



Country Partnership Strategy for the Solomon Islands 2011-2015



Korea's Country Partnership Strategy for the Solomon Islands

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INTRODUCTION

- 1. This Country Partnership Strategy (CPS) is designed to achieve successful engagement for the implementation of partnership programs for the development of the Solomon Islands. It outlines Korea's proposed partnership programs for its development assistance to the Solomon Islands for the period 2011-2015.**
- 2. The engagement aims to make a meaningful contribution to the poverty reduction and sustainable development of the Solomon Islands in line with their National Coalition for Reform and Advancement (NCRA) and Government and National Development Strategy (NDS). It also lays out a framework to expand the bilateral relationship through the further strengthening of partnership and cooperation.**
- 3. This CPS is based on mutual understanding and respect, and aims to enhance aid effectiveness by identifying Korea's development experience and comparative advantages suitable to the Solomon Islands' development needs.**
- 4. Korea, as member of the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC), is obliged to abide by international norms in providing development assistance. With this strategy, Korea will strengthen development cooperation, not only among its relevant Korean agencies, but also with other international donors, and enhance aid effectiveness.**
- 5. For the timely incorporation of internal and external changes in the Solomon Islands, the strategy will be continuously revised and updated through mutual discussion and agreement between Korea and the Solomon Islands.**

Chapter I. Solomon Islands Development Status and Challenges

- 6. The Solomon Islands' economy has been recovering gradually through increasing exports and price increases on goods in international markets. With the Regional Assistance Mission to Solomon Islands (RAMSI) for the political stability of Solomon Islands, gross domestic product (GDP) growth recovered sharply and foreign investment and aid inflows increased. Despite its recovery, however, income inequality between regions and social classes, lack of infrastructure, environmental degradation, low productivity, weak governance and corruption could become barriers to further development.**
- 7. Over 80 percent of the total population has been engaged in the fields of agriculture, forestry and fisheries industries. The high proportion of agriculture in the economy accounts for more than 75 percent of export products, such as logs, marine products, and coconut oil, and these products take up half of the GDP. In addition, the proportion of official development assistance (ODA) accounted for 42 per cent of its gross national income (GNI) in 2009.**

8. The Solomon Islands' fisheries industry is essential for the economic development of the country due to its high possibility of increased returns, but the lack of basic infrastructure and technology and low-skilled labor could hinder the development of the fisheries industry. The high rate of logging has been resulted in serious environmental challenges, such as deforestation and the depletion of forestry resources. In the social sector, with the wide distribution of the population across the islands, there is poor accessibility to and low quality health care services in rural areas.
9. The partnership with Korea is based on the government development strategies (of the NCRA and the NDS) of the Solomon Islands. Korea will participate more in core areas where progress is needed, while working effectively with various donor agencies to enhance aid effectiveness and collaboration in the Solomon Islands.

Chapter II. Korea's ODA Program - Core Engagements

10. Korea has decided to focus on three priority areas to achieve more effective and efficient cooperation with the Solomon Islands through Korea's ODA program. The three core engagement areas are the fisheries, forestry and health sectors (2011- 2015).
11. Industrial diversification through private investment in the fisheries industry is significant for the economic development of the Solomon Islands, and it will be the priority area for cooperation. In addition, to achieve sustainable development and overcome environmental crises, the forestry field has been selected as the second core area for this engagement. Lastly, the health sector will be supported through participating in a health committee with other international donor agencies. The main goals to be achieved in regard to these three core engagement areas are as follows:
- ✓ Achieving industrial diversification and economic growth through private investment in the fisheries industry
 - ✓ Ensuring sustainable growth in the forestry industry and responding to climate change
 - ✓ Enhancing Regional Health Care Services

Core Engagement 1 – Fisheries Development

Fisheries: Achieving industrial diversification and economic growth through private investment

12. While respecting the national development plan in the context of the NCRA and the NDS of the Solomon Islands, Korea recognized the importance of supporting the industrial diversification program through investment in the fisheries and marine resources sectors. This engagement in the fisheries sector aims to diversify the industrial structure by enhancing the fisheries industry through capacity building and the establishment of infrastructure.
13. Although fisheries are a vital source for rural livelihoods, international investment has been

limited. Moreover, the Solomon Islands' current fisheries sector has weak infrastructure including inadequate port and fishing processing facilities. This poor fisheries infrastructure could become a barrier to attracting private sector investment and further development. Not only private sector investment, but also international assistance is required to develop the fisheries industry.

14. The objective of Korea's ODA in the fisheries sector is to establish basic fisheries infrastructure and create an investment friendly environment through the provision of policy consultation, infrastructure and capacity building programs from 2011 to 2015. As the first step of this engagement, a master plan for marine and industrial complex and port construction will be devised. The construction of ports in Doma will bring private sector investment, and it will enhance the development of the fisheries industry. To support the National Fisheries School and strengthen the capacity of human resources, Korea will provide vocational and technical training programs.
15. The Korea International Cooperation Agency (KOICA) will encourage a public-private partnership (PPP) to create new employment opportunities and increase national revenue for the Solomon Islands. In particular, private sector investment opportunities in the fisheries industry will create a synergy effect in relation to social and institutional development. For the successful implementation of a PPP in the fisheries sector, a pilot project will be implemented between 2011 and 2015. The PPP project will be developed and scaled up gradually in conjunction with the Economic Development Cooperation Fund (EDCF) projects to support this fisheries project.

Core Engagement 2 – Environmental Sustainability

Forestry: *Ensuring sustainable growth and responding to climate change*

16. In the Solomon Islands, the forestry sector has been a key contributing sector in the economic growth and development process of the whole country. However, the government is concerned about current unsustainable logging, the depletion of forestry resources, and environmental crises. In particular, promoting reforestation in rural areas and sustainable management need to be strengthened. Currently the Solomon Islands has a limited government budget for environmental preservation and international aid for reforestation has been cut down.
17. Our engagement in forestry aims to support the Solomon Islands in their efforts to achieve sustainable growth and properly respond to climate change. The core project in forestry will be a reforestation program which is to be completed by 2015. And Korea will provide policy advisory services, infrastructure building and forest management capacity building programs.
18. The objective of Korea's ODA in the forestry sector is to achieve sustainable growth through reforestation projects and increase capacity building in order to respond effectively to climate change. This engagement will focus on the area of policy advisory services, infrastructure development and capacity building programs from 2011 to 2015. As the first step of the forestry program, a master plan for reforestation will be devised. Under the master plan, a reforestation pilot project will be conducted. Continuous capacity building programs for the management of forestry preservation and responding to natural disasters

will be provided.

Core Engagement 3 – Enhancing Regional Health Care Services

Health: *Enhancing regional health care systems through aid harmonization*

19. Our program in the health sector aims to contribute to improving the quality of health care services and the accessibility to medical services for rural areas. The project will support regional health care systems, infrastructure development and capacity building programs throughout the period from 2011 to 2015.
20. Since the Solomon Islands is composed of nearly 1,000 islands, 80% of the population lives in rural areas where medical services are not available. Access to quality health care is a universal goal of the Solomon Islands, and the NCRA addressed the establishment of *mini-hospitals* as one of its strategies. The establishment of more health clinics in rural areas will give people better access to health care services. Capacity building programs will include various programs, such as a tuberculosis (TB) prevention policy, maternal and child health and hospital management.
21. Korea will collaborate with partners, such as Australia, Japan and international organizations, in this field for aid harmonization. In the health sector, the Ministry of Health and Medical Services delivers Health Sector Support Program (HSSP) through donor partnership. Our support for the health sector will include participating in the HSSP and pursuing sector-wide approaches (SWAs).

Other Engagement Areas - Technical Assistance

Training Program

22. Annual training programs will cover about 6 people in 2012 and 15 people in 2013, with strengthened connections to main areas of cooperation including fisheries, forestry and health. In order to improve the quality of training, multi-year training programs will be introduced, along with the expansion of long-term degree courses and increases in the budget for training per person.
23. In addition, participants of training programs will manage their programs by setting their own goals and contents. There will also be a focus on establishing a comprehensive and long-term training strategy for the institutional capacity building of institutions in the Solomon Islands. Capacity building will be achieved through increased exchanges of personnel among agencies and joint projects with overseas organizations.
24. The quality of the training institutions will be reviewed and a pool system containing data on program experts will be established to improve Korea's training institutions at the same time. Led by KOICA, a network of training institutions will be set up to develop comprehensive training programs in cooperation with relevant Korean authorities.

Dispatch of Experts and Volunteers

25. Korean experts will help the Solomon Islands improve the quality of life for the people of the Solomon Islands and contribute to ensuring the sustainability of completed projects. With a focus on the main areas of cooperation, experts from Korean research institutes will be sent to strengthen cooperation with the relevant Solomon Islands' authorities and to participate in sectoral meetings.
26. In consideration of the demand in the Solomon Islands, we will decide how many experts will be provided. KOICA's efforts to extend the dispatch period to over six months are expected to lead to greater efficiency in the sharing of knowledge and expertise between the two countries.
27. Volunteers will be mobilized to support the implementation of the programs in the main areas of cooperation or to ensure the sustainability of completed projects. Additionally, the number of volunteers for areas of surging local demand will be increased. In order to support priority areas and major projects, volunteers will be dispatched to the forestry and health sectors.

Development Research and Policy Advisory Services

28. Assistance in the form of consultancy services, such as development research and policy advisory services will be increased gradually by 2015. To make sure that the results of the development research are put into practical use and ensure that the research projects do not overlap, Korea's ODA agencies will share information regarding development research with agencies in the Solomon Islands. More projects will be implemented based on a feasibility study provided through grant aid and joint research with other donor countries will also be increased.
29. Experts will be dispatched to explore potential projects to map out development research programs that can have a practical impact in the Solomon Islands. Institutions in the Solomon Islands will jointly take part in these research activities for capacity building purposes. KOICA will also assist the Solomon Islands in their efforts to build a master plan on the fisheries and forestry sectors and develop new action plans based on the results of KOICA's policy advisory work.

Major Sector Targets and Expected Contributions by 2015

Solomon Islands' Goals & Targets	Major Projects (Examples)	Expected Contributions
1. Fisheries		
<p><Priorities in 2011-2013></p> <ul style="list-style-type: none"> -Economic Growth through Investment in the Fisheries Sector -Improving Livelihoods through a Sustainable Aquaculture Industry -Improving Market Accessibility for Fishermen -Efficient Execution of Fisheries Laws -Enhancing Knowledge and Techniques for the Development of the Fisheries Industry 	<p><Potential Projects></p> <ul style="list-style-type: none"> -Conducting a Feasibility Study and a Design for Port Construction in Doma -Building a Master Plan for a Marine and Industrial Complex in Doma -Fishing Port Construction in Doma -Reconstruction of the National Fisheries School and a Vocational Training Center -Reconstruction of Fisheries Centers <p><Capacity Building Programs></p> <ul style="list-style-type: none"> -Scholarship Programs -Fisheries Processing and Risk Management -Marine Resource Research and Coastal Management -Fisheries Quality Control 	<p><Infrastructure></p> <ul style="list-style-type: none"> - Fisheries Port: 160 m, Seawall: 60 m - National Fisheries School: 700 m² - Training Center: 3,000 m² <p><Institutional Capacity></p> <ul style="list-style-type: none"> -Establishing a Master Plan for Fisheries Port Development <p><Capacity Building></p> <ul style="list-style-type: none"> - 9 candidates for degree courses - 40 trainees for invitational training - 4 experts
2. Forestry		
<p><Sustainable Logging, Forestry Development, and Enhancing Reforestation></p> <ul style="list-style-type: none"> -Suspend the issuance of new logging licenses and review all non-operational licenses -Review the current logging taxation regime -Assist forest research institutions -Make available technical advice and other forestry services to rural communities managing the commercial use of resources -Promote reforestation in rural areas throughout the country 	<p><Potential Projects></p> <ul style="list-style-type: none"> -Building a Master Plan for Reforestation - Implementing a Reforestation Pilot Project -Capacity Building for the Ministry of Forestry <p><Capacity Building Programs></p> <ul style="list-style-type: none"> -Scholarship Programs -Reforestation Policies and Environmental Management - Responding to Natural Disasters and Climate Change 	<p><Infrastructure></p> <ul style="list-style-type: none"> -Reforestation: 100ha ~ 500 ha, 100,000 trees <p><Institutional Capacity></p> <ul style="list-style-type: none"> - Establishing a Master Plan for Sustainable Forest Preservation - Policies for Reforestation and Environmental Management - Policies for Natural Disaster Prevention and Climate Change <p><Capacity Building></p> <ul style="list-style-type: none"> - 9 candidates for degree courses - 40 trainees for invitational training - 4 experts - 12 volunteers
3. Health		
<p><National Health Strategic Plan 2011- 2015></p> <ul style="list-style-type: none"> -Improvement of the Public Health Environment by 2015 (1~2%) -Expanding Basic Health Services through Capacity Building of Local Communities -Partnership Development for Agriculture, Education, Labor, Transportation and Infrastructure -Enhancing Public Health through Improvement of Disease Management 	<p><Potential Projects></p> <ul style="list-style-type: none"> - Strengthening a Rural Health Clinic and Aid Posts <p><Capacity Building Programs></p> <ul style="list-style-type: none"> -Enhancing Maternal Health and Management -Health and Medical Services Management Programs 	<p><Infrastructure></p> <ul style="list-style-type: none"> - Rural Health Clinic: 600 m² and 20 beds <p><Capacity Building></p> <ul style="list-style-type: none"> - 40 trainees for invitational training - 4 experts - 12 volunteers

Chapter III. Program Implementation

Budget Allocation and Measures to Improve Aid Effectiveness

30. At least 70% of the funding will be allocated for the priority areas of bilateral development cooperation, while allowing some flexibility to respond to urgent demands and environmental changes from the side of the Government of the Solomon Islands. During the mid-term review (2013), the proportion of budget allocation to priority areas can be discussed and re-arranged.
31. Synergy can be created when project linkages between concessional loans and grants, as well as those between feasibility studies, projects and technical assistance, are strengthened. Starting from the initial stage of policy dialogue and project selection, we will explore possibilities for such linkages with the Government of the Solomon Islands. With regard to the main areas of development cooperation, relevant Korean government organizations will come together to discuss and develop strategies with the Ministry of Development Planning and Aid Coordination and other relevant institutions in the Solomon Islands.
32. In order to ensure the strengthening of post-project management, the results of completed projects, especially those in the main areas of cooperation, will be jointly reviewed with the Solomon Islands, and comprehensive follow-up measures will be developed. Our goal in supporting such follow-up assistance will be to ensure the independence and self-reliance of local management capacities.

Cooperation with Other Development Partners

33. The main areas of cooperation will be provided in line with the national development strategies of the Solomon Islands, and the use of the Solomon Islands' own systems such as financial management and procurement systems, will increase.
34. In particular, in the field of fisheries, forestry and health cooperation with groups such as the Secretariat of the Pacific Community (SPC), the Forum Fisheries Agency (FFA), the Cairns Compact and the Pacific Financial Technical Assistance Center will be strengthened. We will also maintain a close relationship with international organizations, including the EU, WB, ADB and other UN agencies, and major donor countries such as Australia, New Zealand and Japan.
35. In order to improve efficiency in managing ODA for the Solomon Islands, KOICA's local office will be established by 2011, and on-the-spot-oriented ODA will be pursued. Efforts to increase aid harmonization and cooperation with other donor agencies will be made and expanded.

Monitoring and Evaluation

36. A comprehensive monitoring system to manage ODA activities in the Solomon Islands will be established, with a risk matrix for each main area that enables effective response in case of domestic/foreign emergencies. When necessary, strategies will be revised accordingly. In

the future, local offices will be responsible for real-time monitoring of projects. Korea will consult with the Solomon Islands and participate in Consultative Group Meetings to detect any possible risks.

37. Performance assessments, post-project evaluations and program evaluations will be carried out periodically. A pilot joint evaluation with the Solomon Islands will be conducted within 2013 to increase the participation of the Solomon Islands, with the aim of expanding it further in the future. Through a mid-term review in 2013, we will revise our strategy if deemed necessary. A final evaluation will be carried out by a joint body of relevant authorities six months before the expiration of the CPS (2015), the results of which will be reflected in the next CPS.

Chapter IV. Prospects and Vision

38. To help Solomon Islands achieve its goal of creating a modern, united and vibrant country and achieving a better quality of life for all Solomon Islanders, it is predicted that significant international collaboration and partnerships will have to continue even after 2015.
39. Korea's ODA in the field of fisheries and forestry will help the country achieve industrial diversification, catalyze private investment and establish a sustainable development structure. We hope to achieve economically sustainable growth through ODA. Moreover, Korea's ODA in the three core areas – fisheries, forestry and health sector will contribute to improving the quality of life for the people of the Solomon Islands.
40. Korea will decide the scale of future assistance within 2015 after considering the national development plan 2011-2015 of the Solomon Islands and the country's national goals. This will be the basis of the next CPS in 2016.
41. Finally, to increase development effectiveness beyond aid effectiveness, more efforts need to be directed toward observing international norms for development cooperation and increasing cooperation among development partners.