

THE 2017 PREMIERS' CONFERENCE

THE AUKI COMMUNIQUÉ

Preamble

Whereas:

- The Premier or Deputy Premier of each of the nine provinces of Solomon Islands and the Deputy Mayor of Honiara City Council (“the Premiers”) convened at this conference in Auki, Malaita Province, from the 27th November to the 1st of December 2017;
- The Conference theme was “**Resourcing Provincial Infrastructures for Vibrant Economic Development**”, where the Permanent Secretaries, invited guests, and resource personnel were invited to make presentations relevant to the theme to assist the Premiers in their deliberations and decisions;
- The Premiers considered the conceptual framework, produced by the Ministry of Provincial Government and Institutional Strengthening and host Province, and the responses provided by each Line Ministry in response to the issues raised.

Statement of Guiding Principles

The Premiers humbly acknowledge the Honourable Prime Minister’s opening statement emphasizing the need for tripartite relationship in the provision of infrastructure to stimulate economic growth in the country. The Premiers also acknowledge the need for greater cooperation and coordination between Ministries and Provincial Governments, to ensure the Provincial Governments remain relevant and able to access the resources they need to develop vibrant economies, as indicated by the Minister of Provincial Government and Institutional Strengthening in his opening remarks to the 9th Premiers Conference.

Having regard to the Preamble and the Statement of Guiding Principles, the Premiers hereby resolve that:

Resolution 1: Costing of Provincial and Honiara City Service Delivery

In order to determine the expenditure needs of each Provincial Government and Honiara City and also to allocate provincial grants more equitably and transparently, there has to be costing of service delivery to determine what it costs to deliver common services in each Province and Honiara City. The statistical data to be obtained from the costing exercise shall be used:

- 1.1. As basis for review of service grant allocation formula for provinces by taking into account different factors that determine the cost of service delivery in respective provinces (derived from the studies).
- 1.2. To review and increase the grant allocation for Honiara City Council by the Ministry of Home Affairs. The Provincial Premiers feel that the SBD800, 000 annual grant allocation for Honiara City Council is grossly inadequate for City Operations.
- 1.3. As a justification to Ministry of Finance and Treasury for increase in the overall amount of provincial fixed service grant based on provincial expenditure needs instead of using arbitrary assumptions.
- 1.4. Facilitate study and design of revenue sharing scheme leading to revenue sharing regulation between Solomon Islands Government and Sub-National Governments (Provinces and Honiara City).

Timeline for the implementation of resolution 1 is:

- 1.1. The costing exercise should be completed by September 2018;
- 1.2. Ministry of Home Affairs to review and increase Honiara City recurrent grant by October 2018;
- 1.3. Re-design of the provincial grant allocation formula should be completed by October 2018;
- 1.4. Cabinet paper for the revenue sharing scheme should be completed and tabled before the Cabinet by November 2018;

Resolution 2: Information and Communications Technology

Provincial Governments have not been able to benefit from recent developments in Information and Communications Technology because of over-reliance on outdated technology. Provincial Governments are not able to take advantage of advances in Cloud computing, E-learning, distance learning for officers on studies, automated revenue collection and accounting systems, online banking (including mobile banking), cheaper, faster and risk free supplier payment processes because of the absence of the required technological infrastructure. Given the desire by provinces to modernise provincial service delivery systems, Premiers recommend that:

The Ministry of Provincial Government and Institutional Strengthening pursue Satellite based internet technology providers (Satsol and Telekom) for provision of reliable and high speed internet facilities in provinces particularly in remote locations for inclusive access and cost effective facilitation of provincial service delivery.

Timeline for the implementation of this resolution 2 is May 2018.

Resolution 3: Provision of skilled officers, increase in PCDF, PGSP Capacity Building Strategy

The Cabinet Conclusion for the increase of provincial fixed service grants by SBD5m in 2018 SIG budget would require a follow up with the Ministry of Finance to ensure the fund is allocated into 2018 budget. The approval also triggers potential recruitment of skilled personnel for various divisions in all provinces and development of a long term capacity development strategy for provinces as requested by Provincial Premiers and endorsed by the Cabinet. To facilitate the implementation of Cabinet endorsement, Provincial Premiers call on the MPGIS to carry out the following:

3.1. Terms of reference for new officers: develop detailed terms of references and guidelines (in consultation with provincial governments) to facilitate the recruitment process of technical officers in relevant sectors that may be identified by respective provinces upon allocation in 2018 SIG budget of the Cabinet approved additional recurrent revenue of SBD5m.

3.2. PGSP Capacity Development Strategy: develop PGSP three year capacity building strategy for provincial officers and MPAs in Public Expenditure Management system and Good Governance as requested by Premiers in their recent strategy. The reason for this resolution is to have a road map for PGSP capacity development transitioning that would ensure sustainability of capacity at provincial level by end of the second phase of the programme. This may facilitate monitoring and evaluation to determine programme outcomes.

3.3. Discontinue MC 2: MPGIS to conduct a review of PCDF Minimum Conditions particularly Minimum Condition 2. Premiers feel that MC 2 on natural justice should be discontinued and be moved to performance measures as a strong indicator instead. Premiers realised that the administration and application of this Minimum Condition is not very clear and it seems to over-protect officers who may (sometimes) be underperforming and even misusing public funds.

3.4. Increase PCDF: Premiers request that MPGIS makes submission for increase in PCDF to SBD100m per annum and that PCDF annual allocation should be incorporated into the current PGA review to ensure its predictability. Premiers and the Deputy Mayor of Honiara City agreed that PCDF mechanism is working well for all provinces and being the main source of provincial capital development budget, its substantial increase will strengthen the fiscal capacity of provinces to deliver more infrastructures that may facilitate economic growth.

Timeline for implementation of resolution 3:

3.1. The timeline for the implementation of 3.1 is February 2018.

3.2 The complete strategy should be presented to Premiers by end of March 2018.

3.3. The review should be conducted before mid-2018, ahead of the next PCDF assessment.

3.4. June 2018 before the SIG 2019 budget launch is announced

Resolution 4: Commit to the review of the Provincial Government Act

The Premiers call on the Ministry of Provincial Government and Institutional Strengthening to address key concerns about the current structure and operations of Provincial Governments. The Premiers wish to see the review of the Provincial Government Act with ongoing input from the Provincial Governments in the final presentation of the draft Bill, which includes the following concerns:

- Review of sections 22 and 25 of the Provincial Government Act to reform the existing regime of salaries and allowances of Speakers and Members of Provincial Assemblies.
- Expand own source revenue collection.
- Address human resource and staff capacity needed in the provinces.
- Reformulation of Premiers Conference to give strength to the tenure and objective of the Conferences.

Timeline for the implementation of resolution 4:

- Provincial governments to send submissions to Ministry of Provincial Government and Institutional Strengthening by February 2018.
- Draft Bill to be ready by April 2018.

Resolution 5: Improve effectiveness of grants and activities of the Ministry of Infrastructure Development, Ministry of Health and Medical Services, and Ministry of Education and Human Resource Development

The three Ministries with the most involvement in development of the provinces are the Ministry of Infrastructure Development, Ministry of Health and Medical Services, and Ministry of Education and Human Resource Development. The Solomon Islands is in dire need of improvement of delivery of these services in the provinces. Whether it be by road, air, or sea, each province and Honiara City lacks the required access to project funds and support from responsible Ministries in the creation and maintenance of roads, airports, wharves, clinics, and schools. These core components are especially crucial in a country as geographically varied as Solomon Islands.

The Premiers call on the Ministry of Provincial Government and Institutional Strengthening to facilitate discussions with the Ministry of Infrastructure Development, Ministry of Health and Medical Services, and Ministry of Education and Human Resource Development.

5.1 The parties are to develop a concept note and Memorandum of Understanding so that Provincial Governments can access funds to deliver these core services using PCDF mechanisms.

5.2 The Premiers seek commitment from the Ministry of Infrastructure Development in particular to the building and maintenance of roads, airports, and wharves in the provinces.

Timeline for implementation of resolution 5:

- This process should be completed by April 2018 and presented to Premiers for discussions.

Resolution 6: Develop a basic concept note for access to the Green Climate Fund

The Green Climate Fund is established within the purview of the United Nations Framework Convention on Climate Change to assist countries facing difficulty with the adaptation and mitigation of climate change. While the impact of climate change has already become evident in many provinces of the Solomon Islands, Provincial Governments have yet to access or give input on the spending of the Green Climate Fund currently administered by the Ministry of Environment, Climate Change, Disaster Management, and Meteorology.

The Premiers seek development of a basic concept note which will facilitate the discussions between the Ministry of Provincial Government and Institutional Strengthening, the Provincial Governments and the Ministry of Environment, Climate Change, Disaster Management, and Meteorology. The outcome of the concept note shall lead to project proposals through an accredited agency for Green Climate Fund.

Timeline for the implementation of resolution 6:

- Concept note to be completed by April 2018

Resolution 7: Coordinate Premiers' suggestions on review and reform of the laws on natural resources including land, mining, and forestry

To achieve vibrant economic development, there must be a review and reform of the existing laws surrounding the natural resources. The land currently available for infrastructure development is scarce and all provinces have difficulty in delivering basic services. The Premiers call for reform to free up customary land for infrastructure development, while at the same time acknowledging the need to anchor and protect tribal ownership of customary land.

While the Solomon Islands is rich in minerals and forestry, the current regime is failing to protect the interests of landowners, provincial governments, and the future of Solomon Islands. Reforms should address, for example, legislating provisions for stop work orders where there is non-compliance with legislation, wider notices of hearing and public input, and environmental impact assessments. The Premiers therefore call on the Ministry of Provincial Government and Institutional Strengthening to coordinate submissions from Provincial Governments and facilitate open discussions with the responsible Ministries regarding reviews and reforms (**where necessary formulation of new legislation**) of the *Land and Titles Act*, *Mines and Minerals Act*, and *Forestry Resources and Timber Utilisation Act*.

Timeline for the implementation of resolution 7:

- Discussions and submissions to be completed by July 2018.

We signify our assent and commitment to this Communiqué on this 1st day of December 2017:

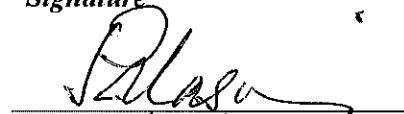
Premier/Deputy Premier

Province

Signature

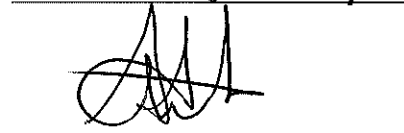
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Central



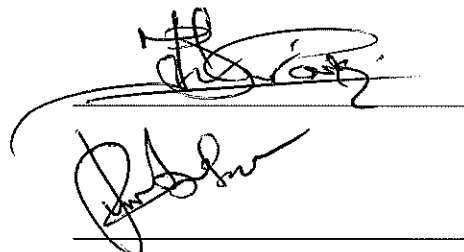
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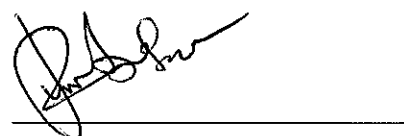
Hon. Peter Aoraunisaka

Guadalcanal



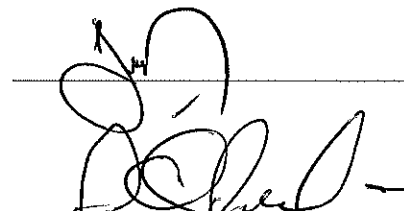
Hon. James Habu

Isabel



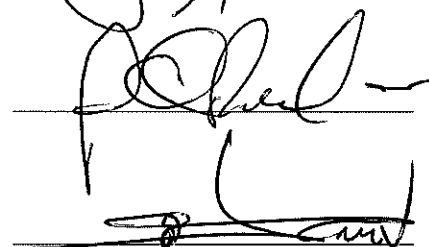
Hon. Stanley Siapu

Makira Ulawa



Hon. Peter Ramohia

Malaita



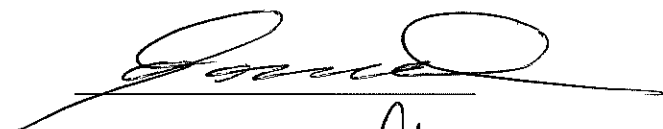
Hon. Collin Tesuatai

Rennell Bellona



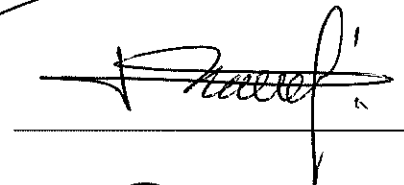
Hon. David Maina

Temotu



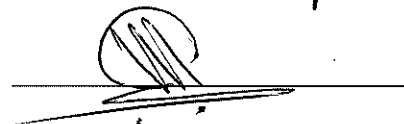
Hon. Malloney Lopoto

Western

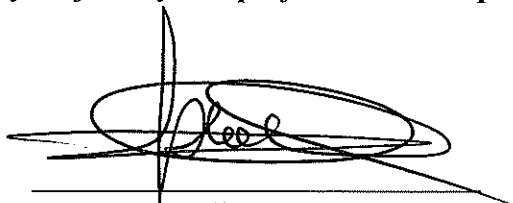


Hon. Cr. Charles Aiwosuga

Honiara City Council



I hereby confirm my receipt of this Communiqué this...^{1st} day of December 2017:



Hon. Nestor Giro

Minister for Provincial Government and Institutional Strengthening