

New Zealand - Solomon Islands

Joint Commitment for Development

The Joint Commitment for Development between the Governments of New Zealand and Solomon Islands establishes a shared vision for achieving long-term development outcomes for the people of Solomon Islands, including achievement of the Millennium Development Goals.

Mutual Commitments

New Zealand will:

- Work to agree mutual commitments to support an increasing proportion of its aid spending through programme based approaches such as sector-wide approaches and direct on-budget financing at a sectoral budget level;
- Deliver efficient and tangible aid that supports sustainable economic development objectives;
- Provide long-term and predictable assistance to the priority sectors identified in this Commitment and support to selected development programmes through the Regional Assistance Mission to Solomon Islands (RAMSI), as more fully described in Annex Two;
- Increasingly work through Solomon Islands' finance and procurement systems, where such systems have been independently reviewed and found to be robust and transparent and where efficiency gains can be realised;
- Work at a sector level with other donors and where possible pool resources or align projects into a broader sector programme; and
- Meet the priority sector commitments outlined in Annex Two.

Solomon Islands will:

- Continue to increase the proportion its own resources dedicated to sustainable economic development and maintain a programme of reforms to increase broad-based economic growth. The Core Economic Working Group provides a key forum for uniting the Solomon Islands Government and donors around these objectives;

- Ensure that coherent, long term, well prioritised sector investment plans are developed, maintained and reflected in national planning and budgeting processes;
- Co-ordinate development partner assistance in sectors via regular sectoral working group discussions and a regular framework of consultations;
- Work actively towards strengthening its planning, budgeting and reporting systems, and improve public financial management, including procurement, expenditure controls, prioritisation of expenditure and audits;
- Provide clear guidance on areas that it wishes New Zealand to invest in; and
- Meet the priority sector commitments as more fully described in Annex Two.

Priority Sectors for Support

The majority of New Zealand's development cooperation programme in Solomon Islands will focus on the following priority sectors and outcomes, as more fully described in Annex Two:

Transport Infrastructure

- Improved transport infrastructure connecting communities to markets and services

Fisheries Development

- Improved revenue and livelihoods from sustainable development and management of fisheries resources

Revenue Administration and Business Enabling

- Maximised government tax revenues and improved enabling environment for business

Basic Education

- Improved literacy and numeracy of children, youth and the labour force

Scholarships and Training

- A more highly skilled labour force better able to contribute to sustainable development and economic growth

Policing, Law and Justice

- A safer and more secure Solomon Islands with a sustainable, effective Police Force which has the trust and confidence of the community

New Zealand Partnerships

- Partnerships that leverage New Zealand expertise and resources for the benefit of Solomon Islands

The following Annexes form part of this Joint Commitment:

- Annex One: Context and Monitoring Results
- Annex Two: Priority Sectors and Commitments

This Joint Commitment will take effect on signature.

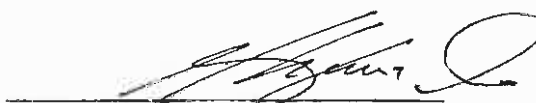
Signed at: Auckland on 6th September 2011

For the Government of New Zealand:



Honourable Murray McCully
Minister of Foreign Affairs

For the Government of Solomon Islands:



Honourable Peter Shanel Agovaka
Minister of Foreign Affairs

ANNEX ONE: CONTEXT AND MONITORING RESULTS

Context

The priority sectors for New Zealand's assistance to Solomon Islands, and how we work together, will be informed by:

- Solomon Islands' National Development Strategy and government priorities;
- New Zealand's aid policy;
 - The policy is "to support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world." Within this, the core focus will be sustainable economic development.
 - The policy also has a focus on supporting the achievement of the Millennium Development Goals (MDG's); close cooperation with other donors, particularly Australia; the pursuit of gender, environment and human rights as cross-cutting issues to ensure good outcomes; strengthened mutual accountability; and efficient and value for money aid practices and approaches.
- The Cairns Compact on development coordination, the Paris Principles of Aid Effectiveness and the Joint Declaration on Aid Effectiveness signed between the Government of Solomon Islands and its major development partners;
 - New Zealand and Solomon Islands are committed to improving the effectiveness of development assistance and coordination efforts. Solomon Islands will take a lead role in donor coordination and for ensuring a division of labour that makes most effective use of donors' resources and expertise.
- A shared responsibility for the management of financial resources provided under the New Zealand Aid Programme.

Profile of Assistance

A total aid flow profile for Solomon Islands' will be updated annually. This will outline all resources under the Solomon Islands bilateral allocation, and additional sectoral, multi-country, NZ state sector partnerships and non-government organisations (NGO's) funding.

The majority of New Zealand's assistance will be through the Solomon Islands bilateral allocation including assistance to RAMSI development programmes in a number of defined sectors outlined in this Commitment in Annex Two. The objective is to improve focus, reduce dispersal and focus on larger, longer-term investments.

From time to time, New Zealand and Solomon Islands may agree a partnership in a sector that will be in addition to the bilateral programme priorities listed in this document. This is likely to be in the core sustainable economic development sectors of agriculture, tourism, fisheries, energy, transport and infrastructure which are a core focus for the New Zealand Aid Programme. This support will be outlined in the annual profile of assistance.

Initiatives managed by NZ State sector or NZ non-government agencies, or multi-country initiatives may be funded from time to time involving Solomon Islands.

New Zealand will also assist with humanitarian and disaster relief contributions where requested.

The understandings between New Zealand and Solomon Islands in this Joint Commitment are made with best endeavours in the spirit of partnership and mutual accountability.

Monitoring Results

- New Zealand and Solomon Islands will hold annual joint reviews of performance, focusing on achievements, constraints, and the extent to which planned outputs have contributed to outcomes and delivery of results in each priority sector outlined in Annex Two.
- There will also be regular Ministerial dialogues to review results, and consider any emerging priorities, while being mindful of the need to maintain focus and avoid excessive dispersal of the aid programme. Any

mutually determined amendment to priority sectors and commitments will be in writing.

- A Results Framework will be finalised following signing of the Joint Commitment, which will assist in the annual joint review process.

ANNEX TWO: PRIORITY SECTORS AND COMMITMENTS

1) LIFTING ECONOMIC PERFORMANCE	
	TRANSPORT INFRASTRUCTURE
OUTCOME	<i>Improved transport infrastructure connecting communities to markets and services.</i>
JOINT COMMITMENT	<p>New Zealand will:</p> <ul style="list-style-type: none"> - Invest up to NZ\$25m over two years for the redevelopment of Munda runway and the rehabilitation of Noro–Munda road & Nusatupe runway in Western Province. - Invest in further projects in the National Transport Plan. <p>Solomon Islands will:</p> <ul style="list-style-type: none"> - Meet agreed resourcing commitments for redevelopment of Munda runway and improve the administration of aviation revenue and operation of airports. - Adhere to the priorities and financing plan set out in the National Transport Plan. - Meet investment requirements set out in the ADB Transport Sector Development Project grant covenant.
RESULTS	<ul style="list-style-type: none"> - Redevelopment of Munda runway to international emergency alternate status. Rehabilitation of the Noro–Munda Road and resurfacing of Nusatupe runway. - Jointly with other donors through the National Transport Plan support: the reduction in travel time to markets, health clinics, and schools by 20% over 2011 to 2015; and the increase of interisland cargo volume and number of passengers by 20% (marine) and 10% (air) over 2011 to 2015.
	FISHERIES
OUTCOME	<i>Improved revenue and livelihoods from sustainable development and management of fisheries resources.</i>
JOINT COMMITMENT	<p>New Zealand will:</p> <ul style="list-style-type: none"> - Support the commitments made in the Si–NZ Partnership Arrangement for Fisheries Sector Development (2010). - Invest NZ\$7m over 2011/12–13/14 to support offshore and inshore fisheries development and management. - Provide support via regional programmes, such as the Arrangement on Fisheries Cooperation between the Government of New Zealand and the Governments of

	<p>Kiribati, Nauru, Solomon Islands and Tuvalu.</p> <ul style="list-style-type: none"> - Provide access to New Zealand Ministry of Fisheries' technical expertise on fisheries management and monitoring, control, surveillance and enforcement. <p>Solomon Islands will:</p> <ul style="list-style-type: none"> - Support the commitments made in the Solomon Islands–New Zealand Partnership Arrangement for Fisheries Sector Development (2010). - Introduce the revised Fisheries Management Act and associated ordinances and regulations. - Include fisheries in the resource tax framework, to ensure a transparent system which maximises revenue from the fisheries sector. - Adhere to the priorities set out in the Ministry of Fisheries and Marine Resources Corporate Plan, and work to ensure all donors align to the Corporate Plan's priorities.
RESULTS	<ul style="list-style-type: none"> - Increased revenue and employment generated in the fisheries sector. - Programmes supporting fisheries management and development at a community level rolled out in communities across the country.
REVENUE ADMINISTRATION/BUSINESS ENABLING	
OUTCOME	<i>Maximised government tax revenues and improved enabling environment for business.</i>
JOINT COMMITMENT	<p>New Zealand will:</p> <ul style="list-style-type: none"> - Invest approximately NZ\$2.5m annually in the Inland Revenue Strengthening Programme and continue to provide access to New Zealand inland Revenue expertise. - Provide support to Honiara City Council to improve governance, urban management and build a better business enabling environment. <p>Solomon Islands will:</p> <ul style="list-style-type: none"> - Introduce a fully operational Revenue Management System and Transport Management System. - Develop and legislate a new resource tax framework in 2012/13; and review and revise the Customs Act in 2012/13.

	<ul style="list-style-type: none"> - Review duty remission and tax exemption guidelines and improve compliance. - Ensure transparent management/investment of Honiara City Council's revenue for improving services in Honiara City. - Continue a programme of SOE reform of utilities.
RESULTS	<ul style="list-style-type: none"> - Solomon Islands continues to protect and build the revenue base in ways which are economically sound, indicated by: <ul style="list-style-type: none"> - Solomon Islands Government meeting an increasing proportion of its national budget from its own resources; - Increase in the number of validated taxpayer returns; - Decreasing volume (number and value) of exemptions, and decreasing share of exemptions (number and value) made by Ministerial discretion. - Improved urban management results in more business start-ups and local job creation.

2) IMPROVING EDUCATION OUTCOMES	
	EDUCATION
OUTCOME	<i>Improved literacy and numeracy of children, youth and the labour force.</i>
JOINT COMMITMENT	<p>New Zealand will:</p> <ul style="list-style-type: none"> - Under the NZ/SI Letter of Arrangement 2010-12, invest NZ\$12.5 million (SBD 55 million) annually in improving the quality of education through sector budget support and technical assistance. - Align the next phase of education support for 2013-2015 with Solomon Islands National Education Action Plan 2013-2015 as well as New Zealand's Education for Sustainable Development Action Plan, focussing on improved results at the school level. - Continue to adhere to the Statement of Partnership Principles signed in 2009. - Continue to provide support to SiCHE's School of Education and (when established) provide support to the Education Faculty of the National University of Solomon Islands for tertiary teacher education and training. - In consultation with Solomon Islands Government and other development partners and subject to available resources and priorities mutually decided,

	<p>consider supporting the commitment of the SIG to establish the National University of Solomon Islands.</p> <p>Solomon Islands will:</p> <ul style="list-style-type: none"> - Negotiate and agree in 2012 to an appropriate minimum percentage of the recurrent budget for core education services (i.e education through senior secondary including TVET but excluding tertiary education). - Ensure adherence to the Tertiary Policy including "universal basic education remains first priority". - Establish the National University of Solomon Islands (NUSI) to provide post secondary and tertiary education in Solomon Islands to meet the manpower needs of the country and the region. - Introduce quantitative targets for access and quality of education in the next National Education Action Plan (2013-2015) and continue to improve and publish annually the Performance Assessment Framework. - Continue to strengthen public financial management across the sector including implementing recommendations from Audits and the Public Expenditure Review (2009) and Costing of the National Education Action Plan (2010). - Plan and implement necessary management and system changes to maximise positive results from funding.
RESULTS	<p>In accordance with Solomon Islands National Education Action Plan:</p> <ul style="list-style-type: none"> - Improved literacy and numeracy rates at primary school level; - Increased proportion of certified teachers annually; - Increased net enrolment rates in early childhood education through junior secondary; - Increased basic education completion rates; - Increased transition rates from basic education to senior secondary level.
SCHOLARSHIPS AND TRAINING AWARDS	
OUTCOME	<i>A more highly skilled labour force better able to contribute to sustainable development and economic growth.</i>
JOINT COMMITMENT	<p>New Zealand will:</p> <ul style="list-style-type: none"> - Provide scholarships to accredited tertiary institutions in Solomon Islands, New Zealand and the Pacific region, and training awards to New Zealand which

	<p>address Solomon Islands labour demands.</p> <ul style="list-style-type: none"> - Negotiate annually with the Solomon Islands Government and private sector to reach agreement on the Country Portfolio of tertiary awards. <p>Solomon Islands will:</p> <ul style="list-style-type: none"> - Implement the National Human Resources Development Training Plan under the Ministry of Development and Aid Coordination and improve data collection and management on labour demand and forecasting. - Ensure expenditure for tertiary scholarships is decreased as a proportion of the education budget and is kept within annual budgets.
RESULTS	<ul style="list-style-type: none"> - Solomon Islanders return each year with qualifications and skills to contribute to the labour force: <ul style="list-style-type: none"> - 24 with academic degrees from New Zealand; - Minimum 10 with academic degrees from Solomon Islands and the Pacific region; - 12 with technical vocational qualifications and workplace experience in New Zealand.

3) A SAFER AND MORE SECURE SOLOMON ISLANDS	
	POLICING, LAW & JUSTICE
OUTCOME	<i>A safer and more secure Solomon Islands with a sustainable, effective Police Force which has the trust and confidence of the community.</i>
JOINT COMMITMENT	<p>New Zealand will:</p> <ul style="list-style-type: none"> - Contribute to the RAMSI Participating Police Force and Royal Solomon Islands Police Force (RSIPF) as mandated by the New Zealand Cabinet. - Contribute to transition planning and design of a long term policing programme drawing on areas of New Zealand expertise. - Contribute funding through RAMSI for completion of the tension trials. <p>Solomon Islands will:</p> <ul style="list-style-type: none"> - Facilitate the presence of RAMSI and the Participating Police Force. - Review the Police Act; define the future policing model and develop a new strategic plan for policing.

	<ul style="list-style-type: none"> - Appropriately resource RSPIF to carry out its functions. - Facilitate timely completion of remaining tension trials.
RESULTS	<ul style="list-style-type: none"> - Improved ability of RSIPF to undertake front line policing activities without PPF executive support. - Improved results in public perception of police performance/community safety. - Improved preventative and response mechanisms for addressing gender based violence.

4) NEW ZEALAND PARTNERSHIPS	
	"NZ Inc" SUPPORT
OUTCOME	<i>Partnerships that leverage New Zealand expertise and resources for the benefit of Solomon Islands.</i>
JOINT COMMITMENT	<p>New Zealand will:</p> <ul style="list-style-type: none"> - Contribute to the Regional Assistance Mission to the Solomon Islands (RAMSI) and to transition planning; - Provide support through the State Sector Development Partners Fund in agreement with Solomon Islands Government, Sustainable Development Fund, and for private sector and Recognised Seasonal Employer scheme linkages which will include benefits to Solomon Islands; - Provide support to agreed regional initiatives which will include benefits to Solomon Islands; - Provide emergency disaster relief and reconstruction assistance as requested by Solomon Islands; - Consult with Solomon Islands on these wider partnerships in regular discussions on the aid relationship, and maintain a flow of information to Solomon Islands Government on these initiatives. <p>Solomon Islands will:</p> <ul style="list-style-type: none"> - Consult with New Zealand on these wider partnerships, and what priorities they should be addressing, in the context of regular discussions on the aid relationship.
RESULTS	- Key results to be shared and discussed at regular high level consultations.