National Parliament of Solomon Islands

Public Accounts Committee

Committee Report

Report on the 2020 Appropriation Bill 2019

NP-Paper No. 29/2019
Presented on 4 December 2019
National Parliament Office
COMMITTEE MEMBERSHIP

The current members of the Public Accounts Committee (11th Parliament) are:

Hon. Douglas Ete, MP (Chairman)
Hon. Matthew C. Wale, MP
Hon. Robertson Galokale, MP
Hon. Rick Houenipwela, MP
Hon. John Maneniaru, MP
Hon. Rollen Seleso, MP

Secretary: Mr. Peter Lokay, Auditor General

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Mr. Gregory Fineanganofo, Director Committees
Mr. Heston Renee, Committee Secretary
Miss Salome Pilumate, Committee Admin
Mr. Lawrence Scott, Media Officer
Mr. Duane Baiabe, Chief Media Officer
Mr. Roland Sikua, Library Research Officer

Mr. Patrick Wilson, Library Research Officer
Mr. Ray Sibisopere, Library Research Officer
Miss Hazel Fafale, Hansard Reporter
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Public Accounts Committee Report: December 2019
COMMITTEE FUNCTIONS

The Committee is established under *Standing Order 69*; an Order made pursuant to the *Constitution*¹ and has the functions, together with the necessary powers to discharge such,

(a) examine the accounts prescribed by Section 77 of the Public Financial Management Act 2013, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;

(b) establish the causes of any excesses over authorised expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;

(c) examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor’s report thereon and to report the results of such examination to Parliament;

(d) summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;

(e) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;

(f) summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;

(g) report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and

(h) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government

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CHAIR’S FOREWORD

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker,

Pursuant to Standing Orders No. 69 (1) [e] and [g] of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee of the Inquiry into the 2020 Appropriation Bill 2019 for laying before Parliament.

Honourable Douglas Ete, MP
Chairman
Public Accounts Committee

4 December 2019
EXECUTIVE SUMMARY

The Committee in its finding is concerned on how the government will subsidize the economy, given its policy to cut back on logging revenue. The Committee is of the view that the government has taken this measure in light of a sustainability policy and yet failed to provide for and invest on alternative revenue generating activities.

The Committee cautions that the government needs to ensure adequate distribution of resources and prudent spending.

Over a period of seven days, the Committee heard evidence from all line ministries and came up with the following recommendations:

Recommendation 1
That the Government allocates $150,000 to the Solomon Islands Electoral Office on Statutory expenditures for the salary of the Chief Executive Officer of the Electoral Commission established under Section 57 (1) of the Constitution.

Recommendation 2
That the Government develop a policy to assist and incentivise farmers to export agricultural products on an on-going basis.

Recommendation 3
That the Ministry of Foreign Affairs and External Trade expand the Enhanced Integrated Framework (EIF) and United Nations Office for Project Services (UNOPS) program to include the Ministry of Agriculture, especially on kava and noni.
Recommendation 4
That the 8% threshold of the log harvest to be milled be enforced by the Ministry of Forestry and Research.

Recommendation 5
That the Government increase funding to the development of the proposed townships of Doma and Choiseul Bay.

Recommendation 6
That the Ministry of Provincial Government and Institutional Strengthening table the Provincial Government bill in Parliament within 24 months.

Recommendation 7
That the Ministry of Commerce in collaboration with the Ministry of Agriculture procure solar domes and offer trainings to local farmers as part of a push to improve quality of export.

Recommendation 8
That the Ministry of Commerce collaborate with productive sector ministries in building the capacity of SMEs.

Recommendation 9
That the Ministry of Traditional Governance be allocated adequate funding to conduct a comprehensive nationwide consultation on the Tradition Governance Bill before reintroducing it to Parliament.
1.0 BACKGROUND TO REPORT

1.1 Introduction

The National Parliament is the independent law making arm of government to which the Executive is accountable. The Parliament is also the only institution vested with the power to authorize the allocation of public monies through the annual appropriation or Supplementary Appropriation Acts. The Parliament also performs many of its oversight functions through its Standing Committees. The Public Accounts Committee (the “Committee”) is one of these Committees and is given the power to examine the annual Draft Estimates budgets prior to their tabling before Parliament.

This Report outlines the findings of the Committee’s examination of 2019 Draft Estimates (Budget) that comprises the Recurrent and Development Estimates, the proposed recurrent Establishments Register and the related documents supporting the formulation of the Estimates.

In compliance with the Standing Orders, this Report has been prepared for the information of Members of Parliament to assist them in their debate on the Bill. It aims to draw to the attention of the Members of Parliament those matters, which the Public Accounts Committee has identified through questioning of senior public officers.

The Committee wishes to put on record its appreciation to the Permanent Secretaries (PSs), Under-Secretaries (USs) and other Senior Officials of various Ministries who came before the Committee and provided valuable information to assist the Committee in undertaking its important oversight role, including ensuring that public funds are allocated and expended appropriately and for the public good.
The Committee also wishes to acknowledge the representatives of the Central Bank of Solomon Islands, who have appeared before the Committee.

1.2 Scope of this Report

Under Standing Order 69, the Committee is responsible inter-alia to:

(i) summon and examine the Accounting Officers and technical staff of Ministries and Departments and require the production of background information and explanation in relation to draft estimates;

(ii) report to Parliament in such a way that the report may inform Members prior to Parliamentary debate thereon of the background to the Draft Estimates and draw attention to those matters which the Committee feels should be the subject of such Parliamentary debate; and

(iii) make recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

In exercising these functions the Committee seeks to establish whether:

- the draft estimates have been drawn up within the prevailing legal framework;
- past budget performances were taken into consideration in developing the draft estimates;
- the draft estimates encompass the stated Government policies and that these policies are sound and have been designed and/or formulated based on relevant and appropriate information; and
- the draft estimates are feasible, practical and would ensure the achievement of those policies.

1.3 Methodology

The 2020 Appropriation Bill 2019 was received by the Speaker on Friday 15th November and certified on Monday 18th November, 2019. The Committee began its
deliberations after that, and held public hearings from Thursday 14th November to Sunday 1st December. Majority of the government ministries appeared before the Committee while the rest were invited to provide written submissions to the Committee. The Committee benefited immensely from the Office of the Auditor General, the Committee Secretariat and the National Parliamentary Budget Team through administrative, logistical, technical and analytical support.

The Committee collected views from Permanent Secretaries (PSs), Under-Secretaries (USs), Financial Controllers (FCs) and other senior officials of government ministries and agencies.

The Central Bank of Solomon Islands (CBSI) and the Ministry of Finance and Treasury provided insight and projection of economic performance for 2019 and 2020.
2.0 BUDGET OVERVIEW

2.1 Economic Outlook Summary for 2020

This chapter summarises the projected economic outlook as per the presentations by both the Ministry of Finance and Treasury and the Central Bank of Solomon Islands².

Review of 2019 Economic Performance and Forecast for 2020

- **Global Growth** in 2019 has slowed considerably due to the ongoing trade war and financial market uncertainties and is projected at 3% in 2019. This has affected Solomon Islands and other emerging and advanced market economies. Global growth is more optimistic at 3.4% in 2020.

- **Solomon Islands economic conditions** in the first half of 2019 remained generally weak. On the commodity front the country’s production index declined by 3% to 96 points in the year to September 2019. This was due to significant falls in logs, copra, cocoa and palm oil. This has offset a rise in fish output. Despite the weaker monetary conditions observed across 2019, key monetary aggregates are expected to pick up in 2020 and beyond, consistent with the medium term economic growth forecasts.

- **Expected Real Gross Domestic Production Growth** is projected to around 2.7 percent for 2019, which is a downward revision of 1% from earlier projection and 1.2 percentage points lower than 2018. The slower growth reflects the soft macroeconomic conditions currently experienced in the country, particularly the decline in logs export, weak outturns in agriculture (copra and palm oil), the delays in the resumption or start in mining activities and tighter fiscal conditions. The growth for 2019 is be driven by fishing, wholesale and retail, construction and other services. Growth for 2020 is projected to be around 3.7 percent, according to CBSI modelling and 2.2 % according to MOFT, to be

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² Day 1 Hearing Transcript, 19th November 2019
driven by fishing, construction, communication, mining and other services. Over the medium term forestry will taper off while mining will pick up.

- **Inflation** eased in the first seven months of 2019 with headline inflation slowing to 1.5% in July 2019 (4.2% in December 2018). This reflects the fall in imported prices particularly fuel and also softer domestic food prices. The outlook for inflation is expected to be moderate and broadly remain within a 2%-3% range given the softer fuel and domestic food prices to date.

- **Revenue Projections** for 2020 is around $3,941 million, a decline of around 7% on the 2019 revised budget.

- On **Taxes**, the Company Taxes Receipts are forecast to decline by 2 percent while personal tax is expected to decline by 12% for 2020 based on the 2019 revised revenue budget.

- **Withholding tax** is expected to be around $306 million for 2020 which is 3 percent lower than the 2019 revised budget.

- **Customs Revenue Collection** are projected to be decline by 11 percent ($976 billion) for 2020 due to the government policy to take sustainable measure with regards to logging and the decline of logging. Customs Revenue from logging has been the major portion of export duties in the years to 2019.

- **Export Duties** on logs alone borne half of the annual customs total revenue collection, the anticipated sustainability policy on log harvesting and the decline in logging will result in an expected decline of 12%.

- **Import Duty** is projected to decrease by 7 percent in 2020 in preparation for the reduction in receipts from logging.
3.0 COMMITTEE DELIBERATIONS

3.1 Overview of 2020 Budget

The 2020 Appropriation Bill 2019 is required to appropriate monies for the services of the Government in 2019.

The amounts to be appropriated are as follows:

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>AMOUNT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECURRENT EXPENDITURE</td>
<td>2,978,888,059</td>
</tr>
<tr>
<td>BUDGET SUPPORT EXPENDITURE</td>
<td>211,112,937</td>
</tr>
<tr>
<td>DEVELOPMENT EXPENDITURE</td>
<td>627,154,706</td>
</tr>
<tr>
<td>TOTAL APPROPRIATED EXPENDITURES</td>
<td>3,817,155,792</td>
</tr>
</tbody>
</table>

**NOTE:** In addition to the amount authorised by the 2020 Appropriation Bill 2019, a further $103,818,187 is forecast to be expended through statutory charges on the Consolidated Fund, including $83,741,647 to be expended on National Debt Repayments. These Statutory Appropriations are explained in the Budget Strategy and Outlook (Budget Paper 1) and the Recurrent Estimates Document (Budget Paper 2) and are appropriated by existing legislation or the Constitution.
4.0 Issues of Concern

Central Bank of Solomon Islands

Issues of Concern
Matters raised by the Committee includes the following:

Debt sustainability – the Committee is concerned with the ability of the government to service its debts due to the declining receipts from logging resulting in a weakened economy.

The Governor revealed during the mid-year budget review that government revenue has declined by $196 million and is expected not to improve in the last quarter of 2019.

The current debt stock is about $1.046 billion and is expected to increase with the borrowing for pipeline projects such as; Tina hydro, undersea cable, road and aviation programs and renewable energy. The government plans to undertake further borrowings in 2020. $100 million for treasury bills and $300 million for development projects from bilateral, multilateral and domestic sources.

The current debt to GDP is 10% but this could increase during 2020.

The Committee enquires whether debt stock already includes the loans for the Tina Hydro, the undersea cable and other projects listed in the budget strategy.

The stock of Treasury bills was $89 million in September 2019 and will increase if the government borrows more in 2020.

The debt balance of $1.046 billion as at September 2019 excludes US$157.98 million for Tina Hydro loan proposition in 2020, SI$130 million from NPF for the submarine cable which is anticipated to be completed in December 2019 and US$30.5 million for SIPRAP apart from a grant of $20.5 million from the WB to finance SIPRAP.
These proposed loans will double the current debt levels and bring Debt to GDP ratio to around 26% which is close to the Debt to GDP ratio benchmark defined at 35% by the country’s Debt Management Strategy. This implies that the debt risk is low to moderate, although consideration should also be given to the weaker fiscal and weak external positions. There is fiscal space but it is important that investment has to be on productive sectors which will drive growth to maintain debt sustainability.

CBSI stated that they are not aware of any proposed new borrowings by SIG. The Debt Advisory Committee (DAC) would be in a better position to answer this. The CBSI Act 2012 puts emphasis on cooperation between CBSI and the Government on matters of common interest, but the power to raise loans is with the Minister of Finance under the Government Loans and Securities Act 1979. Good governance practice requires they consult with CBSI, but it is not a legal requirement.

**Exim Bank loan** – the Committee is aware that Exim Bank loan from Taiwan is still outstanding and how the government is going to deal with this loan going forward.

CBSI confirmed to the Committee that $65 million is outstanding for the loan. It is best PAC consult with the Debt Management Unit and the Ministry of Finance on the next steps on the servicing of this loan.

**Economic outlook** – the Committee notes that the economy is forecasted to grow by 2.7% in 2019 and grow by 3.7% in 2020.

The growth for 2020 is expected to be supported by the following sectors: fishing, construction, communication, wholesale retail, mining and other services.

The forecast seems to include Gold Ridge mine but nickel and bauxite are not included. Gold ridge mine is yet to commence and therefore may not stimulate growth in 2020.

CBSI indicated that mining will only contribute to economic growth in the medium term (3 to 5 years) as next year will only be the construction phase for Gold Ridge
mine. There will be minimal activity in the nickel and bauxite mining during the period. Over the medium term forestry will taper off while mining will pick up.

**Credibility of revenue forecast** – the Committee is very concerned with the ability of the government to finance its 2020 budget from its estimated revenue in view of the declining logging industry and the sluggish growth in the economy. The tax reforms proposed by the government may not have the required impact to sustain the expenditure for 2020.

CBSI concurred that the decline in logging will have an impact on the government budget and cash flow.

Tax reform and compliance measures are a good starting point, especially on sugary products and compliance to tax payments.

The tax on rice could also have negative impact on ordinary people as rice is now becoming a staple diet.

CBSI is aware that the Economic Reform Unit is currently progressing the tax reforms including the; VAT, Customs and Excise Bill, and Tax Administration Bill.

**Development budget** – the Committee is concerned that the development budget does not address the struggling economy and will not stimulate growth in the productive sector. CBSI as the economic advisor to the government need to recommend ways forward for economic growth.

CBSI’s relation with the government is guided by the CBSI Act 2012. The Bank has regular consultations with the Minister and with ministry officials on financial and economic developments, including monthly meetings. CBSI encourages the government to support the potential sectors of the economy but it is up to the government to provide the enabling environment for investors and other stakeholders to grow the economy.
Status of DBSI – CBSI informed the Committee that the Development Bank of Solomon Islands is in the process of commencing operations in December 2019. The interim board is now publishing vacancy notices.

Debt servicing account – the Committee noted that 1.201% of domestic revenue will be transferred to the debt servicing account in 2020 in contrast to 0% for 2018 and 0.20% in 2019. This is a big increase from prior years. The information on the current balance of the account would be very useful to the committee to gauge the sustainability of loan repayments in future periods.

CBSI informed the Committee of the balance as at August 2019 was $151.556 million. The current level of debt servicing is appropriate given the lower level of existing debt, and has been set out in the debt management strategy.

Forestry reform – The Committee enquired into the logging reforms that the government initiated in 2018 and if the sustainability committee responsible had progressed with the required reforms. The Committee understands that CBSI is also a member of this committee. The sustainable rate is estimated at 700,000 cubic metres per annum.

On the forestry sustainability policy, implementation for key recommendations was planned for the third quarter of 2019. The Ministry of Forestry will know better however, key recommendations planned to be carried out includes:

• increase in the license fees,
• implementation of 50 cm diameter,
• regular spot check on log ponds prior to and during shipment, and
• 8% downstream processing requirement.

The quota system should be implemented by 2020.

Also, current license holders will only be allowed to export 46,000 metre cubic of logs each year. The ministry is looking at limiting the number of licences and increasing the fees to control the volume of logs exported.
**Cash buffer** – the Committee would like to know if CBSI is comfortable with the cash reserve buffer in the SIG accounts. The Committee is concerned that the government may not have an acceptable cash buffer which will affect the implementation of the 2020 budget. The appropriate or recommended buffer is 2 months of payments.

However, it would be best to consult the Accountant General on the actual level.

**Cost of finance for the construction sector** – the Committee is aware that there is high economic activity in the construction sector. However, there is no data on the composition of the sector regarding local and foreign investors. The investors are financing their construction activities through loans and the interest rates are very high and not affordable to most local contractors.

CBSI stated that they are reviewing the lending rates in order to develop a strategy to ensure viable interest rates are available to the different stakeholders in the country.

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**68 Solomon Islands Electoral Commission**

**Mission Statement**

To strengthen democracy in the Solomon Islands through the delivery of free and fair elections in which every voter is able to record his or her informed vote, with the mission to provide Solomon Islands citizens with high quality, accessible, professional electoral services through the conduct of impartial and independent elections³.

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2020 Budget Summary

<table>
<thead>
<tr>
<th>Recurrent Budget</th>
<th>Budget Estimates</th>
<th>Prelim actuals</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIG</td>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td>12,882,000</td>
<td>0</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>2,114,949</td>
<td>2,953,163</td>
<td>634,420</td>
</tr>
<tr>
<td>Other Charges</td>
<td>6,482,849</td>
<td>53,428,638</td>
<td>49,583,200</td>
</tr>
<tr>
<td></td>
<td>8,597,798</td>
<td>56,381,801</td>
<td>50,217,620</td>
</tr>
</tbody>
</table>

The Solomon Islands Electoral Commission (SIEC) effectively carries out its role of overseeing the electoral process and the conduct of national elections by forming strategic partnerships with the National Parliament, Political Parties, Civil Society Organisations (CSOs), Solomon Islands Communities and other stakeholders such as Schools and the Media. These partnerships help the Commission achieve its voter awareness goals while protecting its brand as an independent and impartial election management body.

Issues of Concern

The SIEC provided written submission to the Committee.

Recommendation 1

The Committee recommends that the Government allocates $150,000 to the Solomon Islands Electoral Office on Statutory expenditures for the salary of the Chief Executive Officer of the Electoral Commission established under Section 57 (1) of the Constitution.
Office of the Ombudsman

Mission Statement

The role of the Office of the Ombudsman is to safeguard the rights of individuals against maladministration, abuse or power or violation of fundamental human rights by the public authorities subject to the Ombudsman’s jurisdiction, which may include investigating complaints and promote, fairness, justice, equity and an improved relationship between instruments of government at level, including citizens⁴.

2020 Budget Summary

<table>
<thead>
<tr>
<th>Recurrent Budget</th>
<th>Budget Estimates</th>
<th>Prelim act</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>2,396,768</td>
<td>2,228,515</td>
<td>1,348,824</td>
</tr>
<tr>
<td>Other Charges</td>
<td>3,133,065</td>
<td>3,325,556</td>
<td>1,395,917</td>
</tr>
<tr>
<td>Total</td>
<td>5,529,833</td>
<td>5,554,071</td>
<td>2,744,741</td>
</tr>
</tbody>
</table>

Issues of Concern

Matters raised by the Committee includes the following:

The impact of the budget cut – The Committee was informed that the cut in budget will impact the planned activities and mandates of the Ombudsman during 2020. The Ombudsman will therefore prioritize on the activities and programs to be undertaken in 2020.

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⁴ http://www.pireport.org/articles/2017/07/26/solomon-islands-parliament-passes-ombudsman-bill-reform-agency

Public Accounts Committee Report: December 2019
70 Ministry of Agriculture and Livestock Development

Mission Statement

The vision of the ministry is to enhance and promote a sustainable agriculture and rural development in the Solomon Islands for economic stability, food sovereignty, and improved rural livelihoods by promoting, improving and take the leading role in agricultural development in the Solomon Islands to a profitable and environmentally sustainable future.

It also aspires to be the premier provider of information, research, extension, education, regulatory, and other services to improve the agriculture sector.

2020 Budget Summary

<table>
<thead>
<tr>
<th>Recurrent Budget</th>
<th>Budget</th>
<th>Prelim actual</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>11,899,510</td>
<td>11,899,510</td>
<td>8,420,015</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>15,299,353</td>
<td>17,440,982</td>
<td>9,950,421</td>
</tr>
<tr>
<td>Other Charges</td>
<td>17,107,906</td>
<td>19,276,345</td>
<td>16,574,980</td>
</tr>
<tr>
<td>Total</td>
<td>32,407,259</td>
<td>36,717,327</td>
<td>26,525,401</td>
</tr>
</tbody>
</table>

Development Budget Appropriated

| SIG               | 23,375,000 | 12,200,000 | 6,209,886 | 11,724,970 | 38,992,889 | 34,517,924 |
| Donor             | 0          | 0          | 0         | 0          | 0         | 0         |
| Total             | 23,375,000 | 12,200,000 | 6,209,886 | 11,724,970 | 38,992,889 | 34,517,924 |

Total expenditure | 55,782,259 | 48,917,327 | 32,735,287 | 42,782,247 | 70,078,857 | 64,621,010 |

Issues of Concern

Matters raised by the Committee include the following:

Project proposals – The Committee is concerned that the ministry is not developing high quality project proposals to sell to donors and development partners. The
ministry should be sourcing funds for major agricultural projects from donors in
collaboration with Ministry of National Planning and Development Coordination. For
example, Papua New Guinea recently received K108 million for vanilla farmers in the
Fly River funded by EU.
The ministry agreed with the committee on this and is developing a ten year strategic
plan with the support of IFAD. Writing project proposals is an issue for the ministry
due to capacity issues.

The ministry has a proposal for 18 million euro from the Global Agriculture Fund but
needs to go through an accredited entity such as FAO or SPC before the funds can be
accessed.

The ministry has initiated discussions with donors including the World Bank to access
funding.

The ministry of still relying on technical assistance to development quality project
proposals for funding.

Extension services - the structural adjustments undertaken as part of government
policy in the 1990s has resulted in the downsizing of the ministry resulting in the
abolishing of extension offices in the provinces. There are now not enough extension
officers to cater for visits to farmers, non-existence of research officers and agriculture
centres.
The ministry agreed that it is a challenge to deliver on the mandated services in the
provinces. There is a need to establish field stations but officers in the provinces
require proper accommodation and other support to provide sustainable extension
services.
The ministry is planning to replace retirees with RTC graduates.

The ministry might have the budget but not the capacity to implement the programs.

**2020 agriculture programs** – the Committee noted the increase in the ministry’s budget for 2020, but is concerned with implementation of projects across government as money was spent, but with no quality output. The Committee is also keen to understand the activities that will be undertaken under the commercial agriculture policy, high value cash crops policy, food security and rural poverty alleviation policy, agriculture research policy, livestock development and import substitution in 2020.

The Committee is also concerned that too many crops were promoted at the same time which resulted in minimal productivity for each crop and farmers are using this as a means of fundraising.

The ministry confirms that some programs for 2019 are not fully implemented due to short time frame and the change in project staff.

With regards to livestock, the ministry is working on:

- a formal system with farmers, suppliers and associations such as the poultry association in order to allocate facilities such as abattoir (slaughterhouse) and food processing facilities;
- support to existing and successful farmers;
- enhancing import substitution;
- establishing Gozaruru in Isabel for honey development;
- using 300 to 500 breeding cattle to increase population by artificial and natural means; importation of semen by 2021;
- addressing and solving market impediments; and
• distributing livestock to farmers.

Food security:
• assessing locations and the farmers involved.

Export program
• to identify commercial farmers and selecting successful ones;
• provide planting materials;
• co-founding of projects with donors; RCDF;
• targeting commercial products for import substitution.

On research, the ministry is working to acquire the Taiwan Technical Mission farm for the research arm to strengthen internal systems and align the programs to policies.

The high value cash crops being promoted are Kava, Cocoa and Noni but farmers need to make informed decisions in order to select the suitable crops for them. This is where the services of the agriculture extension is important.

**Biosecurity CRB and GAS** – the Committee is concern that both the Coconut Rhinoceros Beetle and Giant African Snail are getting out of control and require urgent action.

The ministry admitted that these pests are spreading all over the country and that eradication is no longer an option, but to manage and contain them. CRB has spread to 12 locations in the provinces due to uncontrolled movement of people and infected materials. The New Zealand government is providing support to reduce the spread of these pests.

**Capital equipment for farmers** – the Committee also noted that farmers and exporters of agricultural products are unable to export their products due to the high standards
required by importing countries. The ministry must put in place a policy to assist farmers in this especially regarding tax incentives and easy access to financing.

The ministry informed the Committee that they will assess and develop a policy to address and facilitate the needs of farmers who are dealing with the export of high value cash crops.

**Recommendation 2**

The Committee recommends that the Government develop a policy to assist and incentivise farmers to export agricultural products on an on-going basis.

**Agriculture information** – The Committee recalled that in the past, extension officers used to be stationed in communities to assist farmers with information and provide demonstrations on farming techniques. Regular workshops were also provided to farmers.

The ministry confirmed this as a major concern, but due to resourcing constraints it is no longer able to undertake such programs anymore. The other issue is that not all crops are grown throughout the country therefore specialised officers are required to be engaged in various locations. To counter these challenges the ministry is proposing a mobile app for farmers to use.

The app will provide valuable information on farming and other agricultural information to stakeholders on a timely and cheaper basis. The UNDP will assist the ministry with this development.

**Food processed for export** – the Committee is concerned that the hindrance to the exportation of processed food from the country is the need for certification of such goods by a competent authority.
According to the ministry, there are two options available for the certification of food products for export to other countries from the Solomon Islands. One is Participatory Guarantee Systems (PGS) which are locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange. The ministry is collaborating with Custom Garden on these systems.

The other is Third Party certification which can be done by certification authorities in other countries such as Australia. The disadvantage of this is that it is very expensive.

71 Office of the Auditor General

Mission Statement
To be an independent, competent national audit office with qualified professionals to ensure accountability and transparency in the public sector for the people of Solomon Islands, with the mission to be a center for excellence, thus enhances the strengthening of public sectors’ accountability, transparency and integrity to the people of Solomon Islands through a professional, independent audit service and to report to our elected legislators.  

5 Submission PAC Generic Template 2020
2020 Budget Summary

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<thead>
<tr>
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<td>8,956,114</td>
<td>6,893,459</td>
<td>7,735,727</td>
<td>7,265,782</td>
<td>7,657,322</td>
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Development Budget Appropriated

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<th>908,897</th>
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<tr>
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<td>908,897</td>
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<tr>
<td>Total expenditure</td>
<td>8,114,579</td>
<td>9,956,114</td>
<td>7,648,032</td>
<td>7,735,727</td>
<td>8,174,679</td>
<td>7,657,322</td>
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</table>

Key Programs and Activities in the Budget include:
- Audit of the 2018 and if prepared, the 2019 Statements of Solomon Island Government.
- Audit of the 10 State Owned Enterprises and 5 Statutory Boards, 4 Education Institutions, and 5 National Councils.
- Audit of 9 Provincial Government accounts and Honiara City Council.
- Performance audits and special investigations and other audits as required.

OAG will continue to address the backlog of audits for Solomon Island Government, Statutory Bodies and Provincial Government audits.

During the year OAG will be tabling reports with the Public Accounts Committee to report on the performance of public entities and audit issues arising within each sector.

OAG is expecting new audits to come within their mandate during the year. Once confirmed an audit approach for these audits will be determined.

A major focus for the Office is the ongoing work to support the introduction of the Auditor-General’s Bill. This is currently with the Ministry of Finance and Treasury for Attorney-General vetting and Cabinet deliberation.

The Office has recently commenced a functional review in line with the Government’s 100 days plan. This review will be completed through 2020 and will establish the appropriate structure for the Office to deliver its mandate.
OAG will be working with their private sector audit firms and other stakeholders in the sector to enhance the training program for staff through 2020.

**Issues of Concern**

Matters raised by the Committee include the following:

The OAG provided written submission to the PAC.

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**72 Ministry of Education and Human Resources Development**

**Mission Statement**

The Ministry of Education and Human Resources Development (MEHRD) has developed a new education sector strategy. The overarching strategic goal is to provide universal access to quality secondary education for all children by 2030 and improve access to technical and vocational education and training and higher education. Government will place priority on refocusing education sector expenditure on providing services at primary and junior secondary schools to achieve the target of achieving universal completion of quality junior secondary by 2030.
2019 Budget Summary

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Budget Support

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<th>78,874,529</th>
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<tr>
<td>Payroll</td>
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Development Budget Appropriated

| SIG | 28,500,000 | 58,000,000 | 53,452,674 | 44,841,979 | 61,325,652 | 73,657,232 |
| Donor | 0         | 0         | 0         | 0         | 0         | 0         |
| Total | 28,500,000 | 58,000,000 | 53,452,674 | 44,841,979 | 61,325,652 | 73,657,232 |
| Grand total | 1,303,478,440 | 1,350,504,730 | 1,004,000,125 | 1,726,831,328 | 1,170,926,590 | 1,015,037,845 |

Issues of Concern

Matters raised by the Committee include the following:

Overseas scholarships – The Committee is concerned with the bad management of overseas scholarships in recent years and if this was resolved in 2019. This is a major component of the ministry budget averaging at least $430 million each year. The ministry admitted to the Committee that management of tertiary scholarships had been a major challenge for them in recent years.

The National Training Unit is now under SITESA and a clear regulation and policy is now in place to manage scholarships.

However, the ongoing challenges are the management and timely payment of student allowances, the request from cabinet to reinstate the MP’s scholarship scheme with a
grant allocation of $14.5 million in 2020 and the high expectation from the general public for scholarship awards each year.

**Students on Taiwan scholarships** – The Committee enquired into the possibility of students being able to complete their studies in Taiwan.

The ministry informed the Committee that they had already held discussions with China’s Ministry of Education and Scholarship Council, to resolve this in view of the severed diplomatic ties between Taiwan and Solomon Islands.

The ministry also held discussions with the former SI ambassador to Taiwan. The Minister and the Permanent Secretary visited China to identify credible universities that can accommodate the academic need for students currently studying in Taiwan. The challenge is that different universities have different policies so such issues like cross crediting of courses will have to be negotiated. For example, medical students are required to do 6 years in China while it only requires 4 years in Taiwan.

Of the 102 students currently studying in Taiwan, 12 have decided to continue with their studies in Taiwan. The ministry however is encouraging these 12 students to transfer to China. This is because of the dead line to resolve their transfer by 31 January 2020 as all students will have to have transferred to China by then. NTU is fully aware of the concerns of parents regarding this transfer.

**SINU courses** – The Committee enquired into the number of programs SINU could offer in-country rather than sending students overseas, enabling the ministry to be able to fund more scholarships and reduce costs. Specialised programs can still be done in universities overseas.

SINU in collaboration with the ministry has undertaken a feasibility study for SINU to offer more courses. As a result, new programs will be introduced in 2020 which
could result in up to 60% of courses being delivered in-country. Quality assurance will have to be done regularly to ensure the programs delivered by SINU are of the highest academic quality and standards.

The ministry informed the Committee that the 2020 Scholarship budget for new intakes will be; 70% for in-country scholarships and 30% for overseas scholars.

**Performance of tertiary graduates** – The Committee is very concerned with the quality of graduates from form 6, SINU and other regional universities. Employers are not satisfied with the performance of these graduates. Students who got into undergraduate studies found it difficult to cope up with their studies, unlike students and graduates during colonial days who studied through the British certificate system and excelled.

Recently for example, graduate lawyers have to undertake grammar courses in order to improve their English. Standard of report writing, analytical skills etc. are very low.

**SINU budget support** – The Committee is very concerned with the drastic reduction in the infrastructure grant to SINU from $50 million to $20 million. The government has an obligation to provide a minimum of $50 million to SINU on an annual basis.

The ministry informed the Committee that SINU requested an increase to $68 million, however, the budget was reduced to $20 million for development and a recurrent budget of $22 million for 2020. With regards to the possible assistance from China, a technical mission from China visited the university but are yet to confirm the funding that will be provided.
Standard six exams abolition policy – The Committee notes with concern that the elimination of standard six exam will affect the ability of schools to absorb all students into form one.

The ministry confirmed that the 2020 budget caters for the new policy. The ministry spent $16 million plus donor support in 2019 to prepare for the abolition of the standard 6 exams. About 64 community new placements were created around the country to accommodate form one spaces for 2020. The ministry will continue to invest in school infrastructure to absorb future intakes from primary schools into secondary level.

School infrastructure – The Committee acknowledges the ministry for the ongoing investment in infrastructure for schools throughout the country. However, it is concerned that some schools have never been maintained over the years and questioned the process of selecting schools for facilities development.

The ministry confirmed that there are at least 1,300 schools under the management of the ministry that require regular maintenance and rehabilitation. Due to the pressure on the infrastructure budget the ministry has an asset management plan to deal with the backlog of projects. The ministry consults with the education authorities to identify the schools for rehabilitation on an annual basis to ensure that at least one school is funded from each province.

73 Ministry of Finance and Treasury

The Ministry of Finance and Treasury is responsible for facilitating the provision of sound advice on monetary, budget and fiscal policy to the Solomon Islands Government (SIG). Ministry services include statistics and economic management to support Government decision making processes and the implementation of good
governance practice. The core task of the Ministry include financial reporting, revenue collection, border protection, government payments, preparing and managing the Annual Solomon Islands recurrent budget and advising the Government on a range of financial policies and economic reforms.

Mission Statement

The mission of the Ministry of Finance and Treasury is to provide leadership role to the Solomon Islands Community in financial matters and deliver high quality, professional financial and economic services to the Ministry of Finance and Treasury, the Government, and other Ministries and the wider community.

2020 Budget Summary

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<th>Recurrent Budget</th>
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<th>2019</th>
<th>Prelim actuals</th>
<th>Actuals</th>
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<td>153,648,820</td>
<td>119,077,188</td>
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Budget Support

| Income          | 14,504,992 | 31,425,940 | 0              | 24,321,047 | 0 | 45,048,124 |
|                | 14,504,992 | 31,425,940 | 0              | 24,321,047 | 0 | 45,048,124 |

| Expenditure     |           |           |                |         |
| Payroll         | 295,300   | 3,660,121 | 594,062        | 3,265,385 | 1,499,243 | 387,910 |
| Other Charges   | 14,209,692 | 27,765,819 | 7,304,929     | 6,469,515 | 4,978,516 | 15,096,190 |
| Total           | 14,504,992 | 31,425,940 | 7,898,990     | 9,734,900 | 6,477,759 | 15,484,100 |

Development Budget Appropriated

| SIG              | 10,000,000 | 42,000,000 | 30,193,690 | 145,498,752 | 48,955,016 | 41,443,365 |
| Donor            | 0          | 0          | 0          | 0          | 0          | 0          |

| Total expenditure | 167,639,056 | 227,074,760 | 157,169,868 | 282,946,285 | 163,438,444 | 159,696,357 |

Public Accounts Committee Report: December 2019
### National Debt Servicing

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<tr>
<td>Total</td>
<td>82,741,647</td>
<td>78,341,019</td>
<td>93,837,609</td>
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<td>168,504,959</td>
<td>185,280,915</td>
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### Pensions and Gratuities

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<td>0</td>
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<tr>
<td>Total</td>
<td>14,014,866</td>
<td>13,740,065</td>
<td>10,852,973</td>
<td>12,948,837</td>
<td>13,745,516</td>
<td>15,197,792</td>
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### Issues of Concern

Matters raised during the public inquiry include the following:

**Debt** - The Committee notes that a loan of US$157.98 million for Tina hydro, SBD$130 million for cable project and US$30.5 million for SIRAP are not included in the current debt stock of $1.046 billion which is 10% debt to GDP. The Committee also notes that the government provides for $100 million in treasury bills borrowing and $300 million for borrowing from financial institutions for infrastructure projects in the appropriation bill. The Committee is keen to learn of the new debt ratio when those loans are factored in the debt stock, the financing sources, the projects to be financed, and the new sustainable debt ratio.

The ministry confirmed that the development bond issued for the cable project for $130 million is already included in the debt stock. The Tina hydro loan will be affective after 5th of December 2019 while the SIRAP and water project loans will be effective in
2020. The source of financing for these projects are the ADB, World Bank, Green Fund and Export-Import Bank of Korea. This will bring the debt to GDP ratio to 28%.

The treasury bill threshold was increased in 2018 and $20 million was secured in 2018 but was not used in 2019. The ministry will discuss with CBSI the government’s intention to reduce the threshold. With regards to the $300 million borrowing limit, $70 million will be sourced through development bond in 2020 to finance upgrade of airports for $30 million and $40 million will be allocated to the National Transport Fund for facilities in Malaita and other provinces. This financing will be sourced locally. The government is yet to determine projects to be financed by the balance of the $300 million. The sustainable debt threshold is still fixed at 35% Debt to GDP.

With regards to the MOUs with China the ministry is not aware of any commitments but if it involves borrowing in the future then it must be in line with the debt management policy.

**Cable project** – The PAC acknowledges that the cable project will enhance communication by providing much faster, reliable and ease of access internet and voice services to the country. The Committee is concerned that no discussion and information is available regarding the pricing structure for such services. TCSI as the regulator needs to regulate this in order to ensure reasonable prices are charged for these services.

The ministry is unable to comment on this as this matter is the responsibility of the regulator and the shareholders of the cable company. The ministry understands that the shareholders (ICSI and NPF) are discussing the pricing issue with the aim to develop a pricing model. The regulator is also developing a regulation and issuing of licence to the company.
**GDP growth rate** – The Committee notes that the ministry’s projection of growth for 2020 is 2.2% while CBSI projects a much generous rate of 3.7%.

The ministry’s modelling is more sensitive to logging data than the modelling adopted by the CBSI. The ministry’s modelling is also in line with IMF forecast.

**Revenue raising measures** – The Committee enquired into the level of revenue expected from the tax on rice and sugary beverages and other new revenue raising measures. It is also noted that the new tax measures is to fund costs relating to NCD.

**Tax reforms** – The Committee is informed that legislative reforms on taxation is progressing well. This is done on three stages. The first deals with consumption tax in which the tax administration bill is ready tabling in Parliament. VAT consultation is ongoing and the drafting is planned for 2020. The second stage will involve the reforming of the income tax legislation and the third stage deals with excise taxes.

The ministry stated that the tax on rice will raise $11 million, $11 million on compliance measures, $15 million on land rents, $12 million on lottery and limitations of the discretionary exemption of $47 million. The following reforms are not factored into the budget: sugary beverages tax, levy on plastic, and reforms of the lottery legislation. The ministry is collaborating with the ministry of health regarding the funding of specific programs relating to NCD.

**Forestry reform** – The reform in the forestry sector is progressing and one of the major action was the amendment to the schedule to export duties relating to logs. There used to be four columns for logs grades but it is now reduced to two columns and it will eventually be only one column. This has increased the level of compliance by log exporters. Most of the recommendations requiring administrative measures have been
implemented while those requiring regulatory changes have been forwarded to the AGC for consideration.

**Budget implementation** - The Committee is concerned cash flow continues to hinder the implementation projects on a timely basis and this could be the same for 2020.

The ministry took note of the concern and will support ministries on procurement management, cash flow management. The key is to build cash reserves, ensure cash buffer.

The ministry with the assistance of DFAT is developing new and simple financial management regulations, upgrade the financial information system to improve the procurement and payment process. To ensure that ministries follow the procurement rules and the PFM regulations. The major cause of delays in the procurement process is non-compliance and not cash flow deficiency.

**Bauxite and nickel mining** - The Committee notes that the price mechanism for these minerals has taken too long, five years, to resolve and wonders whether these mining operations will ever contribute to the revenue needs of this country. The nickel miner has been issue mining lease but denied to export the nickel. There is no order in the sector and the unregulated practices in the logging sector has been adopted by the mining sector.

The ministry confirmed that it is still unsure about the growth in the mining sector and its contribution to economic growth. For the bauxite pricing, the MOFT has already made its recommendations to the Ministry of Mines regarding the price mechanism to be adopt with the assistance of the World Bank.
**Gold Ridge Mine** – the Committee acknowledges that this is a private undertaking but the gold is a state asset, therefore MOFT needs to be privy to the operations of the entity. The Australian investor of the mine stated previously that the required investment to start the mine was AUD$150 million and the recovery rate was 60%. The new costing is now US$850 million with a recovery rate of 40%.

The ministry confirmed that it is still assessing the Gold Ridge mine operations therefore unable to provide further comments.

**DBSI** – The Committee enquires into the status of DBSI in terms of capitalisation, governance and the expected commencement date of operations.

The DBSI initial capital injection was done in 2018 for a tidy sum of $26 million. $6 million is available in 2019 for set up costs and other initials costs including recruitment, office accommodation, IT systems and obligations. $20 million will be transferred in 2020 for lending activities. It is estimated that $30 million will be required annually for annual operations. The bank is projected to make first profit after five years.

The new board and management will commence operations after the launching in December 2019. The recruitment of the interim CEO and initial staff will be completed in early December and operations commence once office space in Anthony Saru building is ready for use.

**Container scanning machine** - the Committee commends the ministry for this great initiative but requires some positive impacts of such an installation in terms of revenue.
The ministry confirmed that the scan is on track for installation and use. The mandate of customs is to provide border security. The scan when used correctly can identify wrongly declared goods, concealed goods and can increase revenue for SIG. It is expected that there will be increase compliance resulting in revenue increase.

The detained 19 containers were taken off the Ports and transferred to a government premises. The logs were measured and the value determined. An international tender will be done to sell the goods.

**Funding gap due to switch to PRC** – the sudden switch of diplomatic ties to PRC has left a funding gap for various programs under certain ministries such as MALD and the Exim loan.

The ministry confirmed that there are operational gaps but the workers will be accommodated through payroll savings. With regards to the TTM farm, the plan is to acquire the properties after a valuation is done for the properties. The Exim loan of $60 million will be repaid through debt servicing account as from December 2019. This was discussed already with ROC. None of the $85 million from the PRC will be used to pay off the Exim loan. $15 million of the $85 million will be refunded to SIG for an advance payment to MPs made earlier during this year.

**Job creation** – the Committee is disappointed that the 2020 budget does not and is unclear on where job creation emanates from, similar to previous budgets. The productive sector ministries such as agriculture, tourism, and fisheries are experiencing reductions in their budgets. The unemployment rate in the country is increasing each year.

The ministry acknowledged this but stated that there are increases in the resources and the productive sectors of the budget. The infrastructure sector will create jobs.
when implementation starts and CDF funding next year will target the agriculture and income generating projects so will stimulate growth. The ministry will collaborate with the ministries on this.

74 Ministry of Foreign Affairs and External Trade

Mission Statement
The Ministry of Foreign Affairs and External Trade envisions a sovereign, independent and peaceful Solomon Islands that enhances economic prosperity and security for its citizen through cultivating diplomatic relationships with other nations and international organizations.

2020 Budget Summary

<table>
<thead>
<tr>
<th>Recurrent Budget</th>
<th>Budget</th>
<th>Prelim actuals</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
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<tr>
<td>Expenditure</td>
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Budget Support

| Income             | 2,301,624 | 11,643,499 | 224,213 | 7,072,675 | 558,580 | 2,528,581 |
| Total              | 2,301,624 | 11,643,499 | 224,213 | 7,072,675 | 558,580 | 2,528,581 |

Expenditure

| Payroll            | 204,177    | 699,485 | 104,690 | 422,327 | 290,167 | 199,865 |
| Other Charges      | 2,097,448   | 10,944,014 | 544,637 | 3,410,324 | 2,315,187 | 3,329,607 |
| Total              | 2,301,625   | 11,643,499 | 649,327 | 3,832,651 | 2,605,353 | 3,529,472 |

Development Budget Appropriated

| SIG                | 0      | 0   | 0    | 0    | 0    | 246,287 |
| Total              | 0      | 0   | 0    | 0    | 0    | 246,287 |

Total expenditure

| 66,473,759 | 79,444,996 | 50,935,474 | 51,318,471 | 47,682,207 | 50,281,258 |
Issues of Concern

Matters raised by the Committee include the following:

Trade external – The Committee notes that the budget support from EIF/UNOPS of $2.3 million only caters for cassava and taro but the majority of people are now going into kava and noni farming. There are also indications that kava and noni fetch higher prices in the export markets. The Committee is concerned that the government is not putting more emphasis on these high value crops. The external trade section within the ministry does not to have the capacity to assist exporters who are finding it difficult to negotiate trade deals in Korea, Japan, USA and other countries.

The ministry is developing the LDC strategy to manage trade protocols with different countries in the future. The establishment of overseas missions in countries such as India and China will increase the focus of trade in those countries and the promotion of kava and noni will be part of it.

The current budget support project was designed at a time when kava and noni were not the commodities identified by the Ministry of Agriculture as priority for support. The second phase of the project therefore only caters for taro and cassava. The ministry will consider kava and noni in collaboration with the Ministry of Agriculture and other ministries in future programs.

Labor mobility scheme with Australia and New Zealand – The Committee is concerned that the schemes with the two countries are underutilized by the country due to difficulties encountered by stakeholders in their dealings with the Ministry. It is also noted that MFAET is not proactive enough in its dealings with local people and the prospective employers in the two countries. The Labor Mobility Unit also lacks the capacity therefore the ministry should look at outsourcing this activity. The target
is to recruit and place at least 5,000 employees on these schemes but so far only about 1,200 people benefited from the scheme.

The ministry admitted that the numbers are still low but has doubled since 2016. The ministry continues to dialogue with the two countries and DFAT has provided a TA to assist the ministry to focus on the Pacific Labour Scheme which targets the semi skill workforce. The target for this year for this scheme is 100 people. The seasonal labour scheme is progressing well but is demand driven.

The ministry has undertaken awareness tours in the provinces to promote the schemes and to collect data on the available workforce in particular the graduates from the rural training centres. Some of the challenges include the need for acquisition of passports and the timely production of medical reports such as x-rays.

**Bilateral cooperation with China** - The Committee understands that the government has recently signed five MOUs with China and requests the ministry to furnish the Committee copies of those MOUs. The committee is concerned with the implications of these MOU on the country.

The ministry confirmed that the MOUs were signed with the PRC but were mostly general in nature. The first MOU is the communique between the two foreign affairs ministries of Solomon Islands and China and provides the focus points for all issues to be firmed up by the two parties in future discussions. The second MOU deals with economic and technical cooperation includes the following programs: 2023 pacific games, water project, NRH, SINU and CDF funding to 2022 and 2019 CDF advance. The third MOU deals with education and also covers the arrangement for the students studying in Taiwan. The fourth MOU deals with province to province relationships with Guangdong province, 12th largest economy in the world. The final MOU is the
Belt and Road Initiatives, general in nature, dealing with trade, infrastructure, financial integration using local currency and people to people interactions. All the MOU are general in nature and the specifics will be dealt with by the officials of the two countries later.

The Committee is very concerned that the ministry was unable submit the MOUs to the Committee.

**Human rights** – The Committee is concerned that the ministry will be adding the SI to the list of those siding with China at the UN regarding the alleged violation of human rights by China on its ethnic minority citizens.

The ministry confirmed that the decision to sign on is in line with UN protocols and is directed by the Minister.

**Overseas missions review** - The Committee was informed that the following missions have been closed; Geneva, Taiwan and Malaysia while Brisbane has opened.

The ministry is in the process of opening new missions in India and China. The focus for the ministry is for missions that promote trade and investment. The ministry does not have any plans for Japan and Washington DC at this time but will review it in the future.

**Recommendation 3**

The Committee recommends that the Ministry of Foreign Affairs and External Trade expand the Enhanced Integrated Framework (EIF) and United Nations Office for Project Services (UNOPS) program to include the Ministry of Agriculture, especially on kava and noni.
Office of the Governor General

Mission Statement
The Office of the Governor-General supports the Governor-General in his role as Her Majesty’s Representative in the Solomon Islands as stipulated under Section 30 of the Solomon Islands National Constitution.

2020 Budget Summary

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<td>11,726,481</td>
<td>10,065,690</td>
<td>8,036,640</td>
<td>8,064,871</td>
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</table>

Development Budget

| SIG               | 0     | 0     | 0                  | 0     | 0     | 767,482 |
| Total             | 0     | 0     | 0                  | 0     | 0     | 767,482 |

Total expenditure  | 7,932,861 | 11,726,481 | 10,065,690 | 8,036,640 | 8,064,871 | 9,068,893 |

Issues of Concern
Matters raised by the Committee include the following:

The Office of the Governor General provides written submission.

Ministry of Health and Medical Services

Mission Statement
The ministry’s mission is to play its part in improving the public’s health status. This will be done through:
• Proactive stewardship of the sector with a focus on Primary Health Care (PHC) and Healthy Islands effort via active community empowerment and development;

• Building partnerships with communities, other sectors (agriculture, education, labour, transport, infrastructure, etc.);

• The sector will also plan and manage health improvements with a focus on reducing the determinants of disease and illness including improving disease management.

### 2020 Budget Summary

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<td>Total</td>
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<td>27,950,750</td>
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<td>19,017,099</td>
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### Issues of Concern

Matters raised by the Committee include the following:

**Medical supplies** – the Committee enquired into the issue of drug shortage and if this issue is now managed by the ministry. The Committee is concerned that the
distribution of medical supplies at the clinic level still requires the attention of the ministry as clinics are still experiencing supply shortages.

The ministry confirmed that the matter is now under control with the establishment of a procurement plan and a distribution plan across all levels of the ministry. The challenge now is the distribution of supplies from the level 2 stores to the clinics. The ministry is procuring 10 OBM to address the distribution of supplies from Level 2 stores to the clinics. The OBMs will do scheduled supplies run to the clinics from the level 2 stores so that nurses are always at the clinics to provide the required services. The ministry is experiencing storage capacity at the level 2 stores therefore will create buffer medical stores. Initially one will be at Noro and the other will be at Kilu’ufi. Initial discussions are held with ministry of lands and other stakeholders on the buffer storage facilities requirements.

**Role delineation policy** – The Committee acknowledges that the development budget has increased to $30 million from $28 million. The Committee is concerned if the ministry is on track regarding the role delineation policy.

The ministry confirmed that the infrastructure program is progressing with the recently opening of the Tingoa area health centre level 1 clinic. Afio AHC level 2 clinic is completed and will commence operation in 2020. There are 25 level 1 clinics, 24 level 2 clinics, 4 urban level 1 clinics and 4 urban level 2 clinics. All these will be addressed as part of the policy.

**Consultant position** – The Committee is concerned that due to vacant positions in the provinces, for example in Gizo, referrals continue to be made to NRH. This has clogged the system as well increasing the cost of referrals.
The ministry informed the Committee that there are only three anaesthetists in the country – a bare minimum for a hospital. Some have left. There is shortage of specialists. Training for such specialists usually take 4 to 5 years. One option of resolving this is to hire some specialists. There are 3 major operating theatres in NHR. Some visiting teams under various programs also occupy theatre time. The NRH also do outreach programs of 9 visits a year to reduce referrals.

**Budget implementation** – The Committee is concerned with the ability of the ministry to implement its budget due to cash flow and capacity constraints.

The ministry confirmed that it has challenges in the execution of its budget over the years. It has now put in place a strategy to address this in 2020 and beyond. Strategies and annual plans are already in place for 2020 with indicators to deliver on time. Each division and projects are expected to deliver 25% each quarter.

**Low execution of budget support** – The Committee is concerned the ministry has a history of low execution of the budget support allocation.

The ministry has a SWAP arrangement with 18 donors and timely execution has been a challenge. The UN agencies do not roll over their budgets and requires the ministry to refund any unspent funding before new money is made available. This process usually takes 7 months to resolve resulting in the delay in the execution of the program. DFAT funding is rolled over so execution rate is higher.

Now that a partnership coordinator is in place the problem is slowly being resolved. Quarterly meetings are held with donors to resolve funding difficulties and accessing of funding.
NRH relocation – The ministry informed the Committee that a business case relating to the relocation of NRH is being finalised with the assistance of ADB and will be adopted in early 2020. The focus of the report is on three areas. The first is on the current site for relocation and matters relating to the pacific in terms of medical. The second is on the urban heath centres and the Naha birthing facility which when completed will relieve NRH on that area. The unban health focuses on the secondary health services that HCC is expected to provide. The third focus is on NRH as the provider of tertiary health services.

CT scan – the ministry informed the Committee that the contract to build the building and the facilities was signed with Hatanga Ltd and is expected to be completed within 14 months. A steering committee which meets every two weeks provide oversight to the project.

Recruitment of doctors and medical professionals - the Committee is concerned that there are no vacancies to recruit the required medical professionals into the service even though the demand for their services are high especially with the growing population.

The ministry stated that the vacancies at the beginning of 2019 were 248 positions. Through the recruitment drive all vacancies were filled except for 45 positions which will be fill by 2020. 74 nurses were recruited but there is need to collaborate properly with MPS on the recruitment process.

Nurses to Vanuatu – the ministry confirmed to the Committee that the migration of nurses has a short term negative impact but there are good supply of nurses in country so will recruit 122 nurses in 2020.
**Sugary and rice taxes** – the Committee acknowledges the drive to tax unhealthy food products but is concerned that the money raised might not be used as intended to address the health needs of the country.

The ministry agreed that it is crucial to impose tax on such products to reduce the risk to the health of the citizens. With regards to the tobacco products, one company is compliant with the Act while two companies are non-compliant. The ministry has a special fund to address the health issues but there is yet to be a proper process and regulations for the fund so that the ministry can access the fund.

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**77 Ministry of Infrastructure Development**

**Mission Statement**

The ministry strives to provide, regulate and maintain services that support an integrated, efficient, safe, and affordable transport system to enable all Solomon Islanders to participate and benefit in economic and social activities that sustains equality, unity and prosperity for the nation.

**2020 Budget Summary**
<table>
<thead>
<tr>
<th>Budget</th>
<th>Prelim actuals</th>
<th>Actuals</th>
</tr>
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<tbody>
<tr>
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<tr>
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<td>Payroll</td>
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<tr>
<td>Total</td>
<td>54,631,642</td>
<td>83,165,826</td>
</tr>
</tbody>
</table>

Development Budget

| SIG          | 87,900,000 | 85,500,000 | 61,105,579 | 166,107,479 | 296,995,736 | 280,021,611 |
| Donor        | 0          | 0          | 0          | 0          | 0          | 0          |
| Total        | 87,900,000 | 85,500,000 | 61,105,579 | 166,107,479 | 296,995,736 | 280,021,611 |

National transport fund

| Revenue      | 0          | 57,014,114 | 51,000,000 |
| Expenditure  | 0          | 266,150,527 | 64,322,788 | 97,172,834 |
| Total expenditure | 142,531,642 | 434,816,353 | 189,600,847 | 323,832,463 | 357,876,243 | 344,594,205 |

Issues of Concern

Matters raised by the Committee includes the following:

**JICA projects** – the Committee enquired into the details of the JICA phase two road project in Honiara and the likely cost of the project.

The ministry highlighted that a feasibility study is currently under way to determine the full cost of the project. The implementation will commence as soon as the study is completed. The program for the project is on track.

**Malaita projects** – the Committee acknowledged that the Minister of Finance announced a number of projects for Malaita. However, the Committee is concerned that these projects are not reflected under MID's budget.

The ministry confirmed that the Malaita projects will be funded by the National Transport Fund, World Bank and DFAT.
National transport fund - the Committee is concerned that access to this fund is very hard and the PM has stated this in Parliament. The Committee is of the view that this fund should be used to fund transport infrastructure as the cash balance is building up.

The ministry confirmed that the whole balance in the NTF is already committed and allocated to various projects including the Moga Bridge and will be exhausted soon.

Reestablishment of PWD – the ministry confirmed that progress is being made to establish the PWD which will also cover the provinces. The ministry is working on the workforce requirement which will initially include the major provinces. The challenge for the ministry is that the PWD land in Auki and Gizo were sold.

Management of contracts – the Committee is concerned that performance of contractors are below par but the ministry continues to certify their work and pay them.

The ministry has engaged TA and consultants from overseas through ADB to provide quality assurance in view of the poor quality of work being experienced throughout the country. The ministry is devising a system for monitoring and evaluating of all projects. There are now qualified engineers in the ministry.

SIMA – The Committee notes that SIMSA is now SIMA and is an important agency for the shipping industry. The Committee is keen to know of the status of the authority.

The ministry highlighted that SIMA already has a Board of Directors and the CEO position is advertised and will be funded by DFAT. The authority will be operational in 2020.
SIPA – The Committee requests an update on the long term plan for Noro and Honiara posts.

SIPA has a master plan to improve the ports of Honiara and Noro. ADB is assisting with the assessment and redevelopment of the Honiara overseas wharf one. The plan includes the expansion of Noro wharf by 100 metres to cater for the export of fish to Europe. This requires that the copra shed will be relocated from the wharf area to meet international standards.

The wharf at Lunga is outside the jurisdiction of SIPA therefore is subject to SIG intervention if it is to be managed by SIPA.

Leeroy wharf - The Committee is concerned about the discharge of general goods at the Leeroy wharf by Customs and Ports. The concern is on the ability of Customs and Excise to capture revenue under the usage of the wharf to discharge goods.

79 National Parliament Office

Mission Statement
As a democratically elected national legislature of Solomon Islands, our mission is to ensure that parliament exercises its legislative, oversight, representation and outreach duties effectively and that parliament remains the main forum for national political debate.
## 2020 Budget Summary

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| Development Budget | | | | | |
|-------------------| | | | | |
| SIG               | 0           | 4,100,000   | 571,295             | 754,636      | 1,985,863    | 6,125,925    |
| Total             | 0           | 4,100,000   | 571,295             | 754,636      | 1,985,863    | 6,125,925    |
| Grand total       | 98,835,556  | 106,708,796 | 71,321,783          | 107,889,377  | 95,670,754   | 89,062,928   |

## Issues of Concern

Matters raised by the Committee include the following:

The National Parliament provided written submission to the Committee.

Whilst there has been an overall reduction in the Parliament Office (NPO) budget for 2020 our area of concern is with the up keep of Parliament House. Of the NPO budget, the code – Maintain Non Residential Buildings (279-001-0000-2501) is substantially reduced. The NPO actuals for maintenance works is around **2.5 million** each financial year for electrical, plumbing, GenSet, carpentry and carpet cleaning.

**For 2020 only $1,082,091** is allocated and this is concerning. With the aging parliament building and the wear and tear of the Paul Tovua Complex addition funds will be sort if the allocation is exhausted before the end of the 2020 financial year.
80 Ministry of Forestry and Research

Mission Statement
To promote, conserve, investigate and manage the nation’s forest resources for the optimal of all stakeholders and the environment.

2020 Budget Summary

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<th>Actuals</th>
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Issues of Concern
Matters of concern raised by the Committee include the following:

Decline in logging - The Committee is informed that stock of mature natural forest has declined and the ministry has encourage plantation growers to plant shorter harvesting breed of trees. Currently there are over 4000 hectares of reforestation plantations across the country. The ministry together with the MOFT have projected and set an anticipated sustainable harvesting quota for the next 4 years. The anticipated harvesting approach would both be inclusive of extractions from the natural resources and plantations.

The implementation of these measures will see to a decline in the harvesting of round logs and will greatly affect the government’s revenue. The projected production
figures by MOFT in collaboration with MFR expected a decrease from the current targeted figure of 2 million cubic to 1.9 million cubic in 2020, and will further decrease to 1.3 million cubic in the following year. The quota for this year has also been exceeded, however it is a decrease from the exported amount of 2.7 million cubic in 2018.

The Committee was alarmed and strongly reminded the government through the ministry that there has been negligence in preparing any further economical stimulants in the face of a declining harvest of logs. The Committee heard that reforestation may take time and the current rate of destructive logging is a concern for our water sources and that the government has a duty to provide a balance on the welfare of its people.

The Committee reminded the ministry to make efforts to ensure this sector will not be a sunset industry.

**Logging policy and reviewing of the Forestry Act** - The ministry assured the Committee that it is closely monitor all forestry and logging activities in accordance to the Solomon Islands Logging Policy which is currently pending the Attorney General’s Chambers vetting.

This logging policy intends to set a benchmark at 700, 000 cubic metres of log exports by 2023 and will regulate the 400 meter above sea level encroachment. However the 400 meter encroachment only applies to several of our bigger islands.

The Committee is also concerned in the delay of reviewing the Forestry Act since 2004.
The ministry confirmed that they will make efforts and plans on bringing the Forestry Act to Cabinet. Drafting of the bill will capture some of the legislative gaps including reforms aligned to the DCGA policy.

**Recommendation 4**

The Committee recommends that the 8% threshold of the log harvest to be milled be enforced by the Ministry of Forestry and Research.

**Logging licenses and compliance** – The Committee is concerned on how the ministry deploys its officers on monitoring exercises. The Committee also heard that while forestry officers are working closely with existing logging companies; the process is not robust enough and companies tend to report and provide data from log ponds to the ministry themselves.

The ministry mentioned to the Committee that logging exporters face difficulty in the preparation of exports to international markets, thus downstream processing would be the better alternative.

With regards to the issuance of licenses, there are currently 154 felling licensed operators nationwide, of which 20 of them have been recently issued in 2019.

The Committee questioned the issues surrounding the 19 confiscated containers at the Ports depot. The containers content of mixed round logs, including *Kwila*, are from the Western Province and were bound for Hong Kong.

The ministry confirmed that the individual is a second time offender in this regard. The Committee commended the ministry for converting the confiscated logs to state property, however strongly emphasising that the ministry take relevant actions
against companies or individuals who do not comply with existing forestry regulations.

The Committee is concerned that some logging companies are not compliant with the 8% requirement for milling. The Committee alerts Parliament that compliance in this area must be upheld and that this rate must be increased.

81 Office of the Prime Minister and Cabinet

Mission Statement
The overall goal of the Office of the Prime Minister and Cabinet (OPMC) is to provide leadership for and coordination of all government Ministries and Agencies and to facilitate the delivery of adequate, appropriate and quality services to the people of Solomon Islands through an efficient and effective system of government.

The OPMC's role and functions form the apex of the Public Service, coordination, managing, and monitoring the implementation of government policies and programs and carrying out the Central Agency role of leading the Service.

The OPMC has to effectively lead the coordination of the Government Machinery; it has to provide timely interventions, options, advice and relevant information to Cabinet for their deliberation for policy changes or improvement and clear directives; it is the focus for where all policies of the government and the progress on their implementation coverage for the final assessments of progress; it therefore has the responsibilities of drawing up guidelines, checklists and other instruments for analysis, monitoring and measuring the performance against all government initiatives.
2020 Budget Summary

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The Committee acknowledges actions taken by the ministry to progress the following projects:

1. Implementation of the Anti-corruption Strategy;
2. Citizenship Investment Program;
3. 2023 Pacific Games;
4. Transforming national Capital (Honiara CBD) and Provincial capitals initiative;
5. Labour mobility; and
6. Prime Minister’s residence.

Issues of Concern

Matters raised by the Committee include the following:

2023 Pacific Games – The Committee is concerned that the government’s commitment to the games is not reflected in the budget. The government might find it difficult to convince the Games Council of its commitment to fund the facilities and deliver the games.
The ministry assured the Committee that they are confident that the government will prioritize funding for the games in 2021 for $200 million and has the full support of Cabinet. There is also the possibility of a supplementary in 2020. SIG contribution to the games is set at $500 million with $110 million per year. However, the 2019 allocation was $75 million, and $65 million for 2020. $200 million in 2021 and $200 million in 2022. The challenge is the commitment from SIG. The ministry is planning on tapping the citizenship program to assist with the funding of the games. Donor that have pledge to support include PNG, Indonesia and China.

The Committee is not convinced the government will be able to raise the required monies for SIG’s contribution to the Games by the 2021 and 2022.

**PM residence** – the Committee is concerned with the level of funding provided for the construction of the PM residence.

The OPMC confirmed that the funding will enable the office to start the construction later in 2020. The full cost of the project is estimated at $15m. The next residence to be constructed will be the Speaker and the Chief Justice residences. SIG funding will focus on official residences while office accommodation will be funded through PPP arrangements.

**Labour Mobility Scheme** – the ministry informed the Committee that it has expanded its labour mobility unit to deal with the program efficiently and effectively. Coordination is a risk factor. The challenge is the provision of accommodation overseas to aid the labour mobility scheme. The PMO is consulting with NPF on the possibility of investing in accommodation facilities in those locations. The current NPF Act seems to cater for investment by NPF in overseas countries but can be amended if required.
Youth database – The target is to include 20,000 per year into the database and the Ministry of Youth is coordinating this project. The database will be available online once it is completed.

83 Ministry of Police, National Security and Correctional Services

Mission Statement
The overall objective of the Ministry is to contribute to safer and secure environment through the provision of high quality policing service, humane containment and the rehabilitation of prisoners.

“Professional, effective and ethical Police and Correctional Services for the maintenance of Law and Order, Good Governance and Human Rights”.

2020 Budget Summary

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**Issues of Concern**

Matters raised by the Committee include the following:

**Border security** – The Committee is concerned with the ongoing security breaches at the Western border and the outcome of the Bougainville referendum.

The ministry stated that the national security policy is established to address issues at the border and national security in general. A border security unit has been established within the ministry.

The national border security strategy is for the whole country and the ministry plans to submit the strategy and with its implementation plan soon to Cabinet. A scoping study was done at the Western border as part of a multi-agencies approach including the establishment of a patrol boat base.

A pre-and-post referendum plan is in place. 103 officers were deployed since February 2019 to the Western border to provide security in 5 strategic locations and will be there until 23 December 2019. The security at the border is stable but the concern lies with issues that might arise after the referendum.

**Infrastructure budget** - The Committee is concerned that the budget is not enough to rehabilitate police stations around the country. For example, Maka police station is a long standing concern for the people of the southern region of Malaita Province. The reduction in the budget also affects security and economic activities in the country.

The ministry took note of the concern and will review all police stations to develop a plan to rehabilitate police stations across the country. The ministry will prioritise its activities in 2020 in order to accommodate the cut in the budget.
Salary structure - The Committee is concerned that the ministry is still to finalise the proposed salary structure for the RSIPF and CSSI.

The ministry stated that they have already reviewed the structure but is unable to confirm when it will be ready for implementation.

84 Ministry of Provincial Government & Institutional Strengthening

Mission Statement
The ministry strives to see to an improved provincial government service delivery system that meets the needs of the rural communities by capacitating the Ministry of Provincial Government and Institutional Strengthening that endeavors to seeks clarifications and expansion on the roles of the Provincial Governments and ensures resources to facilitate effective service delivery for improved living conditions of all rural communities.

2020 Budget Summary

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Public Accounts Committee Report: December 2019
Issues of Concern

Matters raised by the Committee include the following:

**Township development** - The Committee expressed concern over the insufficient level of funding to develop the identified townships of Doma and Choiseul Bay. The Committee is also concerned about the continuous underfunding of these important projects.

The ministry confirmed that the level of funding is not be enough for the proposed developments and the projects were not allocated any funding since 2016. For the Choiseul Bay project much has been done for the last ten years including the acquisition of the land, feasibility, environmental and site development studies. The next stage is to subdivide the land into plots. The province has been funding the activities through its own finances when the national government withdrew its funding allocation since 2016.

With regards to Doma, the leaders of Guadalcanal in their 2017 meeting identified activities for funding consideration. They raised issues regarding Doma, Henderson and Marau. As such the ministry will discuss with the two provinces how to share the money for the identified projects.

**Recommendation 5**

The Committee recommends that the Government increase funding to the development of the proposed townships of Doma and Choiseul Bay.

**Good governance in the provinces** – The Committee raised the issue of good governance and financial management across the provinces.
The ministry confirmed to the Committee that there are audit issues that continue to affect the management of finances at the provincial level. Since the introduction of the PCDF there are some improvements. The financial management ordinances were recently adopted by provinces.

Ward development grants are now managed through ward development committees and not through the MPA as was the case before.

The ministry continues to provide induction workshops for provinces to promote financial management and accountability. Most of the MPA are not familiar with provincial legislation and practices. Two provinces did not meet the minimum conditions for PCDF. Makira was disqualified due to non-compliance, while RenBel has a major issue with its political and administrative system.

In most situations provincial staff are pressure by their political master to undertake activities that are contrary to legislation, procedures and best practices. There were instances where revenue were diverted from the provincial accounts.

**Revenue Sharing/Mobilization**— The Committee commends the ministry for coming up with this good policy and encourages the ministry to implement this as soon as possible.

In response, MPGIS states that in terms of the percentage, it will be around 10% to 15% of domestic revenue for the government. There will be a Commission to determine the criteria. The ministry would like the provinces to have proper revenue base and capacity before it is implemented.

**Legislative reform** – The Committee understands that the ministry is undertaking a review of the provincial government legislation and requests an update.
The ministry informed the Committee that they have completed consultations on the bill and is consulting with the new Minister on it before it is forwarded to Cabinet for consideration.

**Recommendation 6**

The Committee recommends that the Ministry of Provincial Government and Institutional Strengthening table the Provincial Government bill in Parliament within 24 months.

**Specialists** – The Committee notes that $8.4 million is allocated for consultants and requests further explanation on this vote.

The ministry stated that at least 50 local consultants are engaged by the ministry to develop capacity for the provinces in the following areas; procurement, accounting, planning, engineering, and architect on contracts ranging from 2 years to 5 years. Short term advisors and international consultants are also engaged from time to time.

The ministry is expecting about $8 million from the EU to support the PCDF for three years and other donors are expected to assist from 2023.

85 Ministry of Lands, Housing and Survey

Mission Statement

The Ministry will ensure land dealings are fair, transparent, impartial and according to appropriate and relevant laws and that the services provided by the Ministry is customer-focused, effective and efficient.
2020 Budget Summary

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Issues of Concern

Matters of concern raised by the Committee include the following:

**Development budget** – The Committee notes with concern that $4 million will not be enough to meet the programs and activities listed in the budget papers. The greater Honiara urban development program is very ambitious in view of the $1 million allocated for this program.

The ministry confirmed that the amount is not enough to complete the program but the program will be implemented over a numbers of years. ADB will provide funds for the program as well but this external assistance is not reflect in the budget papers.

**Honiara foreshore** – the Committee is aware that the ministry is undertaking consultations to draft a bill that will revert back all foreshore areas back to customary landowners. The committee is concerned on the implications of this proposal regarding future development and ownership of such areas across the country.

The ministry confirmed that the Honiara foreshore is already subdivided into plots and are registered to various persons while shore areas are registered to totally different persons. The proposed policy is to amend the legislation so that the foreshore...
is returned to the customary owners and will prohibit subdivision and selling. Case
laws regarding the foreshore is unclear at this point in time, and therefore, the new
law with resolve this issue.

**Resumption of land** – the Committee acknowledges the Commissioner of Lands for
resuming various plots of land along the Honiara highway and Henderson to facilitate
various infrastructure projects undertaken by the government with the assistance of
donors.

However, the committee is concerned with the phase and the costs involved in the
resumption process. This will delay the implementation of these projects or increase
the cost as the government fails to meet the conditions set by donors in the financing
agreements.

The ministry stated that two options were available to the Commissioner of Lands
(COL) regarding the confiscation of government land. The first is the resumption
process which is based on the grant instrument and will not cost much to undertake.
The COL resuming land along the Honiara highway and assisting the Ministry of
Communication and Aviation with lands at Henderson. The second option is the
compulsory acquisition of the land which is an expensive option because the
acquisition costs are based on the market value of the property. The challenge for the
ministry now is that certain title holders are suing the government with regards to
these seizures.

**Revenue** – The Committee acknowledges the ministry for being proactive in its
revenue collection and notes that the revenue estimate has increased dramatically. The
committee therefore requires an explanation for the sudden increase.
The ministry stated that they have taken a new approach in collecting revenue arrears by putting out notices encouraging those who leased lands from the government to pay their dues on a timely basis. The next activity is to visit residences within Honiara to assist residents to pay their dues.

A taskforce was formed to review the land lease rates as most of those in the CBD have not been reviewed for a very long time and the current rates are very low as $150 per year. A major exercise for the ministry is to review the lease rates. Logistics will be a challenge, and therefore, the ministry is requesting two vehicles from the MOFT and MID. A database funded by DFAT and administered by Ministry of Justice and Legal Affairs will be utilised to record the data that will be acquired during the review process.

86 Ministry of National Planning and Development Coordination

Mission Statement
The ministry’s vision is that all Solomon Islanders participate meaningfully and effectively in national planning and development in the spirit of partnership and nation building. The Ministry has 42 staff.

Priority areas include:

- Completion of Monitoring, Evaluation & Learning Policy and Framework;
- Preparation of the 2021 Development Plan and associated Budget.
- Produce the 2019 MTDP Implementation Performance Report.
- Maintain and update the NDS 2016-35 Performance Indicators. Finalise list of National Indicators
- Preparation of the Rolling Medium Term Development Plan (MTDP) 2020-2024.
- Maintain and populate the Aid Management Information Management System (AIMS).
- Prepare and present the Solomon Islands National Voluntary Report at the United Nations.
- Continue preparation for the LDC Graduation
- Manage and support the implementation of the 11th European Development Funds programme (all NAO activities).
- Manage and coordinate the implementation of the Rural Development Programme – Phase 2.
- Completion of 2019 MDPDC Annual Report
- Undertake extensive advocacy with Members of Parliament and Ministry executive staff on what constitutes a NDS development project and the Development planning and budget process.
- Preparation of LDC Transition Strategy and seek SIG Cabinet approval.

**Key Reforms**

- Development planning submission to be project based from 2021/2022. Funding by programme to cease
- Inclusion of development project and expenditure guidelines within SIG legislative framework
- Within PFMA, define development and recurrent expenditure
- Establishment of LDC Transition Unit
## 2020 Budget Summary

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<tr>
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<td>20,500,000</td>
<td>20,109,570</td>
<td>3,779,843</td>
<td>14,686,408</td>
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<td><strong>Total</strong></td>
<td>0</td>
<td>20,500,000</td>
<td>20,109,570</td>
<td>3,779,843</td>
<td>14,686,408</td>
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## Issues of concern

Matters of concern raised by the Committee include the following:

### Project approach

- The Committee supports the ministry in taking the project approach when developing the development budget for 2020.

The Committee is concerned that the funding is not enough to stimulate economic growth and would like to know which of the 61 programs in the budget will contribute to economic growth.

The ministry stated that the projects in MALD including sustainable economic growth and export strengthening program of $9 million are designed to provide sustainable economic growth.

The other projects are in the Ministry of Commerce including the industrial and commercial estate development program of $5.5 million for downstream processing.
The other projects are Makira cocoa processing project, Bonale pineapple project and Mamara Tasivarongo development project, the Tuna onshore development program at Bina harbour of $2.3 million.

Some of the projects will be co-funded by development partners. The key to the success of these programs is the undertaking of feasibility studies and evaluations so that the correct projects are selected for funding and implementation.

The ministry is developing a strategy to forecast all development budget proposals by 2021 and eliminate any uneconomical projects. The funding in the budget is adequate on an annual basis and is based on submissions from ministries.

**100 days policy of DCGA** – the Committee enquired into the progress in the implementation of the 100 days policy in the productive sector and the priority policies to be achieved in 2020.

The ministry informed the Committee that the priorities of the DCGA are not yet implemented. Major priorities of the government will be implemented in 2020.

As of September 2019, only 52% of the development budget was implemented. The bigger projects will be implemented in 2020.

**Tourism sector** – the Committee is concerned that even though the budget for the productive sector has increased, the allocation to the tourism sector is still very low.

The ministry informed the Committee that the Ministry of Tourism has a program currently being funded but due to budget constraints can only be allocated limited amount in the 2020 budget.
**Project allocation** – the Committee is concerned with the budget allocations for projects in the development budget especially if political interference is involved and whether feasibility studies were done before projects were selected for inclusion in the development budget.

The ministry admitted that political interference did take place but the ministry did follow the budget process when recommending projects based proposals from the ministries with evidence.

**Ministry budget** - the Committee notes that ministry’s budget is reduced by about 6% and the development budget has zero allocation. The Committee is concerned that the reduction in the budget will affect the ability of the ministry to meet its reporting obligation to donors and development partners. The following programs could be affected due to non-funding: Rural development program, Threshold Program Preparations under the Millennium Challenge Corporation (MCC), Least developed Country (LDC) graduation strategy and the volunteer reporting for SDG.

The ministry submitted bids for recurrent and development but were reduced. The ministry submitted bid of $13 million for extension and $3 million for commitments but was not able to be funded under this budget. Therefore the ministry will find ways to accommodate the required programs in 2020. These programs are still with the ministry and the capacity development program under EU could be used to assist in the implementation of the programs.

**Development budget** – the Committee is very disappointed that the development budget is still the same as previous years which will make no difference to economic growth and productivity. The budget will not be implemented on a timely basis due
to untimely release of funding by MOFT. The committee expects a strategy from the ministry to address these issues.

The ministry informed the Committee that they will work with the line ministries and agencies to implement projects and will undertake monitoring and evaluation to ensure corrective actions are taken. The major constraints faced include low cash flow, procurement process, capacity in project implementation, procurement plan and budget preparation. The ministry continues to assist ministries with project management workshops, capacity development and training. All these requires a whole of government approach.

87 Ministry of Culture and Tourism

Mission Statement
The Mission of the Ministry is to increase the impact of tourism on economic growth in the Solomon Islands by developing a dynamic, sustainable and private sector driven industry. The Ministry is aware of the fact that sustainable tourism development must be sensitive to the unique cultural and environmental legacy of the nation. It must also empower local communities and bring economic benefits to rural populations by creating jobs and reducing poverty. The Ministry is also responsible for the protection, nurturing and promotion of the Solomon Islands' unique and diverse cultural heritage.
2020 Budget Summary

<table>
<thead>
<tr>
<th>Recurrent Budget</th>
<th>2020</th>
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<th>2018 actuals</th>
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<thead>
<tr>
<th>Development Budget</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SIG</td>
<td>6,325,000</td>
<td>7,824,429</td>
<td>3,729,692</td>
<td>8,503,621</td>
<td>14,934,146</td>
<td>21,822,563</td>
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<tr>
<td>Total</td>
<td>6,325,000</td>
<td>7,824,429</td>
<td>3,729,692</td>
<td>8,503,621</td>
<td>14,934,146</td>
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Issues of Concern

Matters of concern raised by the Committee includes the following:

**Honiara urban revitalisation project** - The Committee notes the ministry has been promoting this initiative in the past and request the status of this project.

The ministry stated that they were part of a committee in collaborating with HCC but the project is now dormant.

**Rebranding** - The Committee is aware that the ministry has done a rebranding exercise as part of the promotion of tourism and wonders what the impact it has on the tourism sector.

The ministry highlighted that the rebranding was rolled out but there were challenges in terms of funding. The aim is to create the demand for tourists to visit the country. NZ had indicated that they will assist, but more can be done by the government to support the exercise.
**Bloody ridge** – The ministry has completed the boundary identification and plans to erect a fence around the perimeter. UXO clearance is yet to be done and there is the need to recruit park rangers in 2020. The challenge is the security for the area.

**2023 pacific games** – A big challenge for the ministry is the need to upgrade the inventory of room that are available to meet minimum standards of accommodation. The ministry will be collaborating with operators and cultural groups to develop a strategy to cater for the requirements of the visitors during the games.

**88 Ministry of Commerce, Industries, labour and Immigration**

**Mission Statement**

The Primary purpose and objectives of the Ministry of Commerce, industries, Labour and immigration is to provide an effective and efficient delivery of services that will enhance, promote and generate growth within the private sector thus creating a vibrant and progressive economy. It is the business of the Ministry to provide Business Services where they are needed and access to financing Solomon Islanders to actively participate and engage in Small and Medium Enterprises. To continuously review its institutional arrangement with a view to build a better, flexible labour market that favours private sector growth ensuring real growth is achieved through the creation of increased business opportunities, creation of employment opportunity, improved product development, equitable participation by both foreigners and local investments, efficient legal and administrative process and the acceleration of technology and industry.
2020 Budget Summary

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<td><strong>Total</strong></td>
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<td>6,233,937</td>
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<td><strong>Total expenditure</strong></td>
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<td>42,084,965</td>
<td>43,090,164</td>
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Issues of Concern

The Committee raised the following issues:

**SME** – The Committee requests information on the number of SME that the Ministry supports and the type of support given.

The Ministry stated that the SME program is at its initial stages and the drafting of the SME bill is progressing. The drafting instruction is finalised for Cabinet approval.

SME support services are created and a SME development centre is located in Gizo.

A financial support scheme is with CBSI currently at a value of $11 million. The requests for funding is still low with only 8 businesses nominated for the scheme to access $3 million. The scheme is extended to Credit Corporation and BSP Finance to enable clients to have more choice of financial institutions.

The revival of DBSI will enable SME to have access to more credit and will complement the scheme.
The ministry is promoting the scheme through advocacy and link up with SICCI and ISIA. This should make the scheme more transparent and stakeholders will be aware of the processes to follow when applying for loans through the scheme.

The policy is to support SME start up by providing capital and a new business development agency will be set up under the new law. The scheme has to be relevant to the context of Solomon Islands.

**Industrial development centre** – The ministry informed the Committee that the program provides assistance to industrial centres in some parts of the country. The Bina pineapple project’s technical study is almost complete. A project on pharmacy related products is currently being studied for Malaita in collaboration with Ministry of Health. A cocoa processing venture is being developed in Makira which will see construction starting in 2019.

**CEMA** – The Committee is aware that CEMA has received a clean audit opinion on its latest annual financial statements. The Committee commends CEMA for the good work they have done and enquired into the future prospect of CEMA.

The ministry stated that the revitalization policy on CEMA by consecutive governments have been stalled for a while. This year, the sub-committee under the OPMC responsible for CEMA becomes active again and at this stage a chairperson has been appointed. This sub-committee will continue on from where they left off from previous government. The draft report on the revitalisation is already with Cabinet and will be implemented when it is approved by Cabinet.

**Project Targeting** – The Committee has been informed that for 2020, the number of projects that the ministry is going to be engaged in have been reduced to only five and
that the ministry has eliminated non-performing projects and only concentrated on viable projects. Those projects under the 2020 budget are the ones that are feasible to achieve and that is the new strategic approach that the ministry will take next year.

The ministry will focus on marketing and downstream processing such as the pineapple project in Malaita and cocoa project in Makira. There will be research on markets for kava, coffee, ginger and other potential products in collaboration with other ministries such as Agriculture and Fisheries.

**Foreign Investment** – The Committee is concerned about the growing number of foreign investors who are taking over the businesses that were reserved for locals and displacing them from employment.

The ministry informed the Committee that the Foreign Investment Division has dealt with the issue by producing a cabinet paper. As a result of that cabinet paper, the ministry now has reserved retail businesses for the locals. The ministry also stated that the challenge that they now face which is a new trend is that, these foreigners turn to marry locals which is out of the ministry’s mandate to deal with such situation. The ministry has stepped up its inspection and compliance checks and has issued notices to foreign investors the intention to cancel their licences if they breach the regulations.

The Committee is concerned that government ministries and agencies are not talking to each other and therefore, the private sector is negatively affected.

**Revitalization of Agriculture Industry (Cocoa)** - The Committee commends the ministry for coming up with the Makira Cocoa Processing Project. It has come to the notice of the Committee that the exportation of cocoa beans has been reduced over the years. The Committee also emphasize on the need for the Ministry to take a serious
look into the Noni and Kava industry, and maybe to provide some incentives for such small business initiatives.

**Downstream processing and value added projects** – The ministry informed the Committee that they are looking into such initiative in particular for such products such as coconut and fish.

**VISA** – The Committee is aware that Pacific Labour Mobility Scheme has been rolled out but those who want to be part of that scheme seems to have problems with their visas. In light of that, the Committee also understands that Solomon Islands have visa waiver with a number of countries and so should extend this arrangement to countries like Australia and New Zealand for the purpose of this Pacific Labour Mobility Scheme.

The Ministry further stated that those existing visa waivers are just for short term only, mainly for visitors and short term consultants.

**SME** - The Committee requests an update on SME that the ministry supports and the type of support given.

The ministry stated that the SME program is at its initial stages and a draft SME legislation is progressing. The drafting instruction is finalized for Cabinet approval. The ministry is hoping to bring this piece of legislation to Parliament on the first sitting next year.

Additionally, the policy is to support SME start up by providing capital, and a new business development agency will be set up under the new law. The guarantee scheme
being facilitated by the CBSI and commercial banks is still operational. The commencement of operations by DBSI will allow SME to access start-up capital.

**Recommendation 7**

The Committee recommends that the Ministry of Commerce in collaboration with the Ministry of Agriculture procure solar domes and offer trainings to local farmers as part of a push to improve quality of export.

**Recommendation 8**

The Committee recommends the Ministry of Commerce collaborate with productive sector ministries in building the capacity of SMEs.

**Suava Bay project** – the ministry confirmed that the land for this project is secured and the access road is completed and used. The next state is to undertake a survey of the area and build a market centre. The aim is to facilitate the setting up of SME in the centre.

**Citizenship program** – The Committee was informed by OPMC that a consultancy firm has done an assessment regarding this program.

The ministry stated that they are part of the taskforce that deals with this program which includes Ministry of Home Affairs. A number of consultancy groups have expressed interest to take part in the program. The government must be cautious due to the risk of abuse by unscrupulous dealers. The ministry is yet to sight a report on the assessment being done.
89 Ministry of Communication and Aviation

Mission Statement
The Ministry aims to rehabilitate and upgrade all Civil Aviation infrastructures and facilities throughout the country and provide efficient, effective and reliable Communication and Civil Aviation Services that are timely, accurate, safe and secure while meeting all regulatory requirements.

2020 Budget Summary

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**Development Budget**

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<td><strong>Total</strong></td>
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<td>63,190,634</td>
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</table>

Issues of Concern
The Committee raised the following issues:

**Provincial Airports** - The Committee commends the ministry for the upgrading of Seghe airport as this will boost tourism. However, the Committee is concerned that the other airports around the country are not included in the rehabilitation plan such as: Balalae, airports in Malaita, Avuavu, Babanakira in Guadalcanal and Anuha in Central.

The ministry claimed that Balalae airport land ownership was transferred to Famoa Association some seven years ago. Donors are not comfortable with funding privately
owned airports. The policy of the government is to acquire the airports and then source funding to rehabilitate them. The plan is to acquire at most two airports a year. The ministry will deal with Parasi and Gwanaru in 2020.

The ministry has visited the following airports during the year to assess them: Avuavu, Babanakira, Anuha and Yandina. At this stage 10 airports are owned by SIG, 13 are leased, and 14 are disused. The strategy is to rehabilitate all SIG owned airports first and then acquire the privately owned. This will then enable the ministry to secure donor funding to continue with the upgrading of the airports.

**Air services licensing** - The ministry assured the Committee that the process to acquire a license to operation airline business in the country is very easy. The challenge is the availability of land for the investors to operate from. The operators need hangers, and designated areas to operate from. Once the airport company becomes operational then this issues be resolved quickly. So far the ministry has taken back about four plots of land and is processing the acquisition of another with the assistance of the COL.

**Solomon Islands Airport Corporation** – the Committee acknowledges the progress made by the ministry on this project.

The ministry stated that the airport company will commence operations in 2020.

**Henderson airport upgrade** - The ministry assured the Committee that this project is on track with the resumption of land around the airport to enable the implementation of the airport upgrade project. Land allocation on the airside is secured and the ministry is processing the resumption of the land from the old American tower to the Sun Valley area. The US$33.8 million project will include the domestic terminal, departure terminal and arrival terminal. There will 2 floors and the taxiway will
accommodate four aircrafts. The current domestic terminal will be used by operators. The project is expected to take 33 months to complete, by June 2022.

Munda airport – the ministry informed the Committee that the project design for the airport is on its final stages so that implementation can take place. The airport continues to operate with visitors arrival increasing. A make shift terminal is in use. The following facilities still require: a fuel depot which SPOL will provide in 2020. Tree obstruction during night flight are yet to be resolved and the ministry is negotiating with Dude Council of Chiefs to resolve this. The World Bank fund will build the overlay and the terminal.

Air traffic controllers - The ministry has signed MOU with various PNG entities including PNG National Airports Corporation, Air Accident Service, and Maritime Rescue Service to provide capacity development to the ministry in air traffic control, firefighting and inspection. Once the airport company is operational then it can buy these services any reputable service provider. The ministry has already interview a CEO candidate for the position and is in the process of recruiting other key positions in order to operate in 2020.

Land acquisition - The Committee is concerned that the delay in the acquisition or resumption of land around the airport area will delay the implementation and the completion of the airport upgrade.

The ministry assured the Committee that the resumption process is progressing well. The cost involved depends on the value of the improvements made to the land. The cost ranges from $400,000 to $3 million. If the matter is taken to court then the cost could be minimal. The ministry prefers to negotiate with the land owner.
**Solomon Airlines** – the Committee is concerned with the air worthiness of the airline currently operated by Solomon Airlines.

The ministry assured the Committee that the aircraft is very safe to use. It has gone through very rigorous maintenance and inspection process annually and every four years in Singapore, Philippines and Australia. The regulator uses reputable international inspectors to inspect the aircraft before certifying it. The aircraft is now owned by the airline and it will be sold soon so that a new one is leased from New Zealand.

**Legislative reform** – the ministry confirmed that the following Act were review; Postal Act, Aviation Act and TCSI Act. The next to be review is the TV Act. This is necessary in order to modernize the legislative framework.

**Telecommunication Commission Solomon Islands** – The Committee is concerned that the charges (data, voice, and SMS) by Solomon Telekom and Bmobile Vodafone are very expensive for users. There is a need for the regulator to monitor and regulate this.

The ministry encourages customers to raise their complaints with regulator as they have the right raise issues of concern with TCSI.

The Committee views that the Commission review the charges imposed by the telecommunication companies and the services offered.
90 Ministry of Fisheries and Marine Resources

Mission Statement

The Ministry of Fisheries and Marine Resources (MFMR) leads the challenge to sustainably manage and develop the nation’s offshore and coastal fisheries, is active in promoting Community Based Resource Management, and aims to contribute to the sustainable management of the region’s offshore marine resources.

The MFMR strives to provide an effective and efficient service to all stakeholders, promote government inter-agency cooperation and act as the focal point for national capacity building, research and development within the sector.

2020 Budget Summary

<table>
<thead>
<tr>
<th>Recurrent Budget</th>
<th>Budget</th>
<th>Prelim actuals</th>
<th>Actuals</th>
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| Budget Support            |              |                |          |          |          |
| Income                    | 3,820,000    | 7,868,496      | 4,512,891 | 6,546,038 | 5,977,682 | 6,118,578 |
| Expenditure               |              |                |          |          |          |
| Payroll                   | 144,681      | 485,540        | 347,392  | 865,705  | 801,551  | 831,206 |
| Other Charges             | 3,675,319    | 7,382,956      | 4,176,739 | 5,166,601 | 4,984,296 | 5,130,351 |
| Total                     | 3,820,000    | 7,868,496      | 4,524,131 | 6,032,306 | 5,785,947 | 5,961,558 |

Development Budget

| STG                        |              |                |          |          |          |
| Total                      | 10,300,000   | 4,700,000      | 2,222,942 | 3,994,797 | 16,762,824 | 24,675,682 |
| Total expenditure          | 35,611,930   | 36,454,906     | 22,864,948 | 27,875,143 | 43,828,155 | 46,173,229 |

Issues of Concern

The Committee identified the following matters of concern:
**Sea cucumber** – The ministry confirmed to the Committee that harvesting and exporting of sea cucumber is currently in place. The ministry is collaborating with communities in Marau and Ngella to breed the animal and grow them in the reef with the assistance of Japanese government. The research and monitoring by the ministry indicates that this is a viable project that will increase the population of the farmed animal in future. This will provide sustainability to the stock in future.

**Vessel day scheme** - Solomon Islands 3000 VDS for sale in 2020. Pacific Community predicts that more fish will be available in the Eastern Pacific than Western Pacific due to the La-Nina and El-Nino effects. This means there will be less fish in Solomon Islands EEZ during 2020. The challenge for Solomon Islands the selling of its allocated vessel days. The ministry’s strategy regarding this issue is to engage in ‘pooling’ of days with other Parties to Nauru Agreement countries. Currently Solomon Islands is selling at US$10,000 per day and can negotiate to increase the rate to US$12,000 per day.

**Bina harbour project** – The Committee expressed concern regarding the funding of the whole project and wants to know for certain if there are investors who have already committed to this project.

The ministry assured the Committee that three donors who have expressed genuine interest. These donors include the NZ government, International Finance Corporation and Australia. The areas of investment by these donors include; infrastructure (wharves and roads), communication (internet and phones) and energy (power and water). The ministry expects the government and other donors will provide some assistance in future.
Tilapia hatchery project – The Committee enquired into the objective and the purpose of this project. The ministry stated that the objective of the hatchery is to reproduce a new species of tilapia and distribute them to farmers for food security.

The project will initially target about 30 existing farmers in Malaita highlands and Guadalcanal.

With regards to Lake Tengano, a feasibility study was done and the finding will determine the course of action that the ministry will take. The reduction in stock indicates over harvesting. One possible remedy is to repopulate the lake with new species that will be farmed at Aruligo.

In regard to other species of fish in particular reef fish, the ministry will deal with tilapia first and then develop a strategy to target the Vanuatu market since their reef fish is poisonous and unfit for consumption.

The Committee is aware that the tilapia stock in Lake Tengano in East Rennell is depleting due to pressure from the increasing population of seagulls.

91 Ministry of Public Service

Mission Statement
The Ministry of Public Service is the employer body for Solomon Islands public officers. It is the Secretariat for the Public Service Commission, the Judicial and Legal Services Commission and the Police and Prison Service Commission. The Ministry oversees the regulation of condition of service for public officers, deals with
manpower requirements of Ministries and has an important role in coordinating training and development activities across the whole of the public service. Also the Ministry is responsible for the public service reforms and quality management that foster and enhance a knowledge workforce that is effective and responsive to the needs of the State and the people of the Solomon Islands.

2020 Budget Summary

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<tr>
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<th>Actuals</th>
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<td>28,443,519</td>
<td>30,653,855</td>
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Issues of Concern

The Committee identified the following matters of concern:

Disciplinary process - The Committee notes with concern the lengthy process regarding the hiring and firing of public officers.

The ministry confirmed that the process is very slow. The Public Service Commission has the overall authority. The power to discipline officers of L7 to SS3 is delegated to the Permanent Secretary of Public Service. The disciplining of officers of Level 6 and below is delegated to the permanent secretary and heads of ministries and government agencies. The permanent secretaries have request additional delegated powers from the PSC but this was refused in the past. This may be delegated in the future under the proposed new legislation. The ministry recommends that each
establish a disciplinary committee to deal with disciplinary matters. The ministry will develop a disciplinary manual to guide the ministries.

**Nurses' migration** – the migration of nurses to Vanuatu has a negative impact on the staffing in NRH as 90% of the resignations are from the hospital. It usually takes 6 months to upskill officers to fill the gap created by the resignation of the experienced nurses so they are required to serve out their notice period.

**Recruitment of health professionals** – the Committee is concerned with the slow processing regarding the recruitment of health professionals.

The ministry states that the recruitment process has already been delegated to the ministries to administer. Internal processes in the ministries could be the main reason for the slow process. The process of recruiting health professionals such as radiologists, lab technicians, nurses and paramedics are usually slow due to inefficiencies in the ministry. Recruitment and selection is decentralised to ministries and the slow process could be due to poor performance by responsible officers or the position is not required.

**Long service benefit** – the committee notes that LSB is taxed and there is a need to review this so that it could be exempted from tax. The other issue is that the rate is ten years old need to be review in view of the high cost of living. A high wage commission should be established to deal with this.

The ministry discuss the issue with the responsible agencies of government.
## Mission Statement

We will deliver transparent, accountable and effective justice services which protect the fundamental rights and freedom of all people in the Solomon Islands.

### 2020 Budget Summary

**Justice and Legal Affairs**

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### Development Budget

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Public Accounts Committee Report: December 2019
NATIONAL JUDICIARY

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Budget Support

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Development Budget

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<td>25,127,384</td>
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Key Programs and Activities in the Budget:

- Ministry restructuring (functional review)
- Legal Profession Bill, Tribal Land Panels Bill, Youth Justice Bill, Bail Bill, Sentencing Bill are submitted to Parliament for deliberation
- Enactment and implementation of Alternate Dispute Resolution (ADR), National Judiciary Self Autonomy Bill, Remunerations of Constitution Post Holders (Magistrate, DPP, PSO, Chair LRC)
- Ministry’s website developed, endorsed and launched
- Construct and maintenance of Infrastructures (Justice Precinct, Increase High & Magistrate Court Rooms, PSO Lata, DPP & PSO Kirakira, PSO/DPP Gizo)
- Acquisition of land and extension of Magistrate, PSO and DPP offices to Isabel and Choiseul
- Timely legal advice is provided to people in need and the public is effectively and efficiently represented in Magistrate Court, High Court, Court of Appeal, and Trade Disputes Panel
- 9 Provincial tours are conducted to provide legal representation of accused people in the relevant court centres
- 3 Provincial Awareness tours are conducted purposely to promote and educate the public of their legal rights and the services provided by the Public Solicitors Office (PSO)
• Awareness materials (brochures, pamphlets, booklets, radio awareness program) are developed, updated, printed, distributed and aired on the radio
• High quality, defensible, accurate, timely, impartial legal services are provided and delivered to the crown and the people of Solomon Islands
• 9 Provincial tours are conducted to assist Provincial Governments to draft ordinances, provide legal advice when ever needed, and represent the Provincial Governments on civil matters
• Handy small booklets of the Constitution, selected laws, and Civil Procedure Rules are printed and made accessible to the lawyers
• Cases disposed off, advice attended to, training completed and monthly reports produced/published
• Statistic reports produced on disposed cases and new cases files received
• Relevant policies (specifically Internal ODPP Policy on prosecution of sexual offences to support SIG’s policies on gender violence, Handling domestic violence cases and prosecution under the Family Protection Act, Internal Anti-Corruption and Money-Laundering policy, Prosecution of Public Health matters (Tobacco Act), Prosecution of Election cases (Electoral Act)) formulated and developed
• Awareness workshops on knowledge of rights & responsibilities and the role of the DPP in delivering justice are conducted
• Penal Code Offences consultations conducted and report produced and submitted to Government for action
• Provincial Awareness workshops on offences conducted in Western, Choiseul, Isabel and Makira Provinces
• Awareness materials (Radio program and consultation papers) developed, aired on the radio and distributed during the Provincial Awareness workshops
• The existing Land Registration System is improved
• A secure system for registration of Intellectual Property Rights and maintenance of records is established
• A secure system for registration of Copyrights and maintenance of records is established
• The Registry to administer and register Trade Unions is updated and improved
• The Unrepresented Estates Registry is improved and updated

Issues of Concern

The ministry provides written submission to the committee
93  Ministry of Home Affairs

Mission Statement
Empower people to shape political future upon ethical leadership, professionalism and a governance culture that recognizes diversity in traditional cultures, values and the dignity of our people – government – stakeholder relationship.

2020 Budget Summary – Home Affairs

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Development Budget

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Issues of Concern
The ministry provides written submission to the committee.

94  Ministry of Traditional Governance, Peace and Ecclesiastical Affairs

Mission Statement
Protect and promote worthy culture, customs and values, and foster national Unity through appropriate Peace building Stakeholders’ partnership.
## 2020 Budget Summary

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<tr>
<th>Recurrent Budget</th>
<th>Budget</th>
<th>Prelim actuals</th>
<th>Actuals</th>
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| Development Budget |        |                |         |    |
| SIG               | 0      | 0              | 522,942 | 5,188,280 | 8,490,107 |
| Total             | 0      | 0              | 522,942 | 5,188,280 | 8,490,107 |

Total expenditure: 30,400,366 | 17,552,734 | 12,893,098 | 16,165,164 | 19,480,083 | 25,559,905 |

- There are no programs or activities for this ministry as, no development estimates are available to them.
- The Ministry’s key programs in 2020 will include:
  - Peacebuilding and Post Conflict Rehabilitations programmes
  - National Consciousness and Unity
  - Traditional Governance Systems and Structures
  - Our Organic Traditions and Cultures
  - Infrastructure and Communication Development
  - Corporate and Administration Services
  - Policy, Planning Programme Development
  - Key activities to be undertaken by the Ministry in 2020 will include:
    - Continuous consultation of the TGCFC Bill as per the BLC Report of 2018;
    - Facilitate empowerment workshops to chiefs and traditional leaders;
    - Support and facilitate empowerment and institutionalization of Ecclesiastical Institutions (SICA and SIFGA) and processes;
    - Continuity with draft and to be finalized Policy for Peace Reparation and for commencement of Reparation Bills process as per TRC Recommendation;
    - Pursuance of a National TA to do initial scoping and awareness program in the process to draft the Policy on Peace Reintegration or DDR (Demobilization, Disarmament and Reintegration);
    - Undertake key identified peace reconciliations in partnership with Churches and traditional leaders;
    - Undertake peacebuilding learning and development for officers and stakeholders to external institutions;
    - Undertake research capability with SINU;
• Continue pursuance of partnership in implementation of UNDP’s peacebuilding programming with MTGPEA;
• Continue pursuance of ministerial HR needs and outstanding matters including the review of the HR Development Plan 2013 - 2017;
• Propose review of the National Peacebuilding Policy and continuity of engagement of National Peacebuilding Advisory Committee (NPAC);
• Continue to pursue dialogue with Bougainville traditional leaders for reconciliation

Issues of Concern

The Committee identified the following matters of concern:

The ministry provides written submission to the committee.

Recommendation 9

The Committee recommends that the Ministry of Traditional Governance be allocated adequate funding to conduct a comprehensive nationwide consultation on the Tradition Governance Bill before reintroducing it to Parliament.

95 Ministry of Mines, Energy and Rural Electrification

Mission Statement

To develop and manage the natural non-living resources of Solomon Islands, for the social and economic benefit, advancement and well-being of the people of Solomon Islands, now and for the future.
2020 Budget Summary

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**Development Budget**

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**Issues of Concern**

The Committee identified the following matters of concern:

**Geo-tech lab** - The Committee enquired into the state of the geo-tech lab and if the lab is used to determine the grade of bauxite ore or whether the ministry is relying on independent third party for this service.

The Geo-Chemical laboratory requires upgrading and the ministry requested $16 million but was only allocated $3 million to upgrade the laboratory. The current analytical machines are inefficient and the ministry is trying to procure few more. The ministry is approaching the upgrade in three phases and the $3 million in next year's budget is to upgrade the equipment. The old machine can be traded in for a new machine to improve the analysis undertaken by the ministry. The third phase is to develop a geo science laboratory. The ministry is in dialogue with other government agencies with the hope of establishing a national laboratory.

With regards to the lab analysis, at the moment, the division has been able to carry out simple analysis and inspection of samples from the Mines Division.
**Bauxite price** – On the bauxite price, the ministry in consultation with the Attorney General are in the process of gazetting the price which will be based on stock market price. The current market price is around US$30 per tonne while the price currently used by the miner ranges from US$8 to US$10. But it will depend on the fluctuation on the market price.

**Nickel mining in Isabel** – When Axiom applied for its mining lease in 2016, it only submitted a scoping study instead of a feasibility study which is a standard mining practice internationally. So when the mining lease was granted last year it was granted with conditions, the conditions that Axiom must fulfil before commercial production can start. But what happened is that until today Axiom has not fulfilled those conditions. Those conditions are very, very important. The business licence issue with Isabel province is a minor issue. Axiom will be issued an export permit once all conditions are met.

The same story happened in Rennell so the ministry is working on it as well. The mining agreement for Rennell is due for review so the ministry is looking at that opportunity to rectify the situation in Rennell.

**Mining bill** - The ministry has already submitted the fourth draft of the new Mining Bill to the AG in June 2019. The ministry is working on the regulations as well and expect to table the bill in Parliament in 2020.

**SIEA tariff** – The Committee is concerned with the high tariff imposed by SIEA on its customers. The committee is of the view that SIEA should reduce the tariff to an affordable level.
Solomon Power was insolvent in 2011. The SISEP project, the SOE Act and SOE regulations rescued SIEA. The SISEP project is the Solomon Islands Sustainable Energy Project funded by the World Bank funding of US$11 million and Solomon Power contributed US$8.2 million. Since then SIEA is investing in major infrastructure projects including solar and other renewables with the aim of generating cheaper power in the future. SIEA tariff was last review in 2017 and is due for review in 2020. Solomon Power expects a massive reduction on the tariff in 2024.

**SIEA customer base** – The Committee enquires into the customer base for SIEA in Honiara and the expected capture rate going forward.

SIEA has 20,500 customers in the country and the target is to make it 30,000 by 2023 and nearly 80 percent of those customers are in Honiara. The targeted 30,000 customers by 2023 will represent 25 percent of the population of the country and 75 percent of the population of Honiara. Currently, about 65% of the people in Honiara have access to electricity, and with the extension of the networks and with the OBF program funding by World Bank, SIEA is very confident that by another three years, 75% of the people in Honiara will have access to electricity.

**Gold ridge mining** – The Committee notes that company has announced an investment of US$850m but it is not clear if this is for purchase of shares.

The ministry’s understanding is that it requires around US$150m to US$180m to operate a mine. The ministry is also aware that the current operation is open pit. There is so much that the company is yet to show for to be able to convince even the Ministry. They said that phase 2 will be underground mining. The ministry is of the view that probably they will, as they declared, use USD$150million for the first phase and the rest for the second phase, which is underground. The Ministry is yet to finalize its
review on the feasibility study at the moment of their view to extract only concentrates and not gold bars. The ministry is yet to make submissions to Cabinet to advise the government whether to go for concentrates or to go for gold bar, factoring the life of the mine and the viability of the mine.

97 Ministry of Women, Youth and Children's Affairs

Mission Statement
In Partnership with the people of Solomon Islands to uphold and promote the rights of women, young people and children and families to advance the wellbeing of the nation.

2020 Budget Summary

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Development Budget

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<td>SIG</td>
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<td>1,120,708</td>
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<td>1,958,855</td>
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Issues of Concern

The Committee identified the following matters of concern:

Youth development program – The ministry intends to develop youth centres in two big provinces in 2020 to enable them to run youth activities and promote youth@work. The program will capacity develop standard 6 and form 3 leavers, initiate income
generating businesses, provide bridging courses through RTC and APTC and bridging loans. This will then lead to employment and entrepreneurship.

**Youth database**– The Ministry confirmed that a database has been created to capture TVET, RTC and SINU trade graduates profiles. The ministry is collaborating with MFAET so that the database is linked to the labour mobility scheme. The ICTSU is assisting with the development of the database with the advice of an expert from Australia.

**Youth unemployment** - The Committee is very much concerned about the ever-growing number of unemployed youth in urban centres. The Ministry admitted that this is a major issue. 18,000 youths are in the system each year. Only about 4,000 find employment each year. The Ministry is developing a youth policy for Cabinet consideration.

**UN conventions** – the ministry has ratified or about to ratify the various UN conventions relating to women, youth and children.

98 **Ministry of Rural Development**

**Mission Statement**
The mission of the Ministry is to create and manage an effective information centre of all constituencies for planning and development purposes. More so, the Ministry’s responsibility is to distribute and monitor resources allocated to the Ministry and other development stakeholders within Government, Donor agencies and non-government organizations to ensure fair and equitable development at the local level especially in the rural areas. Ultimately to ensure that Rural Solomon Islanders (80%
of Solomon Island’s population) actively participate in the social and economic development of Solomon Islands to improve standard of living and quality of life.

**2020 Budget Summary**

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<td><strong>Total</strong></td>
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<td>145,000,000</td>
<td>78,318,990</td>
<td>319,842,818</td>
<td>373,954,016</td>
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**Issues of Concern**

The Committee identified the following matters of concern:

**Constituency staffing** – The Ministry confirms that 150 positions have already been filled. The ministry is in the process of fill the 19 vacant position. The delay is due to the non-provision of compulsory documents by the applicants.

**CDF budget** – The Committee requested if the 6 MPs will be excluded from receiving the PRC funding. The Committee enquired into the conditions imposed by PRC regarding their contribution to the CDF.

The ministry believes that the funding is for all 50 constituencies was already processed for all the 50 requests for funding. It did however, received a Caucus conclusion directing that the grants for the 6 MP be delayed.
The ministry confirms processing payments for $55 million with $1.1 million per constituency and understands that payments are not yet made to constituencies. The PRC funding is focused on income generating projects, small infrastructure projects for health and education but will not be for compensation payments, Christmas parties, funeral expenses and consumptions. A workshop will be organized to explain the requirements of the PRC funding.

The Committee notes with serious concern regarding Caucus conclusion to delay and exclude the six (6) Malaita MPs CDF entitlement in the 2019 fiscal year.

**CDF Act** – the Committee is concerned with the delay in the implementation of the CDF Act and the regulations.

The ministry stated that this is a priority for them. A report on the review of the Act and the regulations was already completed. The ministry will work with the Ministry of Finance to move this reform forward.

**99 Ministry of Environment, Climate Change, Disaster Management and Meteorology**

**Mission Statement**

- To improve and strengthen the national institutional and administrative capacity of the division to be able to promote the protection, conservation and sustainable management of the use of the environment and natural resources of Solomon Islands.
- To provide an enabling environment for the socio-economic development of the Solomon Islands through application of necessary safeguards with regards to:
sustainable use of natural resources; the provision of meteorological services; reducing the risk and impact of climate change and other hazards to communities; and leading and managing disaster preparedness and their consequences.

2020 Budget Summary

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Development Budget

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<td>7,960,000</td>
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<td>3,753,195</td>
<td>2,375,623</td>
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Key Programs and Activities in the Budget

- Various key Ministerial activities and reform are forecasted for 2020 financial year to address its DCGA policy areas.

Environment & Conservation

1. Finalize Environment Amendment Bill and bring to Parliament.
2. Control and Monitor Prescribed Developments.
5. Implement measures to control international trade in wildlife.
6. Manage world heritage site, protected areas and improved biodiversity conservation & protection measures and efforts.
Solomon Islands Meteorological Service
1. Expand and sustain adequate observations sites with the required quantity and quality for all meteorological services (including climate) including automatic weather stations.
2. Further the development of multi-hazard early warning system.
3. Upgrade all communication infrastructures.
4. Continue with improving weather observation and forecasting services.

Climate Change Division
1. Prepare climate change bill.
2. Revise National Climate Change Policy, Nationally Determined Contribution and Third National Communications (requirements of the UNFCCC and the Ministry has secured external resources to support the development of these planning documents).
3. Continue with promotion of low-carbon technologies in rural areas.
4. Province wide Integrated Vulnerability and Adaptation (V&A) assessment in the provinces in Malaita and Central Provinces.

National Disaster Management Office
3. National Emergency Operations Centre (NEOC) and the National Joint Warning Centre (NJWC) constructed in Honiara.
4. Start construction of Provincial Emergency Operation Centre (PEOC) in Buala, Isabel Province.
5. Install Western Province PEOC Site retaining wall.

National Programme Management and Coordination Unit (PMCU)
1. Support the coordination and management of development projects and programmes under MECDM.
2. Coordinate, support and facilitate the programming of GEF (and other Climate Change and Environmental Funding mechanism) priorities (currently working on programming of GEF7 priority focus areas).
3. Support the Green Climate Fund (GCF) National Designated Authority (NDA) in coordinating and supporting programming of Solomon Islands’ Climate Change and Development priorities for submission to GCF for consideration and funding.
4. Monitoring and Evaluation of projects and programmes under MECDM.
5. Construct the new Ministry of Environment Head Quarter.
Issues of Concern

The ministry provides written submission to the Committee
4.0 APPENDICES

Minutes of Proceedings

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

PUBLIC ACCOUNTS COMMITTEE

Minutes of Proceedings
Committee Hearing into the 2020 Appropriation Bill 2019

Day 1 /2019

Tuesday 19th November 2019, CR II, Parliament House 10:05 am

1. Members Present
Hon Douglas Ete, Chairman
Hon Robertson Galokale, MP
Hon. Rick Houenipwela, MP
Hon. John Maneniaru, MP
Hon. Rollen Seleo, MP

Secretary: Mr. Peter Lokay- Auditor General

Secretariat
Mr. Heston Rene, Committee Secretariat
Ms. Cordney Wale, Committee Secretariat
Mr. Wilson Anii, Committee Secretariat
Mr. Roland Sikua, Research
Ms. Theresa Nori, Hansard Reporter
Mr. Marlon Keni, Hansard Reporter
Mr. Greg. K, Hansard Reporter
Mr. Lawrence Scott, Senior Media Officer

2. Welcome and Opening Remarks
The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

3. Inquiry into the 2020 Appropriation Bill 2019
The Hearing proper commenced and the following witnesses from the Central Bank of Solomon Islands were admitted:

Public Accounts Committee Report: December 2019
**Hearing 1 Witnesses**

i. Ms. Patricia Samani, Senior Analyst  
ii. Ms. Louisa Baragamu, Senior Analyst

The witnesses made their presentations before the committee.  
The committee questioned the witnesses based on the evidences presented.  
The examination concluded

_Hearing suspends for lunch at 11:14am_

The Hearing proper resumed at 11:30m and the following witnesses from the Ministry of National Planning & Development Coordination were admitted:

**Hearing 2 Witnesses**

i. Mr. Lottie Vaisekavea, Program Manager, MNPDC  
ii. Ms. Tammie Joshua, Deputy Director, MNPDC  
iii. Mrs. Judith Sisiolo Vava, Financial Controller  
iv. Ms. Serena Tabiru, PPO, MNPDC  
v. Mr. Samuel Wara, Director, MNPDC  
vi. Mr. Falton Tetege, Director (Ag)  
vii. Mr. Samuel Aruhu, Director, MNPDC  
viii. Mr. Roy Mae, US/PDCM, MNPDC  
ix. Mr. Tony Patridge, TA, MNPDC  
x. Mrs. Gladys Asitewa, HRM, MNPDC

The witnesses made their presentations before the committee.  
The committee questioned the witnesses based on the evidences presented.  
The examination concluded.

_Hearing suspends at 1:15pm_

The Hearing proper resumed at 2:30pm and the following witnesses from the Ministry of Agriculture & Livestock Development were admitted;

**Hearing 3 Witnesses**

i. Mrs. Ethel Frances, PS, MAL  
ii. Mr. Michael Ho’ota, UST (Ag), MAL  
iii. Mr. Barnabas Kega, Director, MAL  
iv. Mr. Peter Tretma, Director, MAL  
v. Mr. Andrew Melanolu, Director (Ag), MAL
The witnesses made their presentations before the committee.
The committee questioned the witnesses based on the evidences presented.
The examination concluded.

_Hearing adjourned at 3:30pm_

4. Adjournment:
The committee adjourned hearing at 3:35pm

5. Documents Tabled

Minutes of Proceedings
Committee Inquiry into the 2020 Appropriation 2019

Day 2 /2019

_Thursday 28th November 2019, CR II, Parliament House 1:38pm_

1. Members Present
Hon Douglas Ete - Chairman
Hon. Robertson Galokale, MP
Hon. Matthew Wale, MP
Hon. Rick Houenipwela, MP

_Secretary: Mr. Peter Lokay- Auditor General_

_Secretariat_
Mr. Whitmon Tabiru, Committee Secretariat
Mr. Gregory Fineanganofo, Committee Secretariat
Ms. Ivory Iruha’a, Committee Secretary
Mr. Rolland Sikua, Informations Services
Mr. Boniface Supa, Informations Services
Ms. Theresa Nori, Hansard Reporter
Mrs. Arol Kimi, Hansard Reporter
Ms. Hazel Fafale, Hansard Reporter
Mr. Greg Kinimete, Hansard Reporter
Mrs. Esther Turangaluvu, Hansard Reporter
Mr. Lawrence Scott, Media Officer

2. Welcome and Opening Remarks
The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.
3. Inquiry into the 2020 Appropriation Bill 2019
The Hearing proper commenced and the following witnesses from the Ministry of Finance & Treasury were admitted:

Hearing 4 Witnesses

i. Mr Makini Dentana - Permanent Secretary
ii. Mr Coswal Nelson-Director, Budget Unit
iii. Mr. Bruce Philip – Accountant General
iv. Mr Jim Sutton – Comptroller Customs
v. Mr. Rictor Luaboe – Director, ERM
vi. Mr. Joseph Dokekana – Comptroller Inland Revenue

The witness made his presentations before the committee.  
The committee questioned the witness based on the evidences presented.  
The examination concluded.

Hearing suspends for lunch at 2:30pm

The Hearing proper resumed at 2:35 pm and the following witnesses from the Ministry of Mines, Energy & Rural Electrification were admitted:

Hearing 5 Witnesses

i. Dr. Chris Vehe, PS, MMERE
ii. Mr. Ian Gooden, CEO, Solomon Water
iii. Mr. Pradip Verma, CEO, Solomon Islands Electricity Authority
iv. Mr. Nicholas Biliki, Director of Mines, MMERE
v. Mr. Charlie Bepapa, Director Water, MMERE
vi. Mr. Fred Conning, Project Manager- Tina Hydro, MMERE
vii. Mr. Carlos Tatapu, Deputy Director Geology, Geology Division,MMERE
viii. Mr. Sammy Susuta, HRM,MMERE
ix. Mr. DuffyAko,FC, MMERE
x. Mr. Gabriel Aimaea, DDE, MMERE

The witnesses made their presentations before the committee.  
The committee questioned the witnesses based on the evidences presented.  
The examination concluded.

Hearing suspends at 3:05pm

The Hearing proper continued at 3:10 pm and the following witnesses from the Ministry of Culture & Tourism were admitted:
Hearing 6 Witnesses

i. Mr Andrew Nihopara, Permanent Secretary
ii. Mr Moses Tepai, Undersecretary
iii. Mr Barney Sivoro, Director Tourism
iv. Mr Joseph Tuamoto, CEO Tourism Solomons
v. Mr Lawrence Kiko, Deputy Director National Museum
vi. Mr Steve Apukari, Culture Division

The witness made their presentations before the committee.
The committee questioned the witness based on the evidences presented.
The examination concluded.

Hearing adjourned at 6:35pm

4. Adjournment:
The committee adjourned hearing at 6:35 pm.

5. Documents Tabled
Nil

Day 3/2019

Friday 29th November 2019, CR II, Parliament House 9:45 am

1. Members Present
Hon. Douglas Ete, Chairman
Hon. Matthew Wale, MP
Hon. Robertson Galokale, MP
Hon. John Maneniaru, MP

Secretary: Mr. Peter Lokay- Auditor General

Secretariat
Mrs. Jasmine Waleafeas, Committee Secretary
Ms. Ivory Iruha’a, Committee Secretary
Mr. Heston Renece, Committee Secretary
Mr. Lawrence Scott, Senior Media Officer
Ms. Theresa Nori, Hansard Reporter
Ms. Sherolyn Hagoso, Hansard Reporter
Mr. Greg Kinimete, Hansard Reporter
Mrs. Arol Kimi, Hansard Reporter
Mrs. Esther Turangeluvu, Hansard Reporter
2. Welcome and Opening Remarks
The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

3. Inquiry into the 2020 Appropriation Bill 2019
The Hearing proper commenced and the following witnesses from the Ministry of Forestry & Research were admitted:

**Hearing 7 Witnesses**
i. Mr. Vaeno Vigulu, Permanent Secretary
ii. Mr. Wilfred Atomea, US/Admin
iii. Mr. Jacob Kinai, Legal Officer
iv. Mr. Kevin Alu, Director Operations
v. Mrs. Stephanie Rikoi, Chief Forester-Utilization
vi. Mr. Reeves Moveni, Commissioner of Forest
vii. Mrs. Beverly Maezama, Finanical Controller
viii. Mr. Richardson Raomae, Deputy Commissioner Reforestation

The witnesses made their presentations before the committee.
The committee questioned the witnesses based on the evidences presented.
The examination concluded.

*Hearing suspends at 11:15 am for lunch*

The Hearing proper continued at 1:10 pm and the following witnesses from the Ministry of Communication & Aviation were admitted:

**Hearing 8 Witnesses**
i. Mr. Moses Virivolomo, Permanent Secretary
ii. Mr. Mr. Fred Dola, Financial Controller,

The witnesses made their presentations before the committee.
The committee questioned the witnesses based on the evidences presented.
The examination concluded.

*Hearing suspends at 2:10 pm*

The Hearing proper continued at 2:15 pm and the following witnesses from the Ministry of Infrastructure Development were admitted:

**Hearing 9 Witnesses**
i. Mr. Stephen Maesiola, Permanent Secretary
ii. Mrs. Lorraine Galo, HRM
iii. Mr. Leslie Nate, DME
iv. Mr. Paul Chris Hoiasi, D/D/ABMSP
v. MR. Paul Ne’e, Financial Controller

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Public Accounts Committee Report: December 2019
The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

Hearing suspends at 3:00 pm

The Hearing proper continued at 3:05 pm and the following witnesses from the Ministry of Women, Youth Children & Family Affairs were admitted:

Hearing 10 Witnesses
i. Mr. Cedric Alependava, Permanent Secretary
ii. Mr. Malcom Mataifo, Financial Controller

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

Hearing suspends at 3:45 pm

The Hearing proper continued at 3:49 pm and the following witnesses from the Ministry of Public Service were admitted:

Hearing 11 Witnesses
i. Mr. Nego Sisiolo, Permanent Secretary
ii. Mr. Andrew Idute’e, Financial Controller

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.

Hearing suspends at 4:15 pm

The Hearing proper continued at 4:20 pm and the following witnesses from the Ministry of Provincial Government & Institutional Strengthening were admitted:

Hearing 12 Witnesses
i. Mr. Stanley. D. Pirione, Permanent Secretary
ii. Mr. Robert Kaua, Under Secretary
iii. Mr. Geoffrey Vakoleva, Financial Controller

The witnesses made their presentation before the Committee.
The Committee questioned the witnesses based on the evidence presented.
The examination concluded.
Hearing adjourned at 5:20pm

4. Adjournment:
The committee adjourned hearing at 5:20pm

Day 4/ 2019

Saturday 30th November 2019, CR II, Parliament House 1:30pm

1. Members Present
Hon Rick Houenipwela, Chairman (Ag)
Hon Matthew Wale, MP
Hon. John Maneniaru, MP

Secretary: Mr. Peter Lokay-Auditor General

Secretariat
Mr. Gregory Fineanganofo, Director Committees
Ms. Salome Pilumate, Committee Secretary
Mr. Whitmon Tabiru, Committee Secretary
Ms. Cordney Wale, Committee Secretary
Mr. Boniface Supa, Information Services
Mr. Rolland Sikua, Information Services
Mr. Lawrence Scott, Media Officer
Mr. Richard Allen, ICT Officer
Ms. Hazel Fafale, Hansard Reporter
Mr. Greg Kinimete, Hansard Reporter
Ms. Theresa Nori, Hansard Reporter
Ms. Esther Turangaluvu, Hansard Reporter

2. Welcome and Opening Remarks
The Chairman of the Public Accounts Committee (Acting) Hon. Rick Houenipwela made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.

3. Inquiry into the 2020 Appropriation Bill 2019
The Hearing proper commenced at 1:30pm and the following witnesses from the Ministry of Education & Human Resources Development were admitted:

Hearing 13 Witnesses
i. Dr Franco Rodie, Permanent Secretary
ii. Mr Joe. M. Ririmae, HRM
iii. Mrs. Merryllyn Kodoleke, Director Finance
iv. Mr. Henson Makoani, Asset Manager
v. Mr. McGregor Richards, Finance Adviser
The witnesses made their presentation before the Committee. The Committee questioned the witnesses based on the evidence presented. The examination concluded.

*Hearing Suspended at 2:40 pm*

The Hearing proper continued at 2:43pm and the following witnesses from the Ministry of Health & Medical Services were admitted:

**Hearing 14 Witnesses**

i. Mrs. Pauline McNeil, Permanent Secretary  
ii. Mr. John Hue, MS/CEO  
iii. Mr. Willie Horoto, Manager – NMS  
iv. Mr. Michael Larui, National Director of Nursing  
v. Ms. Alison S. Ririapu, Manager Public Health  
vi. Mr. Layten Jacob, Procurement Manager  
vii. Mrs. Louisa Fakaia, Partnership Unit-Manager

The witnesses made their presentation before the Committee. The Committee questioned the witnesses based on the evidence presented. The examination concluded.

*Hearing Suspended at 3:44 pm.*

The Hearing proper continued at 3:46pm and the following witnesses from the Office of the Prime Minister & Cabinet were admitted:

**Hearing 15 Witnesses**

i. Dr. Jimmie Rodgers, SPM  
ii. Mr. James Remobatu, STC  
iii. Mr. Solomon Kalu, Chairman LCC  
iv. Mr. Fred Fakari, Ombudsman,  
v. Mr. Christian Nieng, DSPM  
vi. Mr. Robson T. Djokovic, Chief of Staff

The witnesses made their presentation before the Committee. The Committee questioned the witnesses based on the evidence presented. The examination concluded.

*Hearing Suspended at 4:04 pm*

The Hearing proper continued at 4:05 pm and the following witnesses from the Ministry of Lands, Housing & Survey were admitted:
Hearing 16 Witnesses

i. Mr Stanley Waleanisia, PS
ii. Mrs. Margaret Qoloni Etua, US/A
iii. Mr. Henry Paroi, FC (Ag)
iv. Mr Francis Hou, HRM

The witness made his presentation before the Committee.
The Committee questioned the witness based on the evidence presented.
The examination concluded.

Hearing proper adjourned 5:47pm

4. Adjournment:
The committee adjourned hearing at 5:22 pm

Day 5/ 2019

Sunday 1st December 2019, CR II, Parliament House 2:00pm

1. Members Present
Hon Douglas Ete, Chairman
Hon Matthew Wale, MP
Hon Robertson Galokale, MP
Hon Rick Houenipwela, MP

Secretary: Auditor General, Peter Lockay

Secretariat
Mr. Gregory Fineanganofo, Committee Secretary
Mr. Heston Rence, Committee Secretary
Mrs. Jasmine Waleafea, Committee Secretary
Ms. Cordney Wale, Committee Secretary
Ms. Salome Pilumate, Committee Secretary
Mr. Lawrence Scott, Media Officer
Mr. Marlon Keni, Hansard Reporter
Ms. Sherolyn Ragoso, Hansard Reporter
Mrs. Arol Kimi, Hansard Reporter
Ms. Theresa Nori, Hansard Reporter
Ms. Hazel Fafale, Hansard Reporter

2. Welcome and Opening Remarks
The Chairman of the Public Accounts Committee Hon. Douglas Ete made his opening remarks. The Chair informed the witnesses of the Parliamentary privileges.
3. Inquiry into the 2020 Appropriation Bill 2019

The Hearing proper commenced and the following witnesses from the Ministry of Foreign Affairs & External Trade were admitted:

**Hearing 17 Witnesses**

i. Mr. Collin Beck, Permanent Secretary  
ii. Mr. Joseph Maha’anua, Trade Commissioner  
iii. Ms Louise Daga, US/Technical  
iv. Mrs. Paurina Akwai, HRM

The witnesses made their presentation before the Committee.  
The Committee questioned the witnesses based on the evidence presented.  
The examination concluded.

*Hearing Suspended at 2:35 pm*

The Hearing proper continued at 2:38 pm and the following witnesses from the Ministry of Rural Development were admitted:

**Hearing 18 Witnesses**

i. Mr. Allan Daonga, Permanent Secretary  
ii. Mr. Hugo Heba, Under Secretary Technical  
iii. Mr. Dick Anasimae, Financial Controllers

The witnesses made their presentation before the Committee.  
The Committee questioned the witnesses based on the evidence presented.  
The examination concluded.

*Hearing Suspended at 3:40 pm*

The Hearing proper continued at 3:44 pm and the following witnesses from the Ministry of Fisheries & Marine Resources were admitted:

**Hearing 19 Witnesses**

i. Dr. Christian Ramofasia, Permanent Secretary  
ii. Mr. Patteson Lusi, US Corporate  
iii. Ms. Lisa Sugumanu, Assistant Secretary Project Management  
iv. Ms. Rosalie Masu, Deputy Director- Inshore  
v. Mr. Alick Misibini, Financial Controller  
vi. Mr Bennie Buga, Deputy Director Provincial

The witness made their presentation before the Committee.  
The Committee questioned the witness based on the evidence presented.  
The examination concluded.
Hearing Suspended at 4:45 pm

The Hearing proper continued at 4:49 pm and the following witnesses from the Ministry of Commerce, Industries, Labour & Immigration were admitted:

Hearing 20 Witnesses

i. Mr. Riley Mesepitu, Permanent Secretary
ii. Mr. Hunter Masuguria, US/ Admin
iii. Mr. Geoffery Dan Hou’ua, Director- Consumer Affairs & Price
iv. Mr. Hansel Mamupio, HRM
v. Mr. Alfred Ramo, GM – CEMA
vi. Mr. Jerold Musi, FC (Ag)
vii. Mr. Patterson Siliota, Chief Produce Inspector, CEMA
viii. Mr. Comolitsus Donga, Director Internal Trade Division
ix. Mr. Jacob Gala, Director Industries
x. Mr. Morris Rapa’ai, Director Businesses & Cooperatives
xi. Mr. Mason Fugui, Director Immigration
xii. Mr. Tobit Toravu, Deputy Registrars of Companies
xiii. Ms. Lynette Tuhanuku, Director Foreign

The witness made his presentation before the Committee.
The Committee questioned the witness based on the evidence presented.
The examination concluded.

Hearing Suspended at 5:49 pm

The Hearing proper continued at 5:49 pm and the following witnesses from the Ministry of Police, National Security & Correctional Services were admitted:

Hearing 21 Witnesses

i. Ms. Karen Galokale, PS
ii. Ms. Julia Twumasi, FC
iii. Mr. Gabriel Manelusi, Commissioner CSSI
iv. Mr. Mostyn Mangau, Commissioner (Ag) RSIPF
v. Ms. Alice Saeni, CA
vi. Ms. Nourah Ajaj, SIPDP Finance Advisor to RSIPF
vii. Ms. Catherine Kere, Director SPU, CSSI
viii. Ms. Martha Alabae, Director Finance (Ag), CSSI
ix. Ms. Bernice Wasia, Director HR (Ag) CSSI

The witness made his presentation before the Committee.
The Committee questioned the witness based on the evidence presented.
The examination concluded.
Hearing adjourned at 6:35pm

Adjournment:
The committee concluded hearing at 6:35pm

5. Documents Tabled During Hearings
Submission #1 – CBSI – Analysis on the performances of the Solomon Islands Economy in 2019 and forecast for 2020
Submission #2 – MALD – PAC 2020 BUDGET & 2020 APPROPRIATION BILL 2020
Submission #3 – CBSI – ANSWERS TO PAC QUESTIONS
Submission #4 – OGG - OFFICE OF THE GOVERNOR GENERAL’S TAKING NOTES
Submission #5 – OOSI – NOTES ON THE BUDGET ITEMS FOR 2020 BUDGET
Submission #6 – OOSI – CORPORATE PLAN 2018-2022
Submission #7 – OOSI – 2018-2022 STRUCTURAL REFORM PLAN
Submission #8 – MFMR – BINA DEVELOPMENT, BINA HARBOUR TUNA PROCESSING PLANT
Submission #9 – MFMR – A brief note prepared for Public Accounts Committee (PAC) on the hearing into 2020 budget estimates
Submission #10 – MFMR – HEAD 290-MFMR SIG 2020 RECURRENT ESTIMATE BUDGET
Submission #11 – MEHRD - 2020 MEHRD BUDGET OVERVIEW, Presentation to the Public Accounts Committee: An overview of MEHRD’s BUDGET FOR Public Accounts Committee November 2019
Submission #12 – SIEC – Solomon Islands Electoral Commission (SIEC) Submission to the Public Accounts Committee 30th November 2019
Submission #14 – SIEC – Solomon Islands Electoral Office Manpower Establishment 2019 Annual Salary
Submission #15 – SIEC – OFFICE OF THE SOLOMON ISLANDS ELECTRAL COMMISSION-ORGANIZATIONAL RESTRUCTURING
Submission #16 – MPTGEA – Ministry of Traditional Governance, Peace and Ecclesiastical Affairs Submissions to the Parliament Public Accounts Committee FY2020 hearing on head 294-MTGEA Submission #17 – MPTGEA – HEAD 294: TRADITIONAL GOVERNANCE, PEACE, AND ECCLESIASTICAL AFFAIRS
Submission #18 – MPTGEA - 5.2.3.8 TRADITIONAL GOVERNANCE, PEACE AND ECCLESIASTICAL AFFAIRS
Submission #19 MPTGEA PART 1: LN 709 OF 2019 – ASSIGNED RESPONSIBILITIES, FUNCTIONS AND MANDATES...PART 7
Submission #20 – MHA – TALKING POINTS FOR HOME AFFAIRS
Submission #21 – MHA – BUDGET BREAK DOWN FOR HOME AFFAIRS 2019 &
Submission #22 – MPNSCS – TALKING POINTS FOR MPNSCS
Submission #23 – MECDM – MECDM 2020 Budget Estimates Submission to Public Accounts Committee 29th November 2019
Submission #24 – OPMC – OPMC SUPPLEMENTARY SPEAKING NOTES
Submission #25 – NJ - PAC GENERIC SUBMISSION TEMPLATE FOR THE SIG 2020 BUDGET Submission #26 – NJ – NATIONAL JUDICIARY EXPENDITURE

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Submission #27 – NJ – SOLOMON ISLANDS NATIONAL JUDICIARY CORPORATE PLAN 2018-2020
Submission #28 – NJ – SOLOMON ISLANDS NATIONAL JUDICIARY ANNUAL WORK PLAN 2020 DRAFT
Submission #29 – MJLA – OFFICIAL LETTER FROM MJLA LISTING ALL SUBMISSIONS
Submission #30 – MJLA – Ministry of Justice and Legal Affairs (MJLA) and National Judiciary (NJ) Written Introductory Note
Submission #31 – MJLA – Solomon Islands Justice Sector Strategic Framework 2014-2020
Submission #32 – MJLA – Ministry of Justice and Legal Affairs Annual Work Plan 2020
Submission #33 – MJLA – Ministry of Justice and Legal Affairs Corporate Plan 2018-2020
Submission #34 – MJLA – PAC GENERIC SUBMISSION TEMPLATE FOR THE SIG 2020 BUDGET
Submission #35 – MJLA - SIG RECURRENT ESTIMATES FOR MJLA
Submission #36 – MJLA- SIG DEVELOPMENT ESTIMATES FOR MJLA
Submission #37 – NPO – WRITTEN SUBMISSION FROM NATIONAL PARLIAMENT
Submission #38 – NPO – EXPLANATORY NOTES FOR NATIONAL PARLIAMENT

List of Submissions
SIEC- PAC Generic Template
OOO- PAC Generic Template
MALD- PAC Generic Template
OAG- PAC Generic Template
MEHRD- PAC Generic Template
MOFT- PAC Generic Template
MFAET- PAC Generic Template
OGG- PAC Generic Template
MHMS- PAC Generic Template
MID- PAC Generic Template
NPO- PAC Generic Template
MFR- PAC Generic Template
OPMC- PAC Generic Template
MPNSCS- PAC Generic Template
MPGIS- PAC Generic Template
MLHS- PAC Generic Template
MNPDC- PAC Generic Template
MCT- PAC Generic Template
MCILI- PAC Generic Template
MCA- PAC Generic Template
MFMR- PAC Generic Template
MPS- PAC Generic Template
MJLA- PAC Generic Template
MHA- PAC Generic Template
MTGPEA- PAC Generic Template
MMERE- PAC Generic Template
MWYCA- PAC Generic Template
MRD- PAC Generic Template
MECCDMM- PAC Generic Template

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