputy Treasurer		
	Valentine Thuraia-	Project manager, UNDP	UNDP / SEMRICC	Exchange of ideas

	jah (BE in Honiara)			
<b>2 Dec</b>	Site visit to 1) Govt Rest house, 2) Ice production unit/Fisheries; 3) Provincial Administrative building. Meetings with – Claudio Samo, Resthouse Manager – John Horuni, Senior Works Officer – William Tarai, Provincial administrative building contractor – Ellison Parapolomo, Provincial businessman			Site Visit
	Selwyn Vasuni	Provincial Secretary (Acting)	PG	MTE Interview
	Metcalfe Puia	PGSP National Advisor	PG Central	MTE Interview
	James Taipuri (BW, in Honiara)	Provincial Secretary (ex: Director of Finnace, PGSP/MPGIS)	PG, Guadalcanal Province	MTE Interview
<b>3 Dec</b>	Return Boat Trip to Tulaghi - Honiara Central Islands Province (only PH and PR)			
<b>6 Dec</b>	Sulea Krifsa	Portfolio Manager	UNCDF, Bangkok	MTR issues
<b>7 Dec</b>	Wrap up WS with Reference Group, UNDP, Honiara (see separate list below)			Workshop
<b>8 Dec</b>	Debriefing WS with Members of JOC and PFGCC, Heritage Hotel, Honiara (see separate list below)			Debriefing
<b>9 Dec</b>	Janka Geckova	Planning Officer	UNCDF, Honiara	MTE Interview

## **WORKSHOPS**

### **Inception Workshop, 23 November, 2011**

#### **List of Participants**

Nr.	Name	Institution	Contact
1	Lennis Rukale	PS, MPGIS	29029
2	Momodou Lamin Saawaneh	MPGIS/PGSP	74494112
3	Charles Viva	PS, MEHRD (Education)	2495515
4	Alice Muaki	MPGIS/PGSP	7492717/22525
5	Fakri Karim	MPGIS/PGSP	7525715
6	Mathew Pitavato	MoFT	27413
7	Ian Rakafia	National Parliament (NPO)	23424
8	Celsus Talifu	National Parliament (NPO)	23424
9	Pultesen Lusi	National Parliament (NPO)	28520
10	Nancy Legua	Assitenat PS, MPGIS	25033/7567386
11	Allan Daonga	Undersecretary, MDPAC	38336
12	Oswald Ramo	MHMG (Health)	27516/7568129
13	Evans Tuhagenga	MWYCFA	23544 / 7466757
14	Moses Virivolomo	PS, MID (Infrastructure Dev)	28605/7495514
15	Janka Geckova	UNCDF	
16	Philip Bøttern	MTE Consultant	
17	Bernhard Weimer	MTE Consultant (TL)	

**MTE Workshop With Provincial Administration  
Choiseul Province, Taro, 23 Nov 2011  
List of Participants**

Nr	Name	Function
	Name	Function
1	John Tabepuda	Provincial Secretary
2	William Timba	Director of Nursing
3	Phazans Neko	Director of Provincial Health Service
4	Scott Butcher	Planning Adviser
5	Nelson Tanito Kere	Principal Fisheries Officer
6	Mark Biloko	Chief Field Officer
7	Helen J Zazu Nowak	Women's Development Officer
8	Graham Qaqara	Principal Forester
9	John W Zing	Youth/Sports Coordinator
10	Geoffrey Pakipota	Chief Planning Officer
11	Raj Krishna Shaestha	UNV PSGP
12	Sam Keqa	Provincial Treasurer
13	Christopher Makou	Clerk to Assembly

**WS with Provincial Government (Premier and Executive),  
Choiseul Province, Taro, 24 Nov 2011  
List of Participants**

Nr	Name	Function
1	Jackson	Premier
2	Philip Bavare	Minister of Affair
3	William Sualalu	Minister of Education
4	Andreas Malasa	Minister of Natural Resources
5	Alpha n Kimafe	Minister of Finance
6	Macacihurs Deicama	Minister of Health
7	Trevor Vilaka	Minister of Works
8	Solomon Poloso	Speaker, Provincial Assembly

**MTE Workshop , Tulaghi, Central Province, 1 Dec 2011  
List of Participants**

	Name	Position
1	Frank Vohea	MPA and Deputy Speaker of the Assembly
2	Henry Zimbo	Deputy Provincial Secretary
3	Tom Numo	MPA and Provincial Minister of Health
4	Patteson Mae	Premier
5	Selwyn Vasuni	Provincial Secretary (Acting)
6	Silas Niavuni	MPA and Minister for Education, Youth and Tourism
7	Gabriel Agutuzipo	Treasurer
8	Metcalfe Puia	PGSP National Advisor for Central Province
9	Philip Kimbo	Fisheries Officer
10	Marvin PArina	Senior Accountant
11	Elijah Taikole	Revenue clerk
12	Lionel Elota	Deputy Treasurer
13	Lilian Aitora	Cashier

**Wrap Up WS with MTE Reference group, Honiara (UNDP), 7 December 2012****List of participants**

	Name	Position
1	Akiko Suzuki	Joint Presence Manager and UNDP Deputy Res Rep
2	Atenasi Ata- Wasuka	Programme Officer, RAMSI / AusAID
3	Eoghan Walsh	Chargé d’Affaires a.i. EU
4	Fakri Karim	Local Capacity Development Specialist, PGSP
5	Janka Geckova	Programme Specialist, UNCDF
6	Juan Carlos Hinjosa	Attaché Social Sectors/Governance, EU Delegation
7	Jude Devesi	Assistant Res Rep, Head, UNDP Sub Office
8	Julian Barbara	Director, Machinery of Government, RAMSI / AusAID
9	Lennis Rukale	Permanent Secretary, MPGIS; Director PGSP
10	Momodou Lamin Sawaneh	Local Government Finance Specialist, Acting CTA, PGSP
11	Nancy Rose Legua	National Project Coordinator, PGSP, Deputy PS, MPGIS
12	Bernhard Weimer	MTE Team Leader
13	Philip Bøttern	MTE Decentralization Specialist
14	Paul Roughan	MTE local Specialist

**Debriefing with members of JOC and PFGCC, Heritage Hotel, Honiara , 8 December 2012****List of participants**

Name	Position	Name	Position
Lennis Rukale	Permanent Secretary (MPGIS)	Adrian Tuhanuku	Provincial Secretary (RenBel Province)
Barnabas Anga	Permanent Secretary (MDPAC)	Margaret Moveni	Chief Planning Officer (Western Province)
Suela Khalifa	Portfolio Specialist, UNCDF Bangkok	Adrian Toui	Provincial Secretary (Isabel Province)
Janka Geckova	UNCDF	Atenasia Ata-Wasuka	RAMSI Snr Program Manager (PGSP)
Akiko Suzuki	Deputy Resident Representative, UNDP Honiara	Lynn Pieper	RAMSI Snr Governance Analyst
Tim Ngele	Undersecretary MEHRD	James Taeburi	Provincial Secretary (Guadalcanal Province)
Solomon Palusi	Provincial Secretary (Temotu Province)	John Tabepuda	Provincial Secretary (Choiseul Province)
Harold Leka	Provincial Secretary (Malaita Province)	Selwyn Vasuni	Provincial Secretary (Central Province)
		Momodou Sawaneh	PGSP CTA (acting)

## ***Annex 3: List of documents consulted***

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#### **a) Programme related documentation**

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##### ***Minutes:***

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PGSP ***Provincial Fiscal Grant Coordination Committee (PFGCC)***, Minutes of Meetings, from April, 2009 to November 2011

##### ***PCDF Assessments:***

PCDF Assessment. For all 9 Provinces, 2009-2011

##### ***Progress Reports:***

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## Annex 4: Mission schedule

Date	Activity	Venue	Means of Transport	Observations
18 Nov	Arrival Intl Consultants (Philip Bøttern and Bernhard Weimer in SI	Honiara	Air	From Copenhagen and Maputo
	Start-up and planning meeting with Local Consultat, Paul Roughan		Land	All Consultants with PGSP advisors, UNDP and UNCDF representatives
19 Nov – 22 Nov	Desk work – review and analysis of key primary and secondary documents			
	Briefings and meetings with stakeholders			
23 Nov	Inception Workshop			With MTE Reference Group
	Briefings and meetings with stakeholders (cont)			
	Draft Inception report			Draft Report sent to UNCDF Regional HQ and UNCDF Evaluation Unit New York
24 Nov – 27 Nov	Field visit to Choiseul Province: Briefings and meetings with stakeholders	Taro Choiseul Province	Air Land Sea	2 Workshops and site visits
27 Nov – 29 Nov	Field Visit to Western Province Briefings and meetings with stakeholders	Gizo Western Province	Air Land Sea	Site visits
30 Nov	Briefings and meetings with stakeholders	Honiara	Land	
1 Dec – 3 Dec	Field Visit to Western Province Briefings and meetings with stakeholders	Tulaghi, Central Islands Province	Sea	1 Workshop and site visits
4 Dec– 6 Dec	Further meetings Central Government, Guadalcanal Province	Honiara Guadalcanal	Land	
	Drafting of MTE debrief ppt			
7 Dec	Wrap Up Workshop	Honiara		With MTE Reference Group
	Departure Philip Bøttern		air	To Copenhagen
	Drafting of Aide memoire ppt			
8 Dec	Debriefing Workshop			With members of JOC and PFGCC
				ppt sent to UNCDF Regional HQ and UNCDF Evaluation Unit New York
8 Dec to 12 Dec	Drafting of MTE Report	Honiara		
12 Dec	Departure Bernhard Weimer		Air	To Maputo
12 Dec – 14 Dec	Drafting of MTE report	Home of-fices		
14 Dec				Draft MTE Report to be sent to UNCDF Regional HQ and UNCDF Evaluation Unit New York
15 Jan 2012	Final MTE Report			Delivery of final report

## ***Annex 5: Management Response Matrix***

***To be completed by UNCDF***

## Annex 6: Completed Evaluation Matrix

EVALUATION QUESTION No. 1: To what extent is the programme coherent and well designed?		
Sub-questions	Indicators/findings	Summary
1.1  To what extent does the programme meet the needs of the partner country?	<p><b>Consistency between the goals, intervention logic and principles of the programme and those of the recipient country's national development strategy</b></p> <ul style="list-style-type: none"> <li>➤ Programme is well aligned with the goals in the National Development Strategy 2011-2020 (NDS) e.g. Provincial Plans are integrated in the national planning circle (NDS p 2).</li> <li>➤ NDP's objective 8 (p. 44) has provinces as the actors in local governance and development.</li> <li>➤ PGSP complements ongoing constitutional reform towards more decentralized government</li> <li>➤ Programme takes Provincial Government Act (1997) as point of departure</li> </ul> <p><b>Programme embedded into existing national structure / no evidence of a parallel programme structure</b></p> <ul style="list-style-type: none"> <li>➤ Programme is well embedded into MPGIS and Provincial Governments structure</li> <li>➤ All staff are located with national colleges in MPGIS and provinces</li> <li>➤ Programme included in the new NDS (p. 42).</li> <li>➤ National (executive, legislative) and provincial awareness of PGSP being the only Programme to strengthen, capacitate Provincial PGs and provide funding for services and innovate PFM</li> </ul> <p><b>Sensitivity to post conflict context and riots</b></p> <ul style="list-style-type: none"> <li>➤ Programme assures more funding to the provincial level, which likely reduces national tensions</li> <li>➤ Programme acknowledges the provinces as important for national development</li> <li>➤ PGSP implementation alleviates political pressure for potentially premature Federalism</li> <li>➤ Programme focuses on and strengthens PG, while National level is considered politically fluid and volatile, and local level diverse, fragile</li> </ul> <p><b>Participation of the national stakeholders in programme and its formulation</b></p> <ul style="list-style-type: none"> <li>➤ MPGIS participated during the preparation phase in 2008. Programme approach has been piloted in the programme SIG-UNDP Isabel Province Development Project</li> </ul> <p><b>Source of Information:</b> Interviews PS and DPS (MPGIS) and Premiers, EU ROM 2010, NDS 2011-2020, MPGIS Corporate plan 2011-2013.</p>	PGSP meets the needs of the Solomon Islands with a highly relevant and well embedded structure, addressing the post conflict situation, and recognizing the crucial role of PGs for stability and socioeconomic development.

<b>EVALUATION QUESTION No. 1:</b>		<b>To what extent is the programme coherent and well designed?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
1.2	<b>To what extent is the programme aligned with the needs of the Regional Governments (PGs)?</b>	<p><b>Consistency between the programme's interventions and national legislation and strategy on provincial governments</b></p> <ul style="list-style-type: none"> <li>➤ Programme is elaborated acknowledging the Provincial Government Act (1997) and the NDS 2011-2020 (see 1.1).</li> </ul> <p><b>Programme design has taken into account PGs absorption capacity</b></p> <ul style="list-style-type: none"> <li>➤ Within PFM and planning provinces can absorb the training as also seen by fulfilling MCs and performance system</li> <li>➤ Technical capacity lacks for preparation and monitoring of investments</li> <li>➤ Provinces need support from MID for technical support (e.g. Taro) to investments</li> </ul> <p><b>Coordination / complementarity with other support programmes</b></p> <ul style="list-style-type: none"> <li>➤ PGSP is the only programme that supports provincial governments. No conflicts exist with other programme</li> <li>➤ PGSP planning system at ward level is not yet well coordinated with that of the Rural Development Programme (RDP) on the ground, although coordination and consultation at national level (with MDPAC) have taken place and division of labour has been agreed (avoidance of duplication)</li> </ul> <p><b>Participation of PGs in programme formulation</b></p> <ul style="list-style-type: none"> <li>➤ Programme approach has been piloted in the programme SIG-UNDP Isabel Province Development Project</li> <li>➤ Programme upstart involved PGs (to be checked)</li> </ul> <p><b>Participation of communities in programme formulation</b></p> <ul style="list-style-type: none"> <li>➤ Communities have not been involved in programme formulation</li> </ul> <p><b>Source of Information:</b> Provincial Government Act (1997), MPGIS, Community members, Choiseul PG</p>	PGSP is well aligned to provinces' needs, though the link to the communities' needs further clarification on the ground.

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Sub-questions		Indicators/findings	Summary
1.3	How well is the programme designed?	<p><b>Coherent sequence from inputs to outputs, outcome and goal</b></p> <ul style="list-style-type: none"> <li>➤ Programme contains relevant activities in Component one and two, but most indicative activities are planned for year 1 and 2</li> <li>➤ PCDF is implement before PGs functions are defined and as a consequence PGs may invest in non relevant sectors</li> <li>➤ Component 3 (LD) is vaguely defined and the approach to LED is not specified.</li> <li>➤ Gender mainstreaming and environment are not specified</li> <li>➤ No monitoring system is established in ProDoc in comp 4</li> <li>➤ Hierarchy of objectives may need (taxonomic and logical) clarification / adjustments</li> </ul> <p><b>Targets realistic (commensurate to resources) and well defined</b></p> <ul style="list-style-type: none"> <li>➤ ProDoc specifies that results may need 10-15 years, but output targets are specified as all will be reached within 5 years</li> <li>➤ Resources are not secured for programmes' financing, some output targets are not budgeted</li> <li>➤</li> </ul> <p><b>Sectoral/thematic dimension (LED, social services, other) properly articulated...</b></p> <ul style="list-style-type: none"> <li>➤ LED and Local Development needs conceptualization (e.g. infrastructure for economic development)</li> <li>➤ Understanding of Premiers conference to include LED as one of Minimum Conditions</li> <li>➤ Relation to sectors dealt with in clarification of PGs' functions (comp 3)</li> <li>➤ Perception that PGSP has improved PGs but not as yet impact on 'improved life of people'</li> <li>➤ No quick wins strategy in place for producing impact (intermediate outcomes) and change of peoples' lives</li> <li>➤ Adaption to effects on environmental and climate change (part of outcome), is not conceptualized</li> <li>➤ Rural Constitutional Development Fund (delivered by MRD on behalf of MPs) competes with PGSP by producing direct impact on life of people (building materials, water tanks etc.) and with its off budget, off treasury, off accounts modality of delivery</li> </ul> <p><b>Built-in provisions for flexibility (reflecting changes in available resources and other factors....)</b></p> <ul style="list-style-type: none"> <li>➤ There is no explicit strategy to cope with shortage of resources e.g. staff shortage, or funding</li> <li>➤ Activities are simply reduced in the yearly work plans if funding or staff is not available</li> <li>➤ Piloting of resource transfer (PCDF) and capacity building before definition of PGs functions permits adjustments</li> </ul> <p><b>Built-in responsiveness to context specificity (reflection of more or less conducive environment, post-conflict situations, state fragility) and integration with other relevant initiatives</b></p> <ul style="list-style-type: none"> <li>➤ PGSP is only programme that address provinces needs</li> <li>➤ A risk exists for planning procedures to be duplicated to those of the Rural Development Programme</li> <li>➤ No or deficient articulation with MRD and RCDF at sub-provincial level. no defined risk mitigation strategy with regard to practices running counter to PGSP's governance approach</li> </ul> <p><b>Objectives of partners duly and consistently embedded</b></p> <ul style="list-style-type: none"> <li>➤ Consistent with those of SIG (see 1.1)</li> <li>➤ Anti corruption issues , Leadership Code Commission (LCC) and internal control issues not systematically addressed (e.g. in Comp 3) despite governance focus of PGSP</li> </ul> <p><b>Source of Information:</b> ProDoc, Results and Resources Framework, EU Result Oriented Monitoring (ROM, 2009 and 2009), Interviews with PS (MHR), PS (MRD)</p>	In spite of being a programme for 10-15 years the PGSP is highly "front loaded" with implementation of all major activities (all relevant) in year 1-3. The relation between LD and LED in Comp 3 is unclear. The environmental and climate change aspect (in the outcome) is not conceptualized in Comp 3.

EVALUATION QUESTION No. 1: To what extent is the programme coherent and well designed?			
Sub-questions		Indicators/findings	Summary
1.4	How well has the programme integrated cross cutting issues?	<p><b>Participation and gender mainstreaming</b></p> <ul style="list-style-type: none"> <li>➤ So far few activities in gender mainstreaming and ProDoc only addresses this issues vaguely with cooperation with other programmes and Ministry of Gender, Youth and Children Affairs.</li> <li>➤ PEM manual has been reflected in Manual for PEM and in training (in 2010).</li> <li>➤ There is not yet specific mechanism to ensure gender mainstreaming of development planning at PG level</li> </ul> <p><b>Consideration of environment themes</b></p> <ul style="list-style-type: none"> <li>➤ Not considered how this should be incorporated</li> <li>➤ Local Stakeholders hope that PGs will prioritise environment and climate change (in Choiseul Province)</li> </ul> <p><b>HIV/ Aids</b></p> <ul style="list-style-type: none"> <li>➤ Nothing</li> </ul> <p>Source of Information: PRODOC, MWY, Provincial Governments Interviews with MoE, CSOs, Provinces, WS</p>	Cross cutting issues are not included – strategy is mainly that other programmes will cater for this. However, Gender reflected in PEM manual and training



EVALUATION QUESTION No. 2:		To what extent has the programme contributed to increased capacities and improved systems at local and national level?	
Sub-questions		Indicators/findings	Summary
2.1	To what extent has the programme contributed to defining PGs functions and responsibilities?		
2.1.1	To what extent have PGs functions been clarified?	<p><b>An assessment of PGs functions exists?</b></p> <ul style="list-style-type: none"><li>➤ First Study on FA produced in 2009 (van 't Land, 2009)</li><li>➤ Controversially discussed at MPGIS and JOC level:</li><li>➤ Critical Points raised:<ul style="list-style-type: none"><li>– too prescriptive</li><li>– Functions not costed</li><li>– Insufficient consultation and engagement with sectors</li><li>– Lack of ownership by SIG</li></ul></li><li>➤ WS in Nov 2010, MPGIS sets up task force</li><li>➤ Consultations with ministries on delineation of functions have started in 2011 MECDM, MERHD, MHMS.</li><li>➤ MERHD, MHMS have started internal review of delineation of functions (central / local) and minimum packages.</li><li>➤ Complementary study in 3 Provinces and 3 sectors (Rausi, 2011)</li><li>➤ Parliament requests copy of studies (Nov 2011)</li><li>➤ Further study planned (2012) Objective: clarification of (present) assignment of expenditure responsibilities</li></ul> <p><b>Costing of PGs functions</b></p> <ul style="list-style-type: none"><li>➤ No costing has been done</li><li>➤ Demand for costing study endorsed by Premiers Conference in Taro, Choiseul Province (Oct 2011)</li><li>➤ Costing study planned for 2012 (PGSP, 2011a)</li></ul> <p><b>% of budget spent on Output 1:: 1% of Total (2008-2011)</b></p> <p><b>Core functions of PG:</b></p> <ul style="list-style-type: none"><li>➤ Core functions (Planning, budgeting, accounting, maintenance, internal control, administration ) have not sufficiently clarified and standardized</li><li>➤ Organizational / organic structure of PG needs functional review and clarification</li><li>➤ Line of command for doubly subordinated staff needs clarification and inclusion in functional core business</li><li>➤ Above need to be seen as functional preconditions for execution of devolved / non-devolved functions</li></ul> <p><b>Source of Information:</b> Provincial Government Act (1997), Rausi, 2011; van 't Land, 2009; PGSP staff, Interviews with PS in MPGIS, MHMS, MERHD, Guadalcanal PG, EU and RAMSI, APNFPR, 2010, 2011; PGSP, 2011a, SIG, 2011b</p>	Clarification process delayed two studies produced, further studies on costing and assignment of expenditure foreseen (2012). Admin <u>core functions</u> , (PFM, maintenance internal control line of command etc.) not clarified and standardized. Consultations process with three key ministries (health, education and environment) has started.

<b>EVALUATION QUESTION No. 2:</b>			<b>To what extent has the programme contributed to increased capacities and improved systems at local and national level?</b>
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
2.1.2	<b>To which extent have ministries delegated functions to PGs?</b>	<p><b>Existence of an assessment</b></p> <ul style="list-style-type: none"> <li>➤ No assessment prepared yet – See 2.1.1</li> </ul> <p><b>Existence of a plan for delegation of functions</b></p> <ul style="list-style-type: none"> <li>➤ A plan doesn't exist</li> <li>➤ Consultations MPGIS and MECDM, MERHD, MHMS have started</li> </ul> <p><b>Number of functions delegated</b></p> <ul style="list-style-type: none"> <li>➤ None</li> </ul> <p><b>Costing of delegated functions</b></p> <ul style="list-style-type: none"> <li>➤ Not done</li> </ul> <p><b>Agreements ministries-PGs</b></p> <ul style="list-style-type: none"> <li>➤ None</li> </ul> <p><b>Source of information:</b> PG assemblies, PG Administration</p>	No delegated functions and agreements with Line ministries to date
2.2	<b>➤ To what extent has the programme contributed to increased institutional and human capacity at provincial level?</b>		
2.2.1	<b>Did the programme contribute to improved administrative efficiency?</b>	<p><b>Functioning monitoring and evaluation system at provincial level (managed by PGs)</b></p> <ul style="list-style-type: none"> <li>➤ No M&amp;E system in place</li> <li>➤ No internal control system in place on the ground, no staff performance evaluation</li> <li>➤ Internal control and audit planned for 2012 (guidelines, 2 new posts in MPGIS)</li> <li>➤ Filling and minuting, registry of assets etc. deficient</li> <li>➤ Time management not efficient "Solomon Time" vs "Watch time"</li> <li>➤ Articulated need for more CD in general administration at provincial level</li> </ul> <p><b>Degree and quality of interaction between different government levels and bodies</b></p> <ul style="list-style-type: none"> <li>➤ Irregular meetings between PG and Prov Admin.</li> <li>➤ Regular sessions of PA and PG Executive</li> <li>➤ PG's oversight committee in PAs established (incl training) and Framework for Provincial Accounts Committee conceptualized</li> <li>➤ Ad hoc coordination meetings between sectors and Programmes (PGSP, RDP)</li> <li>➤ NGO task part in PG Meetings (Choiseul), but not in Western Province</li> <li>➤ Interaction among officials deficient (little culture of sharing of information, training results with colleagues)</li> </ul> <p><b>Existence of organic structures of PGs</b></p> <ul style="list-style-type: none"> <li>➤ For PG Executive; not for Admin</li> </ul> <p><b>Source of information:</b> MPGIS, PG Council, PG Administration, Interviews with PG officials, Advisors (Choiseul, Western, Central Provinces), AWP</p>	Interaction between Executive and PA is regular. Administrative efficiency, is rudimentary (no internal control system, staff evaluation, M&E system in place). Internal control recognized in AWP for 2012. Interaction between Executive and PA is regular. Oversight Committee in PA established and framework for Provincial Accounts Committees established

EVALUATION QUESTION No. 2:		To what extent has the programme contributed to increased capacities and improved systems at local and national level?	
Sub-questions		Indicators/findings	Summary
2.2.2	How well has the programme strengthened human resource management and development capacities of provinces?	<p><b>Staff situation (Type, number, quality/ rank:</b></p> <ul style="list-style-type: none"><li>➤ 2 types of staff: a) seconded by line ministries; b) directly contracted</li><li>➤ Duple subordination under line ministry and PG creates problems of loyalty</li><li>➤ No clear line of command in HR management</li><li>➤ General low level of qualification and skills (administration, computer) and financial/ numerical literacy</li><li>➤ Working and living conditions for staff vary substantially across provinces</li><li>➤ Some position not filled (planner Western and Central Islands, PS Western, deputy treasurer Choiseul)</li></ul> <p><b>Improved professional development within staff members</b></p> <ul style="list-style-type: none"><li>➤ Partially, but not linked to career development</li><li>➤ No performance monitoring of civil servants in place</li><li>➤ PGSP expected to design / introduce performance monitoring mechanism for PG HR (PS- MHR)</li><li>➤ Professional development not systematically, but on an ad hoc basis (CD measures)</li><li>➤ No credit system linked to training courses / results in place</li></ul> <p><b>Existence of job descriptions</b></p> <ul style="list-style-type: none"><li>➤ Job descriptions and TOR for functions are rare exceptions</li><li>➤ ‘we come to work, but we do not know what exactly to do’ (interview PS Guadalcanal)</li><li>➤ <b>Human Resource problems reduced (absenteeism, lack of motivation/competence,)</b></li><li>➤ No conducive institutional culture</li><li>➤ Inclination towards corrupt practices despite of LCC</li><li>➤ Citizens have no access / do not use complaint procedures</li><li>➤ No internal control / supervision of HR , time, logistics (vehicles), fuel funds</li><li>➤ Consequence: ‘enormous leakage of resources’</li></ul> <p><b>HR turnover / Retention capacity of PG of trained / qualified staff</b></p> <ul style="list-style-type: none"><li>➤ High turnover and fluctuation of staff /national and international (UNV) advisors at PG level</li><li>➤ Competition between PGSP and RDP (the latter offering better packages)</li><li>➤ Inadequate housing conditions</li><li>➤ MPGIS’s mitigation strategy (three year plan (to be approved by NP): investment in PG staff housing ( 3 / year / province</li><li>➤ Perceived deficit of communication with and support by MPGIS creates frustrations with field staff; ‘syndrome of remoteness and isolation”</li></ul> <p><b>Source of information:</b> various Minutes of JOC, APNFPR, ProDoc, (annex: Risk mitigation), Interviews with PS MPS, MPGIS, Assistant PS, MPGIS, CTA, UNCDF Programme specialist, PS Guadalcanal (ex Director of Finance) stakeholders at PG level ( Officials, advisors), Bell, 2009</p>	Human resource management and CD increased, with significant variations across provinces Challenges continue: high staff turnover rate, double subordination, lack of basic management skills, lack of accommodation. ‘we come to work, but we do not know what exactly to do’

EVALUATION QUESTION No. 2:		To what extent has the programme contributed to increased capacities and improved systems at local and national level?	
Sub-questions	Indicators/findings	Summary	
2.2.3  To what extent has the capacity building approach of the programme been adequate?	<p><b>Training approach – on the job training, training of trainers, didactical approach, institutes, combination</b></p> <ul style="list-style-type: none"> <li>➤ CD philosophy: long term perspective, needs assessments plus ad hoc measures , quick wins;</li> <li>➤ Use of mix of training approaches (classroom training, on-the job training), training of trainers (TOT)</li> <li>➤ Investment in pool of trainers from a variety of institutions (IPAM, NP, SICHE, PGSP staff etc.)</li> <li>➤ 2009-2011: Focus on PEM, Accounting (IPSAS) , PFM, some procurement training</li> <li>➤ Most training events in Honiara, Complementary (on-the-job- training in selected provinces)</li> <li>➤ Roving consultant for CP in Accounting (MYOB, IPSAS)</li> <li>➤ Target groups (PG): Treasury departments (Treasurer, accountant, etc.), Prov Secretaries, Provincial Executive (PE) PA speakers and MPAs</li> <li>➤ 2011: Some training for executives on their role and functions (LEL training, attachment to NP)</li> <li>➤ Output: Training (results, participation) documented for 2009-2010 per province (PGSP, 2011c) and further challenges well documented (pre province) and see table</li> </ul> <p><b>Training cost</b></p> <ul style="list-style-type: none"> <li>➤ Cost efficiency: 1,084 Million SBD for 56 trainees X 10 Working days training in Honiara or SBD 20,000 per event,</li> </ul> <p><b>Training strategy and needs assessments</b></p> <ul style="list-style-type: none"> <li>➤ Training strategy in place for PEM in place (objectives, target groups, methodology, pool of trainers)</li> <li>➤ CB / Training needs assessment executed in 2009, 2010</li> <li>➤ Training manual for PFM CD drafted ( 10 modules)</li> </ul> <p><b>Institutional and organizational issues of CD</b></p> <ul style="list-style-type: none"> <li>➤ CD goes beyond Training and includes institutional environment / organization, flow of work etc.</li> <li>➤ Equipment and systems provided and installed at PG level. Annual budget of 30,000 SBD/ Year/Province for 2009-2011.</li> <li>➤ Organizational culture is not (yet) conducive for rapid progress in CD, needs training module, incl job descriptions, TOR for Executive and Admin, code of conduct etc.)</li> <li>➤ MPGIS recognizes need for complementary training for investment in infrastructure. Negotiated with MID posting of 1 Chief Works Officer at PGs, financed by govt via MPGIS</li> <li>➤ CD so far focus on PM cycle, PEM and Accounting instead of PFM (= more holistic)</li> <li>➤ Urgent need of training package for PFM, including <ul style="list-style-type: none"> <li>a. institutional culture incl recognition and understanding of policy, norms / directives and legislation</li> <li>b. Focus on recurrent budgets (financing and operations)</li> <li>c. Capital / Development budget (financing and operations)</li> <li>d. All other Components (registry, accounting, procurement, maintenance etc.)</li> </ul> </li> </ul> <p><b>Challenges noted:</b></p> <ul style="list-style-type: none"> <li>➤ Interface in CD between CTA + Finance Division and PG Division / Capacity Building Advisor appears not clear. work load distribution appears tilted towards CTA / Finance Division (FD)</li> <li>➤ Increasingly Include key staff substitutes, and members of PEs in training on PEM/ PFM</li> <li>➤ Improve link class room to work place in training ; Existing demand for more training events on the job</li> <li>➤ Existing demand for complementary and more specialized training to focus on: procurement, general administration, maintenance , (technical) design and supervision of construction, physical planning /civil engineering , internal control</li> <li>➤ Roving consultant for training in MYOB / Accounting dissatisfied with contractual issues, TOR, and loss of remuneration because of inadequate planning, and lack of risk sharing arrangements. Risk of losing competent consultant / Trainer PGSP staff</li> <li>➤ Internal control nonexistent at PG level; requires urgent CD action, strategy and training</li> </ul> <p><b>Source of information:</b> Training assessments, PGSP capacity building advisor , MoPS, MPGs , interviews with at national and provincial stakeholders. consultants. advisors: PGSP. 2010a. 2010c. 2011c: Various Progress Reports. Various PGSP Work</p>	<p>Institutional CD approach adequate and successful: includes equipment and training (plus needs assessment), the latter with documented output; great advancement in PEM and Accounting training, pool of trainers and manual. Demand for design of complementary training packages (policies, skills, admin, maintenance) PGSP has considerably increased MPGIS's own capacity</p>	

EVALUATION QUESTION No. 2:		To what extent has the programme contributed to increased capacities and improved systems at local and national level?	
Sub-questions		Indicators/findings	Summary
2.3	To what extent has the programme contributed to the strengthening of the PEM cycle at local government level?		
2.3.1	To what extent has the programme increased the ability to raise and collect taxes, fees and levies/charges?	<p><b>Resource endowment incl transfers</b></p> <ul style="list-style-type: none"><li>➤ Two studies conducted Reino, 2009; Daula’sia, 2010. Additional data in GHD, 2011.</li><li>➤ Two sources of central govt transfers a) from development budget (less than 2.5% on average, but increasing from 2008-2011), b) PSG from recurrent budget (average 2007-2010: 2.1%, declining tendency)</li><li>➤ PSG initially composed of 8 partial grants, transformed gradually into a block grant from 2009/2010 (assisted by CTA)</li><li>➤ Revenue unevenly distributed across PGs</li></ul> <p><b>Increase in local revenue generation (taxes, fees, charges, levies etc.)</b></p> <ul style="list-style-type: none"><li>➤ Little systematic data available Local revenue: a) Non-fiscal (licenses, market fees etc) b) Fiscal (property tax), other</li><li>➤ No culture of paying taxes and compliance</li><li>➤ Deficient tax collection procedures and administration / accounting</li><li>➤ Increase / decrease in yield vary by province and year: Moderate performers: Choiseul, Malaita. Poor performers: Western, Makira-Ulawa, Renbell-Bellona</li></ul> <p><b>Existence of a revenue manual</b></p> <ul style="list-style-type: none"><li>➤ No evidence of manual, but revenue collection is covered by Financial Management Ordinances.</li></ul> <p><b>System for revenue management and collection</b></p> <ul style="list-style-type: none"><li>➤ No coherent system in place (cycle: collection, register, deposit, accounting)</li><li>➤ Some provinces contract private tax collectors (who receive 30% of yield, e.g. in Temuto Province)</li><li>➤ Un-regular collections (constraints: weather, logistics)</li><li>➤ Revenue not linked to policies (fees vs improved services)</li></ul> <p><b>PG financial department staff trained in revenue management</b></p> <ul style="list-style-type: none"><li>➤ No systematic training so far, only ad hoc</li></ul> <p><b>Improved service to the citizens in revenue collection (raise of taxpayer number)</b></p> <ul style="list-style-type: none"><li>➤ No systematic tax register in place, outdated , rudimentary cadastres for property</li><li>➤ Exception ”Makira and Ulawa , as well as Renbell and Bellona, Isabel se tax effort and increase of revenue (causes not always clear)</li></ul> <p><b>Income generating investments</b></p> <ul style="list-style-type: none"><li>➤ Little PG entrepreneurial activity to generate local revenue (exception: Choiseul with initiatives by PS and UNV advisor</li></ul> <p><b>Source of information:</b> MPGIS, PGs, MoF, Interviews with PGs, CTA, PS-MPGIS, ex Director of FD, Reino, 2009, PGSP 2010c, Daula’sia, 2010; GHD, 2011. Speech of MPGIS to Parliament, July, 2011, Western Province Budget, 2011</p>	Resource endowment has increased (Dev Budget) equiv to 2.4% of National budget. PSG from Recur-rent budget with declining tendency. Own source revenue generation weak with variations across provinces. Deficient reve-nue administration and systematic training
2.3.2	To what extent did the PCDF strengthen the PGs overall finan-cial capacity?	<p><b>Assessments</b></p> <ul style="list-style-type: none"><li>➤ PGSP contributed to forge a block grant (PSG) out of 8 different (sectoral) grants</li><li>➤ Contributes with approx 50% to PCDF</li><li>➤ Resource endowment has increased substantially (see above)</li></ul> <p>Improvement in the PCs’ financial management</p> <ul style="list-style-type: none"><li>➤</li></ul> <p><b>Source of information:</b> Assessments of minimum conditions, Office of the Auditor General (OAG)</p>	PCDF is only programme geared towards strength-ening PGs financial capac-ity

<b>EVALUATION QUESTION No. 2:</b>		<b>To what extent has the programme contributed to increased capacities and improved systems at local and national level?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
2.3.3	<b>To what extent has the LD programme improved budgeting capacity at local and national government level?</b>	<p><b>Manuals guidelines exist aligned with national legislation/guidelines</b></p> <ul style="list-style-type: none"> <li>➤ No system at national level until 2010</li> <li>➤ MYOB and IPSAS only introduced in 2010 at national scale , coinciding with introduction of package at PGs</li> <li>➤ legislation and guidelines under</li> <li>➤ Guidelines and for PG Work-plans and budgets produced in 2011</li> <li>➤ Review of Public Finance and Audit Act in course</li> <li>➤ PGSP ahead of National Government in review of Chart of Accounts and capacity building in PEM, MYOB</li> <li>➤ MFT asks MPGIS and PGSP for advice</li> <li>➤ National govt and PG have different fiscal years: <ul style="list-style-type: none"> <li>○ National Govt: 1 Jan – 31 Dec</li> <li>○ PG: 1 April – 31 March</li> </ul> </li> <li>➤ Need for alignment of fiscal years, chart of accounts, classification system (I did not hear complains and budget wise it may be easier for Provinces as size or transfers are know when they finalise their budget)</li> </ul> <p><b>Ability to follow manuals and apply correct procedures</b></p> <ul style="list-style-type: none"> <li>➤ Yes, given in Western Province; unknown in other provinces</li> </ul> <p><b>Budget planning and review system established</b></p> <ul style="list-style-type: none"> <li>➤ ‘...provincial budgets are now linked up to the annual work plans of the provincial governments and the cash basis of budgeting is linked to the International Public Sector Accounting Standards (IPSAS), something the National Government is yet to achieve” Minister for PGIS to Parliament, 28 Nov</li> <li>➤ No review procedures established in provinces (Central Islands, Western and Choiseul)</li> </ul> <p><b>Budget coverage of all expenditures and revenues of the PG</b></p> <ul style="list-style-type: none"> <li>➤ Covers, by and large, all expenditures, but not all revenue (see above)</li> </ul> <p><b>Realistic budgeting</b></p> <ul style="list-style-type: none"> <li>➤ ‘Incremental approach’</li> <li>➤ Budgets neither linked to policies, priorities, nor only limited to cost.</li> <li>➤ Budgets are under spent (reduced absorption capacity)</li> <li>➤ Costing exercise in 2012 to be used for ‘zero budgeting’ approach</li> </ul> <p><b>Source of information:</b> Budgets and accounts, PGs, MoF, MPGIS, PGSP, 2011b</p>	PGs’ budgeting capacity massively and innovatively strengthened through PGSP/PCDF, with guide-lines, targeted training, with up scaling effects (e.g. international accounting standard). Challenge: harmonizing provincial and national fiscal years

EVALUATION QUESTION No. 2:		To what extent has the programme contributed to increased capacities and improved systems at local and national level?	
Sub-questions		Indicators/findings	Summary
2.3.4	To what extent has the programme increased accounting and audit capacity at local government level?	<p><b>Existence of yearly accounts of expenditures and revenues</b></p> <ul style="list-style-type: none"><li>➤ Yes: yearly accounts of expenditures and revenues</li><li>➤ Do not cover all expenditure and revenue items (e.g. from sectors)</li><li>➤ Quality is varying across provinces and years , slight improvements</li><li>➤ Involvement of PA in review (PAC)</li></ul> <p><b>Existence of an accounting system following national standards</b></p> <ul style="list-style-type: none"><li>➤ National standard only gradually introduced</li><li>➤ Accounting system: MYOB introduced and piloted at PG with CD (exception: Western Province, which uses different non-certified software</li><li>➤ Central govt and sectors gradually introducing MYOB as well</li></ul> <p><b>Existence of an accounting manual</b></p> <ul style="list-style-type: none"><li>➤ Yes, manual and chart, in line with IAPSA norms</li><li>➤ Forms basis / guidelines of trainings</li><li>➤ Continued on-the job- training and CD by roving accounting consultant</li></ul> <p><b>Computerized accounting system</b></p> <ul style="list-style-type: none"><li>➤ Yes: MYOB</li><li>➤ Training provided, quality control via roving accounting consultant</li></ul> <p><b>Internal / external audits</b></p> <ul style="list-style-type: none"><li>➤ <b>Not yet foreseen in PGSP. OAG conducts</b> Twice yearly OAG audits (including internal audit elements), but OAG, technically well prepared and staffed has little clout and will ‘get teeth’ only with completed Review of Public Finance and Audit Act</li><li>➤ OAG sends Management Letter to Premiers with qualifying statements on audit findings and recommendations for remedy. So far: never a ‘lean opinion’ given</li><li>➤ Quality of accounts improving (OAG), however with significant variations across provinces and from year to year. This affects fulfilment of minimum standard and flow of funding (Guadalcanal without funding for PCDF in 2011, Two provinces not likely to receive funding in 2012</li><li>➤ Need for Internal audit; “comes too late as ‘curative’ measure ‘huge leakage’ of resources as consequence (Prov Secretary)</li><li>➤ CD in internal control foreseen in AWP 2012 with focus on correct use and administration and accounting for of <b>all</b> resources: time, logistics (vehicles, Labour/HR, Funds.</li><li>➤ MPGIS has plans to develop internal control / audit framework (including code of conduct for office bearers), established two posts for Principal Auditors (in 2012 Budget).</li></ul> <p><b>Source of information:</b> PG Finance Department, Ministry of Finance and Treasury (MFT), MPGIS, OAG, Field visits to PGs, Interviews with treasurers, trainers, PS Guadalcanal ( ex Director of Finance in PGSP); PGSP 2010c</p>	Accounting System (MYOB), chart of accounts and international standard (IAPSA)) introduced and training cycle, manual and supervision provided. OAG controls (improving) quality. Effective internal control system not yet in place, but conceptualized and planned for 2012.

EVALUATION QUESTION No. 3:		To what extent has the programme contributed to the improved planning of local development?	
Sub-questions		Indicators/findings	Summary
3.1	Is the PG's development plan coherent, comprehensive and realistic?	<p><b>Existence of Provincial development plans</b></p> <ul style="list-style-type: none"><li>➤ Three year rolling PG (strategic) Development Pan 2008/9-2010/11</li><li>➤ Approval by PA</li><li>➤ Planning exercise for next planning period in progress</li><li>➤ Guidelines on PG work plans and budgets published in Nov 11 include section on planning</li></ul> <p><b>Correspondence between budget and plan</b></p> <ul style="list-style-type: none"><li>➤ Often not the case, because outputs are not always quantified</li><li>➤ Strategic PG Plans often without budget forecast and with exaggeration of investments;</li><li>➤ Planning and budgeting calendar is harmonized</li><li>➤ Three year plans are not broken down into Annual Plans and budgets</li></ul> <p><b>Degree of realism of plan in terms of funds availability &amp; inclusion of funds or provisions for operations and maintenance</b></p> <ul style="list-style-type: none"><li>➤ Planning delinked from resource potential / generation and (shopping list approach)</li><li>➤ Information to PGs from line ministries often lacking and thus not always reflected in PG Strategic plan</li><li>➤ Consultation by MPGIS with Ministries of Health, Education and Environment on planning and investment initiated.</li><li>➤ Projects of NGOs and other NSA usually not captured by the plan. Some provinces make an effort to capture more (Isabel, Choiseul Provinces)</li><li>➤ Operation and Maintenance cost not reflected in plans (``realistic estimate`` by Prov Secretaries: : 10% of recurrent budget)</li></ul> <p><b>PG plan in line with national plans</b></p> <ul style="list-style-type: none"><li>➤ Not in the past, but practise is changing: alignment with NDS, MPGS Corporate Plan for planning period 2012/13</li></ul> <p><b>PG planners' awareness of hierarchical national planning structure</b></p> <ul style="list-style-type: none"><li>➤ Yes: see PGSP, 2011b</li><li>➤ Not defined division of labour between PGSP and RDP with regard to sub-provincial planning methodology and approach</li></ul> <p><b>Monitoring mechanism on plan's implementation</b></p> <ul style="list-style-type: none"><li>➤ Three year plan's reflection in annul planning and budget cycle and in AWP s not given. Would enhance coherence of plans and facilitate monitoring</li></ul> <p><b>Screening of consequences for environment of investment following nationally defined standards</b></p> <ul style="list-style-type: none"><li>➤ Environment does not feature prominently in PG planning and is absent in Planning and Budgeting Guidelines</li><li>➤ Lack of PG's capacity and competence in environmental issues prevents improved reflection of these issues in PG Plans</li><li>➤ Environmental NGOs not systematically involved in planning (exception: Choiseul)</li></ul> <p><b>Inclusion of gender mainstreaming</b></p> <ul style="list-style-type: none"><li>➤ Gender mainstreaming is absent in Planning and Budgeting Guidelines</li><li>➤ Proposed cooperation with MWYCA, Parliamentary Strengthening Programme and UNIFEM not established (ref ProDoc)</li></ul> <p><b>Source of information:</b> Interviews with planners at PGs, PG (Choiseul, Western, Central) PGSP, 2011b; SIG, 2011a; MPGIS, n.d; Interview PS Guadalcanal . Choiseul, Central</p>	<p>Progress in planning (elaboration, approval, quality, link to NDS) of strategic PG plan (Guidelines, 2011), but planned outputs with bias towards investments. Plans not always quantified and costed, comprehensive (sectors, cross cutting etc.)Reflected in annual budgets and work plans. and Without link to budget forecasts, No reflection yet of maintenance, but planned for 2012 exercise</p>



<b>EVALUATION QUESTION No. 3:</b>		<b>To what extent has the programme contributed to the improved planning of local development?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
3.2	<b>To what extent do local governments' development plans take into account and respond to communities needs?</b>	<p><b>Overall coverage of development plan</b></p> <ul style="list-style-type: none"> <li>➤ Limited to PG's core business and priorities.</li> <li>➤ Line ministries projects / investments only partially reflected.</li> <li>➤ NSA projects rarely reflected</li> <li>➤ Relevant sectors (environment, infrastructure for value chains for LED) only very marginally reflected in PG Plans.</li> </ul> <p><b>Inclusion of participatory approaches in the preparation of the development plans</b></p> <ul style="list-style-type: none"> <li>➤ Participatory approach advocated for sub-provincial level (ward, village), but not much practiced yet.</li> <li>➤ PGSP and MPGIS committed to advance with participatory methods at provincial and sub provincial level (ward)</li> <li>➤ Commitment to produce Ward Development Profiles</li> <li>➤ Prohibitive high cost for sub-provincial consultations (one day of consultations with all wards costs 100.000 SBD in Western Province)</li> <li>➤ Guidelines for Work plans, planning and budgeting for 2012/13 produced</li> </ul> <p><b>Involvement of Community leaders at ward level</b></p> <ul style="list-style-type: none"> <li>➤ Neglected so far</li> <li>➤ Relationship with approaches, methods and funding and accounting modalities by RCDF (NP / MRD (and RDP (MDPAC) not sufficiently clarified</li> <li>➤ Prov Sec (Temuto) stresses need to better coordination among programmes intervening at PG and sub Province level; PS (MDPAC) perceives that RDP makes 'inroads' into RCDF</li> </ul> <p><b>Inclusion of gender mainstreaming</b></p> <ul style="list-style-type: none"> <li>➤ Neglected so far, proposed cooperation with MWYCA, Parliamentary Strengthening Programme and UNIFEM not established (ref ProDoc). PGSP has started conceptualizing and introducing gender issues in planning and budgeting</li> </ul> <p><b>Source of information:</b> PG planning department, MoP, PGs Communities , Minister's speech to Parliament and reply to issues raised by MPs (Nov 2011); Interviews in Selected provinces; PGSP, 2011b.</p>	<p>Plan's coverage limited to PG's core business, line ministries 'and NSA projects only partially reflected. Participatory approaches and Ward profiles promoted, inception. High cost of sub provincial consultation with community. Relationship with other programmes unclear. Gender mainstreaming, envisaged.</p>

<b>EVALUATION QUESTION No. 4</b>		<b>To what extent have PCDF-funded investments contributed to enhancing opportunities for socio-economic development?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
4.1.	<b>To what extent have funded investments contributed to improved availability &amp; access to quality infrastructure?</b>	<p><b>Number, type, relevance and quality of funded infrastructure (location, complementary facilities, sector, climate change)</b></p> <ul style="list-style-type: none"> <li>➤ 264 investments spread out to several sectors (see table in main report). Limited number in climate change.</li> </ul> <p><b>Increased use of funded infrastructure (e.g. attendance rates, perception of users, PGs and service providers....)</b></p> <ul style="list-style-type: none"> <li>➤ All interviewed agreed on the importance and relevance of the investments</li> </ul> <p><b>Coverage of services</b></p> <ul style="list-style-type: none"> <li>➤ Investments increases coverage of services to communities and with the provincial towns (see above)</li> </ul> <p><b>Ranking of quality of infrastructure by PG official, related services providers, end users</b></p> <ul style="list-style-type: none"> <li>➤ FA</li> </ul> <p><b>Source of information:</b> PGs, site visits, MoH, MoE, PGSP database with investments from PCDF</p>	Investments have improved service delivery in particular in social sectors
4.2	<b>To what extent did investments serve as enabling/catalytic factors for sectoral/thematic dynamics? (LED, NRM; social sectors, climate changes...)</b>	<p><b>Local Economic Development</b></p> <ul style="list-style-type: none"> <li>➤ Choiseul and Central Islands: No strategic approach to Investments – based on needs as seen by Provincial Assembly</li> <li>➤ Western: All investments are implemented in education except from two in administration</li> <li>➤ In total 31 investments in commerce mainly markets (14) and storages (6), 20 in fisheries (e.g. ice block production in Western)</li> <li>➤ No direct value chained analyses – dispersed investments – no strategy</li> </ul> <p><b>Empowerment of PGs as services providers /ref to specific sector or theme</b></p> <ul style="list-style-type: none"> <li>➤ N/A</li> </ul> <p><b>Management of natural resource</b></p> <ul style="list-style-type: none"> <li>➤ Only two investments in environment i.e. re-forestation (Choiseul)</li> </ul> <p><b>Climate change initiatives</b></p> <ul style="list-style-type: none"> <li>➤ Only the two in re-forestation</li> <li>➤ New secondary school in Vella la Vella (Western) built in elevated premises (Tsunami threat)</li> <li>➤ No conceptualization yet</li> </ul> <p><b>Gender mainstreaming and youth</b></p> <ul style="list-style-type: none"> <li>➤ 12 women centre and 12 sports facilities financed by PCDF</li> <li>➤ Development plans are not gender mainstreamed (Choiseul and Western)</li> </ul> <p><b>Source of information:</b> PGSP staff, PGs Choiseul, Western and Central Islands, site visits, provincial development plans</p>	Although some investment in the productive sector and environment no strategy to LED or NRM identified

4.3	How effectively have the PCDF worked as a transfers system to provincial governments?	<p><b>Timely and transparent information on available funds</b></p> <ul style="list-style-type: none"> <li>➤ Funds are in general released late i.e. first PCDF transfer for 2011/2011 (60%) in July 2011</li> <li>➤ Allocation of funds are in general presented timely from programme management to advisers</li> </ul> <table border="1" data-bbox="577 357 1375 620"> <thead> <tr> <th colspan="4">Formula for PCDF 2009 to 2011</th></tr> <tr> <th></th><th>Equal share</th><th>Population</th><th>Performance</th></tr> </thead> <tbody> <tr> <td>2008/09</td><td>20%</td><td>80%</td><td>0</td></tr> <tr> <td>2009/10</td><td>20%</td><td>80%</td><td>0</td></tr> <tr> <td>2010/11</td><td>20%</td><td>64% (80% of 80%)</td><td>16% (20% of 80%)</td></tr> <tr> <td>2011/12</td><td>20%</td><td>56% (70% of 80%)</td><td>24% (30% of 80%)</td></tr> <tr> <td>2012/2013</td><td>40%</td><td>42% (70% of 60%)</td><td>18% (30% of 60%)</td></tr> </tbody> </table> <p><b>Relation to other (government) funds for PGs</b></p> <ul style="list-style-type: none"> <li>➤ PCDF is the only investment fund to provinces</li> <li>➤ The SIG Recurrent Service grants to provinces will follow the PCDF 2009 formula (20% equal share and 80% population) from 2013 introduced gradually (25%, 50%, 75% and 100%) from 2010.</li> <li>➤ Formula is not coordinated with other government funding for sectors</li> <li>➤ The constituency fund is provided in wards without any link to the PGs</li> <li>➤ The Rural Development Programme finances investments in communities without integration into the provincial development planning</li> <li>➤ The manual for PCDF from April 2008 does not contain the correct formula or MCs</li> </ul> <p><b>Performance incentive in formula</b></p> <ul style="list-style-type: none"> <li>➤ Performance incentive in formula is transparent and fair – i.e. province score/total score</li> <li>➤ Criteria follow international criteria</li> <li>➤ All interviewed acknowledge the incentive in the formula (MCs and performance criteria)</li> <li>➤ Five assessments done from 2008 to 2011 with qualification of respectively 2, 8, 9, 8 and 7 provinces. Average performance increased from 42 in 2009 to 62 in 2010 and 63 in 2011 (see detailed table in section 4.4).</li> </ul> <p><b>Government contribution</b></p> <ul style="list-style-type: none"> <li>➤ SIG contribution increases yearly with three 3% starting at 50% in 2009/2010. From 2012/13 it will finance more than 80%.</li> </ul> <p><b>PGs' contribution</b></p> <ul style="list-style-type: none"> <li>➤ Demand is reduced in the assessment in September 2009 to 5% from 10%, but was increased to 15% in 2011/12. From 2012/13 it will be 5% again.</li> <li>➤ On average the provinces have contributed with 9%.</li> </ul> <p><b>Track studies</b></p> <ul style="list-style-type: none"> <li>➤ NA</li> </ul> <p><b>Source of information:</b> MFT, MPGIS (Principal Accountant), UNCDF, JOC minutes, PGSP 2008, 2009a, 2009b, 2010a, 2011b, PS, MRD</p>	Formula for PCDF 2009 to 2011					Equal share	Population	Performance	2008/09	20%	80%	0	2009/10	20%	80%	0	2010/11	20%	64% (80% of 80%)	16% (20% of 80%)	2011/12	20%	56% (70% of 80%)	24% (30% of 80%)	2012/2013	40%	42% (70% of 60%)	18% (30% of 60%)	<p>The PCDF has worked efficiently through SIG procedures and with more than 50% SIG contribution. Performance element has worked as motivation for improved PFM in provinces. Formula should cater more for internal control, revenue collection, maintenance and LED</p>
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EVALUATION QUESTION No. 5:		To what extent are the programme results likely to be sustainable in the longer-term?	
Sub-questions		Indicators/findings	Summary
5.1.	Evidence that PGs/user groups maintain the infrastructure and operations after completion of the intervention (O&M): (buildings, teachers, equipment, health staff, etc.)	<p><b>Evidence of “ownership” of infrastructure &amp; services as reflected in user perceptions</b></p> <ul style="list-style-type: none"><li>➤ Choiseul, Western, Central Islands provinces: Investments are handed over to communities upon completion for communities’ operation and maintenance</li><li>➤ Poor state of Secondary school in Choiseul, where PCDF has financed renovations and intends to finance computer lab</li><li>➤ Good ownership for investments in new secondary school in Vella la Vella, Western</li><li>➤ Larger Investment I Choiseul are operated by PG i.e. Air-terminal, Sports Centre</li><li>➤ Investment in the provincial capital is managed by the PG in Central Islands</li><li>➤ Unsustainable guest-house with 6 rooms and rate of SBD 260 per night under Province administration in Central Islands - revenue only app. 23,000 SBD (4% of potential revenue)</li></ul> <p><b>Regular payment of user fees (if established)</b></p> <ul style="list-style-type: none"><li>➤ Choiseul: No user fees established (e.g. electricity is free)</li><li>➤ Western: Limited school fees collected by school boards (10 SBD per child monthly)</li><li>➤ Central Islands – fees for ice clocks to fishers will be collected (SBD 40 per block), executives do not pay for accommodation in guesthouse</li></ul> <p><b>Allocation for maintenance in PG’s budgets</b></p> <ul style="list-style-type: none"><li>➤ Choiseul and Western: No allocation or very little amount in budgets</li><li>➤ Central Islands will start In 2012/2013</li><li>➤ Instructions issued by MPGIS</li></ul> <p><b>Coordination with line ministries or other authorities e.g. school authorities (churches etc.)</b></p> <ul style="list-style-type: none"><li>➤ Consultations with line ministries started in 2011 (Health, Education, Environment)</li><li>➤ Choiseul: Hospital Guest House handed over to MoH upon completion. No specific agreement for maintenance – structure already damaged.</li><li>➤ Western and central – structures are handed over to line ministries upon completion.</li></ul> <p><b>Source of information:</b> Field visits, provincial treasurers, provincial budgets, PSs, MoE and MoH, communities</p>	Maintenance of investments is not sustained in the existent culture with little interest hardly any funds for maintenance in PGs budgets. Planned for 2012
5.2	Is the program absorbed by the central level?	<p><b>Programme included in work-plan of central ministries</b></p> <ul style="list-style-type: none"><li>➤ Programme fully integrated into MPGIS Corporate plan 2011-2013</li><li>➤ Programme included in the National Development Strategy (NDS) 2011-2020</li></ul> <p><b>Government is co-funding the programme</b></p> <ul style="list-style-type: none"><li>➤ SIG contribution increases yearly with three 3% starting at 50% in 2009/2010. From 2012/13 it will finance more than 80%.</li></ul> <p>Increased allocation from CG for operation and maintenance to PGs</p> <ul style="list-style-type: none"><li>➤ No additional funding – the provincial service grant has not been increased</li></ul> <p><b>Source of information:</b> MPGIS (2011), SIG (2011) , PGSP advisors, PS MPGIS</p>	PGSP is well absorbed in the MPGIS and SIG with substantial co-funding.

<b>EVALUATION QUESTION No. 5:</b>		<b>To what extent are the programme results likely to be sustainable in the longer-term?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
5.3	<b>Is the continued involvement of PGs in planning and implementation likely?</b>	<p><b>Evidence of local actors engaged in the local development process</b></p> <ul style="list-style-type: none"> <li>➤ Development planning is mainly done by PG administration with some involvement of the executives, actors in the provincial capital and to some extent the ordinary members of the provincial assemblies</li> </ul> <p><b>Planning procedures institutionalized in PGs</b></p> <ul style="list-style-type: none"> <li>➤ Planning procedures for three years are still new to PGs including the consultation process</li> <li>➤ PGSP has only trained the senior specialist, while junior staff and executives have received little technical training</li> </ul> <p><b>Improved working relations with service providers, institutions and citizens</b></p> <ul style="list-style-type: none"> <li>➤ No evidence of this were seen, citizens overall interest is in timber and to consume the services provided</li> <li>➤ Line ministries' work is in general separately</li> </ul> <p><b>Source of information:</b> PGs, Choiseul, Central Islands and Western provinces, provinces' development plans, field visits, MoH, MoE, communities</p>	Development planning is still new and needs to be absorbed further and involve more local actors

EVALUATION QUESTION No. 6:		How effective has the implementation and management of the programme been at national and local level?	
Sub-questions		Indicators/findings	Summary
6.1	To what extent is programme management aligned with local government departments' standards and procedures?	<p><b>Use of National / Direct implementation modality (DIM/NIM)</b></p> <ul style="list-style-type: none"><li>➤ Full NIM modality for PCDF, other activities in a mix of NIM and DIM (cash transfer modality)</li><li>➤ SIG/MPGIS is IP – entity entirely responsible for management of project activities, efficient use of resources, delivery of project outputs</li><li>➤ IP has full programmatic and financial control, but is not involved in financial flows (PGSP)</li><li>➤ Project Cash Disbursement Modality: UNDP/ UNCDF</li><li>➤ financial management structure and performance of UNDP impact negatively on NIM</li><li>➤ MPGIS HACT assessment is outstanding.</li></ul> <p><b>Degree of alignment of objectives and procedures</b></p> <ul style="list-style-type: none"><li>➤ Full alignment with MPGS' Corporate Plan 2011-2013</li><li>➤ PGSP staff fully embedded in MPGIS. (see: MPGIS, n.d.: 18)</li></ul> <p><b>Functional Joint Oversight Committee with national. leadership</b></p> <ul style="list-style-type: none"><li>➤ JOC established in 2008, with national leadership, all relevant stakeholders and partners (exception: MRD)</li><li>➤ TOR defined and signed</li><li>➤ Tendency to discuss PCDF and less general programme implementation in JOC</li></ul> <p><b>Working relationships with department staff, understanding of programme logic by departments' staff</b></p> <ul style="list-style-type: none"><li>➤ Training WS on Programmatic Issues for PGSP staff (March 2010)</li><li>➤ Logic and approach of Programme known to and understood by all staff</li><li>➤ Irregular staff meetings (norm: Fortnightly for PGSP core staff/ Advisors, quarterly for MPGIS/PGSP)</li><li>➤ Some deficiency in working / communication relationship Central / province (Advisors)</li></ul> <p><b>Source of information:</b> ProDoc, PGSP staff, JOC TOR, MPGIS staff, MPGIS. n.d. (Corporate Plan), JOC Minutes of meetings, UNCDF, 2010. Interviews PGSP and UNCDF staff</p>	National ownership with strong national leadership (JOC) and embedded external experts. Full alignment with MPGIS Corporate Plan Mix of NIM and DIM in implementation modality (HACT outstanding). Complex funding architecture with high transaction cost

EVALUATION QUESTION No. 6:		How effective has the implementation and management of the programme been at national and local level?	
Sub-questions		Indicators/findings	Summary
6.2	To what extent does the staffing of the programme (including support provided through external consultancies) correspond to the needs of the programme?	<p><b>Correspondence between expertise required and expertise available (over time)</b></p> <ul style="list-style-type: none"><li>➤ No long term correspondence between expertise profile required and expertise available de'facto'</li><li>➤ Position of CTA filled by 3 different persons (less than two and a half years of activity)</li><li>➤ Presently position of FA and (interim) CTA in one hand</li><li>➤ MPGIS leadership with strong sense of ownership and drive to localize international posts asap and substitute intl consultants by national consultants (also for reasons of possible Funding gap)</li><li>➤ <b>Positions are all filled at national and provincial level – no long-term vacancies</b></li><li>➤ High staff turnover at PG level, retention capacity is low</li><li>➤ Vacancy of Provincial Advisors: 3 out of 9 positions for National Adv; 5 out of 9 for UNV advisors (Nov 2011)</li><li>➤ Vacant Positions at PGSP / MPGIS: CTA (Financial Advisor is Acting), Programme Associate/ Assistance</li></ul> <p><b>Existence of job descriptions for all staff</b></p> <ul style="list-style-type: none"><li>➤ Functional structure and job descriptions are not congruent (consequence of CTA changes)</li><li>➤ Review of functional structure and staff positions in course</li></ul> <p><b>Existence of clear relations between different positions I programme</b></p> <ul style="list-style-type: none"><li>➤ Workload and accumulation of tasks clearly tilted unfavourably to acting CTA</li><li>➤ Definition of task/ responsibilities for and interface between staff not clear to outsiders (example: coordination of MTR), and PG Advisors</li></ul> <p><b>Source of information:</b> Interviews PGSP and staff, also at PG level, MPGIS. n.d., various internal documents / drafts, UNCDF, 2010.</p>	Fluctuation of staff (MPGIS, PGs), and advisors (national. Local), vacant posts, interim solutions, demand markets for HR and not competitive package impact negatively on performance and efficiency. Workload unevenly distributed. Weak link central-local
6.3	How effectively has programme management implemented the work plans / updated plans to match modified conditions?	<p><b>Rate of delivery on the annual work plans</b></p> <ul style="list-style-type: none"><li>➤ Not systematically measured</li><li>➤ AWP are very broad, no distinction between</li><li>➤ Description of activity in Annual Reports</li></ul> <p><b>Achievements against targets (as set-out in the ProDoc and in the modified work plans if any)</b></p> <ul style="list-style-type: none"><li>➤ AWP are activity / output oriented instead of result / impact oriented</li><li>➤ No systematic comparison between planned / executed activities</li><li>➤ Review of AWP approach foreseen for 2012</li></ul> <p><b>Adjustments</b></p> <ul style="list-style-type: none"><li>➤ Half yearly adjustments , discussed with MPGIS and JOC</li></ul> <p><b>Source of information:</b> AWP's, JOC Minutes, APNFPR, Interviews CTA, UNCDF, UNDP</p>	Work plans are activity -based and not result oriented; reviewed once a year. No systematic comparison between planned and executed activities

EVALUATION QUESTION No. 6:		How effective has the implementation and management of the programme been at national and local level?	
Sub-questions		Indicators/findings	Summary
6.4	How well has monitoring and evaluation been linked to the management processes?	<p><b>Existence of baseline data</b></p> <ul style="list-style-type: none"><li>➤ Comprehensive, base line study and M&amp;E framework produced,</li><li>➤ little utilized to date, MTR framework needs simplification and fine tuning</li></ul> <p><b>Existence and quality of M&amp;E staff</b></p> <ul style="list-style-type: none"><li>➤ National M&amp;E Officer recently recruited</li><li>➤ Professional experience and background not congruent with profile of position</li><li>➤ Plan for 2011: Intl consultancy (2 months) to simplify and fine-tune M&amp;E framework and train National Advisor on the job)</li></ul> <p><b>Evidence that an MIS has been set-up and is updated</b></p> <ul style="list-style-type: none"><li>➤ No data base / MIS has been set up for monitoring planned Results, outcome and impact</li><li>➤ PGSP leadership plans to set up M&amp;E Unit</li><li>➤ Database for internal monitoring in place. Periodic reports produced</li><li>➤ Database produced, updated and handled by acting CTA, not by M&amp;E officer</li><li>➤ No monitoring of context and assumptions (see Risk Mitigation Matrix in ProDoc)</li></ul> <p><b>Evidence that the MIS system is shared with PGs</b></p> <ul style="list-style-type: none"><li>➤ Role for PG and Advisors in of MIS / M&amp;E system still to be defined</li></ul> <p><b>Availability of up to date indicators of project progress, regular and informative reports</b></p> <ul style="list-style-type: none"><li>➤ According to donors, PGSP has not yet demonstrated capacity to provide this type of information.</li><li>➤ (innovative) Suggestion: include and update data base Provincial (census data, budget data, public and private investments, NSA etc.) as a necessary and sufficient instrument to monitor change over duration of Programme (15 years)</li></ul> <p><b>Source of information:</b> ProDoc, GHD, 2011, Interview PGSP staff, Interview EU, RAMSI</p>	Baseline and M&E framework produced but not yet used. No result and impact monitoring. Present capacity profile not congruent with need and demand. M&E Unit planned for 2012



EVALUATION QUESTION No. 7:		To what extent did piloted approaches lead to up-scaling and replication as well as to policy development?	
Sub-questions		Indicators/findings	Summary
7.1.	Did pilot implementation lead to up scaling of the programme / increased flow of resources at the local and/or national level?	<p><b>Additional resources (ratio to UNCDF resources)</b></p> <ul style="list-style-type: none"><li>➤ At present: Planned (50:50), with planned increase by 3% /year of SIG contribution – in addition SBD 24 million in 2013/2014</li><li>➤ Degree of utilization of partners’ contribution to PGSP to date (in %): EU: 58; AusAID/RAMSI: 73; UNCDF: 74; UNDP: 75; SIG: 45</li></ul> <p><b>National treasury funds allocated for PGs plans implementation</b></p> <ul style="list-style-type: none"><li>➤ Two sources of central govt transfers a) from development budget (less than 2.5% on average, but increasing from 2008-2011), b) PGSP from recurrent budget (average 2007-2010: 2.1%, declining tendency, with substantial increase and allocations formula for planned for 2012.</li></ul> <p><b>Complementary action/resources by donors/ government</b></p> <ul style="list-style-type: none"><li>➤ RCDF (NP/MRD) is not complementary (highly discretionary, no hard budget constraints and moral hazard</li><li>➤ Key stakeholders are part of JOC, except MRD</li><li>➤ RDP (MDPAC/WB) is complementary and has implications for better coordination / cooperation at PG level</li><li>➤ PGSP is complementary to / integrated into RAMSI The-Whole-of- Government Approach and Machinery of Government support to SI</li><li>➤ EU (10 Million Euro) and ADB (10 Million USD) move towards budget support via MFT (10</li></ul> <p><b>Tools, procedures and resources adopted for country-wide implementation</b></p> <ul style="list-style-type: none"><li>➤ Formula for provincial service grant will follow PCDF formula from 2012/2013 (20% equal share and 80% population)</li></ul> <p><b>Complementary measures by the government</b></p> <ul style="list-style-type: none"><li>➤ Additional 24 Million SBD from SIG to PG in 2011</li></ul> <p><b>Source of information:</b> UNCDF and other relevant donors’ staff , PGs, PGSP and MPGIS staff MRD, MDPAC, RAMSI, EU</p>	Gradual and substantial increase in govt contribution. Review of allocation formula to PCDF planned for 2012 (20:80). Can PGSP be harmonized with complementary programmes with less emphasis on governance?

EVALUATION QUESTION No. 7:		To what extent did piloted approaches lead to up-scaling and replication as well as to policy development?	
Sub-questions		Indicators/findings	Summary
7.2	Have piloted approaches and practices been conducive to policy change in the fields of decentralization and local development?	<p><b>Awareness/appreciation of national decision-makers and other key stakeholders</b></p> <ul style="list-style-type: none"><li>➤ High awareness of policy makers , executive and NP of PGSP as a PG-focussed programme</li><li>➤ Premiers annual conference and communiqué important lobby and pressure group</li><li>➤ All interviewed PSs speak highly appreciative of PGSP</li><li>➤ Special focus of NP and PM on PG and PGSP</li><li>➤ PGSP provides inputs to constitutional reform</li></ul> <p><b>Decentralisation reforms</b></p> <ul style="list-style-type: none"><li>➤ PGSP is driving force for reform and review of PGA</li></ul> <p><b>Sectoral reforms</b></p> <ul style="list-style-type: none"><li>➤ Reforms ongoing in MERHD and MHMS with a view to define standards and packages for variation of sizes and levels of units at sub-national level.</li></ul> <p>Relevant guidelines and manuals</p> <p><b>Source of information:</b> MPGIS, Ministry of Finance , Premiers Communiqués, Minsters Speech at Parliament, Interviews with key stakeholders (NP, MPGIS, PGSP key staff</p>	PGSP has contributed to shift attention and resources to PG and their need to improved service delivery and improved governance. Together with Premiers Conference MPGIS / PGSP is a driver of change for review of PGA. No roadmap yet.

<b>EVALUATION QUESTION No. 8:</b>		<b>To what extent did the programme enhance the partnership with the government and other donors at national and regional level?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
8.1	<b>Were synergies established with other programmes and actors?</b>	<p><b>Evidence of complementary efforts with relevant initiatives in the area and/or nationally</b></p> <ul style="list-style-type: none"> <li>➤ Cooperation in capacity building (ToT) with Institute of Public Administration and Training</li> </ul> <p><b>New partnerships established with local and/or external actors</b></p> <ul style="list-style-type: none"> <li>➤ Joint funding of programme with the EU and AusAID</li> </ul> <p><b>Joint national/global initiatives</b></p> <ul style="list-style-type: none"> <li>➤ Platform of discussion with MDPAC on Ward Profiles</li> <li>➤ No working relations with MRD, which is not part of JOC</li> <li>➤ Climate change issues at PG level addressed in international fora (OASIS, CTI)</li> <li>➤ Selected PGs participate in regional CTI Roundtable on Climate change Roundtable, May 16-19, 2011 Wakatobi, Indonesia</li> <li>➤ SIG member of OASIS addressing effects of Climate change on coastal areas</li> <li>➤ Commonwealth Local Government Association (CLGA) involved in CD</li> </ul> <p><b>Source of information:</b> UNCDF, UNCDF, PGSP staff, ProDoc, Speech by MPGIS Minister in Parliament, PSs, MDPAC, MRD</p>	PGSP has established synergies and partnerships including pooling of resources with some donors and the government
8.2	<b>Has the programme promoted the establishment of a framework for the harmonization of donors' support?</b>	<p><b>Evidence of coordination and partnership arrangements</b></p> <ul style="list-style-type: none"> <li>➤ Partnership with SIG, EU and AusAID/RAMSI</li> </ul> <p><b>Pooled funding mechanisms</b></p> <ul style="list-style-type: none"> <li>➤ Pooled funding with the EU and AusAID</li> </ul> <p><b>Sectoral/thematic platforms</b></p> <ul style="list-style-type: none"> <li>➤ PGSP is part of CLGA platform</li> </ul> <p><b>Joint national/global initiatives</b></p> <ul style="list-style-type: none"> <li>➤ The UNDP Trust fund was established in 2008 but only with one contribution from AusAID/RAMSI</li> </ul> <p><b>Source of Information:</b> UNCDF and UNDP staff, AusAID/RAMSI, EU, MPGIS</p>	Some donor harmonization has taken place through the programme but the UNDP Trust fund has still only a contribution from AusAID/RAMSI.

<b>EVALUATION QUESTION No. 8:</b>		<b>To what extent did the programme enhance the partnership with the government and other donors at national and regional level?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
8.3	<b>Has the partnership with UNDP and other donors in programming and implementation proved effective?</b>	<p><b>Awareness/appreciation by staff and key stakeholders</b></p> <ul style="list-style-type: none"> <li>➤ UNDP reporting to EU is delayed</li> <li>➤ UNDP procurement is criticised for being slow and non transparent</li> </ul> <p><b>Evidence/recognition of value-adding synergies of joint implementation mechanisms</b></p> <ul style="list-style-type: none"> <li>➤ SIG and provinces are satisfied with the unifying approach instead of several sources</li> </ul> <p><b>Division of labour/sharing of functions and responsibilities</b></p> <ul style="list-style-type: none"> <li>➤ The division of labour between UNDP, UNCDF and MPGIS is unclear</li> </ul> <p><b>Harmonised reporting</b></p> <ul style="list-style-type: none"> <li>➤ The programme set up is very complicated with several reporting system between the funding partners</li> <li>➤ Reporting from provinces is harmonized for the PCDF</li> <li>➤ Other procedures (travel re-claims, per diem, request are time consuming Joint advocacy and positioning</li> </ul> <p><b>Joint advocacy and positioning</b></p> <ul style="list-style-type: none"> <li>➤ Done by UNCDF and UNDP</li> </ul> <p><b>Source of information:</b> EU, PGs, UNCDF and UNDP staff, AusAID/RAMSI</p>	<p>The partnership on PCDF through SIG modality is effective. The set up of other activities (training, TA) is time consuming, which affects programme efficiency.</p>
8.4	<b>Has the programme promoted the recognition of UNCDF's approach and role?</b>	<p><b>Generation/diffusion of innovative knowledge and products</b></p> <ul style="list-style-type: none"> <li>➤ Formula for the provincial service grant simplified</li> <li>➤ Minimum and performance system widely acknowledged</li> </ul> <p><b>Donors adopting UNCDF-championed strategies and innovations</b></p> <ul style="list-style-type: none"> <li>➤ EU and AusAID/RAMSI though the programme adapt the PCDF model</li> </ul> <p><b>Standing of UNCDF within donors community/appreciation by key Stakeholders</b></p> <ul style="list-style-type: none"> <li>➤ PGSP is recognized by SIG as seen by the additional SBD 24 million in 2012/2013</li> <li>➤ EU and AusAID(RAMSI acknowledge fully the PCDF model</li> </ul> <p><b>Strategic alliances at the national level</b></p> <ul style="list-style-type: none"> <li>➤ With MPGIS</li> <li>➤ No steady alliance with other ministries</li> </ul> <p><b>Alignment / involvement in implementation of national/donors strategies/priorities</b></p> <ul style="list-style-type: none"> <li>➤ RDP/SIG has not accepted the PGSP approach to planning</li> </ul> <p><b>Opportunities for further engagement /strategic partnership</b></p> <ul style="list-style-type: none"> <li>➤ A risk exists for the EU to withdraw from the PGSP from 2013, unless reporting on time is improved</li> </ul> <p><b>Source of information:</b> EU, UNCDF Staff, UNDP, AusAID/RAMSI, MPGIS</p>	<p>The PCDF modality with transparent formula and incentive structure for improved PFM is highly recognised.</p> <p>Slow financial reporting may affect future support from dev. Partners.</p>

<b>EVALUATION QUESTION No. 8:</b>		<b>To what extent did the programme enhance the partnership with the government and other donors at national and regional level?</b>	
<b>Sub-questions</b>		<b>Indicators/findings</b>	<b>Summary</b>
8.5	<b>Has advocacy for the LD approach been successfully carried out at the national level?</b>	<p><b>Number of high level meetings between UNCDF programme management and central government</b></p> <ul style="list-style-type: none"> <li>➤ UNCDF regional office has promoted the LOCAL modality</li> </ul> <p><b>Coordination mechanism in place at national level</b></p> <ul style="list-style-type: none"> <li>➤ No as a concept for LD has not yet been put in place in Solomon (PGSP comp 3)</li> </ul> <p><b>Existence of an advocacy strategy / agenda (implicit / explicit)</b></p> <ul style="list-style-type: none"> <li>➤ A concept for LD has not yet been developed in Solomon Island</li> </ul> <p><b>Degree of involvement of UNCDF programme staff and UNCDF regional office in advocacy activities</b></p> <ul style="list-style-type: none"> <li>➤ Little</li> </ul> <p><b>Source of information:</b> ProDoc, PGSP annual progress reports, interviews with MPGIS, EU, AusAID/RAMSI</p>	A clear LD and LED approach need to be developed in the programme

## Annex 7: Project Results and Resources Framework

### Programme expenditure 2008 to 2011

**Table A: Total contribution by development partner and SIG. 2008 -2011, USD**

DP/SIG	Budget	2008-2009	2010	2011	Total	%
EU	6,199,461	857,248	825,587	1,930,903	3,613,737	58
AusAID/RAMSI	6,400,000	2,473,858	1,383,856	822,126	4,679,839	73
UNCDF	1,000,000	337,187	177,594	224,879	739,660	74
UNDP	1,000,000	362,464	158,377	227,052	747,893	75
SIG	3,500,000	259,540	717,884	609,721	1,587,145	45
<b>Total</b>	<b>18,099,461</b>	<b>4,290,297</b>	<b>3,263,298</b>	<b>3,814,680</b>	<b>11,368,275</b>	<b>63</b>

**Table B: Total expenditure by UNCDP 2008 -2011, USD**

DP/SIG	Budget	2008-2009	2010	2011	Total	%
UNDP	1,000,000	362,464	158,377	227,052	747,893	75
AusAID/RAMSI	1,266,042	474,781	508,040	204,761	1,187,582	94
EU	3,471,698	385,005	671,517	1,113,488	2,170,011	63
<b>Total</b>	<b>5,737,740</b>	<b>1,222,250</b>	<b>1,337,935</b>	<b>1,545,301</b>	<b>4,105,486</b>	<b>72</b>

**Table C: Total expenditure by UNCDF, USD**

DP/SIG	Budget	2008-2009	2010	2011	Total	%
UNCDF	1,000,000	337,187	177,594	224,879	739,660	74
AusAID/RAMSI	5,133,958	1,999,077	875,816	617,365	3,492,257	68
EU	2,727,763	472,243	154,069	817,414	1,443,727	53
<b>Total</b>	<b>8,861,721</b>	<b>2,808,507</b>	<b>1,207,479</b>	<b>1,659,658</b>	<b>5,675,644</b>	<b>64</b>

**Table D: PGSP Budget, expenditures 2008 to 201 percentage disbursed**

Output	Budget	2008-2009	2010	2011	Total	% of Budget
OUTPUT 1: The responsibilities of Provincial Governments are clarified & expanded	<b>460,804</b>	<b>35,177</b>	<b>12,436</b>	<b>42,279</b>	<b>89,892</b>	<b>20</b>
1.1. Provincial Governments own functions are clarified and expanded	173,724	35,177	4,369	42,279	81,825	47
1.2. Provincial Governments "agency functions" are regulated and co-provision arrangements are developed	287,080	0	8,067	0	8,067	3
OUTPUT 2: The Resources of Provincial Governments are commensurate to their responsibilities	<b>3,839,556</b>	<b>1,440,697</b>	<b>273,915</b>	<b>797,326</b>	<b>2,511,938</b>	<b>65</b>
2.1. Domestic resources flow to Provincial Governments is enhanced	276,776	43,190	14,063	4,629	61,882	22

<b>2.2. External resources flow to Provincial Governments is enhanced</b>	3,562,780	1,397,506	259,852	792,697	2,450,055	69
OUTPUT 3: The LD management Capacity of the Provincial Governments is developed	<b>9,674,018</b>	<b>2,179,257</b>	<b>1,880,090</b>	<b>2,119,879</b>	<b>6,179,226</b>	<b>64</b>
<b>3.1. The governance capacity of Provincial Assemblies (PA) and Provincial Executives (PE) is enhanced</b>	785,296	8,540	126,180	230,026	364,746	46
<b>3.2. The Local Development Management capacity of Provincial Governments is enhanced</b>	5,138,980	1,057,282	834,201	1,012,163	2,903,646	57
<b>3.3. An effective system of central support and supervision of PG is in place</b>	3,749,742	1,113,435	919,709	877,690	2,910,834	78
OUTPUT 4: PGSP Monitoring and Evaluation	<b>1,004,406</b>	<b>172,415</b>	<b>153,383</b>	<b>159,234</b>	<b>485,032</b>	<b>48</b>
<b>4.1. An effective M&amp;E system of PGSP is in place</b>	1,004,406	172,415	153,383	159,234	485,032	48
<i>Output 5 - General Management Services Fee</i>	1,068,732	203,211	225,590	86,241	515,042	<b>48</b>
<b>Total</b>	16,047,516	4,030,757	2,545,414	3,204,959	9,781,130	61
<b>Government of Solomon Islands</b>	3,500,000	259,540	717,844	609,721	1,587,105	<b>45</b>
<b>Total</b>	19,547,516	4,290,297	3,263,258	3,814,680	11,368,235	58

## Annex 8: Solomon Island - Provincial Profiles

Explanatory note: This table has been prepared with a view to providing a synoptic overview of some of the more salient characteristics of the different provinces, with an emphasis on factors that influence their capacity for service delivery and their relations with the national centre, Honiara.

Province	Geography and demographics				Economy, education and infrastructure			
	Provincial capital distance to Honiara	Internal provincial dispersion	Population <sup>46</sup> in 000s (density per km <sup>2</sup> )	Language groups <sup>47</sup>	Large employers	National infrastructure	Roading	Literacy rate in % (rank)
<b>Western</b>	High – 400km	High – 400km from east to west, with more than 50 inhabited islands.	138,000 (33)	15	3 - Kolombangara Forest Products Ltd (KFPL), Eagon Plantation Products Ltd (EPPL), SolTai Ltd (STL)	2 International port at Noro, international airport under construction at Munda.	Extensive road networks on four islands – Ghizo, Kolombangara, New Georgia and Vella Lavella.	96.3 (2)
	The Western province is characterised by a high level of resource extraction, a long history of contact with foreign influence and strong political interest in autonomy and retention of benefits from resource flows. It has the most extensive international investments and sources of employment outside of Guadalcanal, but suffers much less of the impact of spillover effects of national migrations. Resource wealth and associated economic activity has created a significant provincial entrepreneurial and professional “class” physically based in the province itself – evidenced by the highest provincial urbanisation rate (12.7%) outside of Guadalcanal, the site of the capital.							
<b>Malaita</b>	Medium – 150km	Medium – majority on one island, with two outliers 150km and 350 km away.	94,000 (18)	7	None	None	Extensive road network only in the northern half of the island.	70.4 (9)
	Malaita is strongly influenced by its large population and its history as a labour pool for the plantation economy during colonial times. In contemporary Solomon history, this population has driven its heavy presence in the capital and in the national labour force including the public service. The lack of large job creating investments on the island have been exacerbated by customary land disputes attributed to high levels of land pressure. Together with the relative accessibility of the populated northern part, to Honiara this situation has permitted ongoing outmigration to Honiara and a strong demographic linkage between the national capital and Malaita as a province.							
<b>Guadalcanal</b>	Low – located	Low – single island.	77,000 (10)	14	Gold Ridge Mine Ltd (GRML), Guadalcanal	International airport, international port and	Extensive road network in the	82.8 (6)

<sup>46</sup> Taken from Solomon Islands Government Statistical Bulletin 06/2011: REPORT ON 2009 POPULATION & HOUSING CENSUS, Basic Tables And Census Description

<sup>47</sup> Excluding Pijin and English and any substituent dialects. Taken from Ethnologue report, SIL, [http://www.ethnologue.com/show\\_map.asp?name=SB&seq=10](http://www.ethnologue.com/show_map.asp?name=SB&seq=10) accessed 2.12 am 30 November 2011.



	on same island as Honiara				Plains Palm Oil Limited (GPPOL)	national capital.	northern and western coasts.	
	Guadalcanal is central island of the country, and site of most major infrastructural developments, and direct impacts of the national project. Guadalcanal has been structured and patterned more than any other island in the Solomons, by the location of the national project, and the reactions to it. This has been self-consciously experienced by the peoples and people of Guadalcanal as a history of trauma, and the eruption of the national conflict in 1999 was an expression of this. National peace sensitivities remains centred on this province, together with Malaita, and a tension remains between continued pressure to exploit resources and locations, and the need for realisation of indigenous benefit.							
<b>Isabel</b>	Medium – 300 km	Low – single island.	27,000 (6)	9	None	None	Limited.	84.0 (5)
	Isabel Province is distinguished by a very high degree of island-wide authority structures. The ‘tripod’ notion of paramount chieftainships, the Anglican Church (more than 95% of Isabel are adherents) and the provincial government was developed and articulated in Isabel, reflecting a degree of consensus about authority structures that other Provinces simply do not have. The low population and large land and sea areas of the province have also eased potential resource and social pressures relative to other provinces.							
<b>Makira</b>	High-400km	Medium – one main island with four inhabited outliers less than 200km away.	41,000 (13)	6	None	None	Extensive on northern coast.	90.1 (4)
	Makira Province remains strongly influenced by its perceived remoteness from the national centre of gravity, stretching between Guadalcanal, Malaita and the West. A low population, limited national investment in infrastructure and history of local elite involvement in logging have reduced the resilience of the main island, while smaller outer islands in the Province retain strong chiefly systems but are challenged by limited resource bases.							
<b>Choiseul</b>	High – 500 km	Low – single island group.	27,000 (7)	5	None	None	Logging roads only.	95.9 (3)
	Together with Temotu in the far South-eastern part of the Solomons, Choiseul is one of the provinces most remote from the centre in Honiara. Isolation from the centre is experienced in a practical sense across many aspects of life and contributes to maintenance of community across the province to an extent not evident in larger and more central provinces. The factors of small population, strong leadership and recent nature of political formation has meant that organization is exhibited at a provincial level in a range of fields to an extent less apparent in many of the provinces of Solomon Islands. The extent of this agency has had implications for some sense of Luru identity which has been manifest in the operation of pan-provincial organisations such as the Luru Land Conference, which has worked towards island-wide consensus on land issues since the 1970s.							
<b>Central</b>	Low – 35km	High – two separated island groups and a single island	26,000 (42)	3	None – large plantation shut down for 5 years.	None	None	80.6 (7)
	Central Province encompasses three quite distinct cultural complexes and landforms, having their centrality to the Solomon chain as the sole major similarity. The province was during the period of independence, site of two major national industries –tuna canning (in Ngella) and coconut plantations (in the Russells group), and has inherited both alienated land and a significant migrant population from these. The industries are no longer and the Province faces the challenge of mapping an integrated future for indigenous and settler communities with a complex mixture of land- and cultural arrangements.							
<b>Renbell &amp;</b>	Medium	Low – pair of	3,000	1	None	None	Limited - One road	99.1

<b>Bellona</b>	– 300 km	closely located islands.	(5)				on Renbell.	(1)
	The Renbell-Bellona Province is unique in the country that it is entirely composed of Polynesian cultures. Large land area, a small population and very limited trade opportunities have meant that a national diaspora plays an important role in the livelihoods of this province. The extremely small population, virtually non-existent private sector and relatively full-fledged provincial government poses unique challenges to the Provincial administration in terms of relations with the elected politicians of the Province.							
<b>Temotu</b>	Very high – 500 km	Very high - Three large islands, two atoll systems and two remote islands	21,000 (25)	11	None	None	Limited.	71.3 (8)
	Temotu Province lies at the southeastern extreme of the national territory, and is far more proximate to the capital of neighbouring Vanuatu than to Honiara. A province made up of heterogeneous archipelagos, Temotu encompasses two very small and extremely remote atolls, as well as a number of larger islands more typical of the Solomon Islands main chain. A highly populated atoll chain also make up the Province. Internal distances, high remoteness from the centre and pockets of extremely high population density make migration and climate change major issues for this Province.							