



Original Article

From Intervention to Partnership—Prospects for Development Partnership in Solomon Islands after the RAMSI

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Abstract

This article considers prospects for effective development partnership in Solomon Islands following the transition of development assistance from the Regional Assistance Mission to Solomon Islands (RAMSI) to bilateral donors in 2013. It focuses on the shifting nature of Australian aid that has transitioned from an interventionary approach under RAMSI to a partnership-based approach under the bilateral program. Prospects for partnership in Solomon Islands are complicated by issues of state fragility, political instability and aid dependency that undermine local ownership and alignment. While the rhetoric of partnership guided RAMSI transition, Australia's post-RAMSI aid responds to these challenges through a hybrid approach incorporating partnership and interventionary modalities. This hybrid approach reflects Australia's role in the co-production of sovereignty in Solomon Islands. Recognition of the hybrid nature of Australian aid, and, by implication, Australia's 'ownership' of development problems in Solomon Islands, will be important to the effectiveness of future support.

Key words: development, Solomon Islands, partnership, intervention, co-production

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1. Introduction

On 1 July 2013, development programs under the Regional Assistance Mission to Solomon Islands (RAMSI) were transitioned to bilateral and multilateral donors, ending the mission's development role one decade after it began.¹ In its heyday, RAMSI was lauded as an exemplar of international state building and remains notable, arguably, as one of the paradigm's few successes. The impetus to normalise RAMSI's development program speaks partly of its success in stabilising the Solomon Islands state and its not inconsiderable achievements in restoring security and macroeconomic stability. But pressure to transition also reflects the limits of intervention, including the financial cost and RAMSI's diminishing traction on key development challenges facing Solomon Islands. An underlying theme of transition discussions was the need to change the culture of development support in Solomon Islands, moving from an *interventionary* to a *partnership*-based approach, consistent with the principles enunciated under the Paris

1. The word 'transition' was used by development partners and the Solomon Islands Government to describe the specific shift of development programs from RAMSI across into bilateral and multilateral donor programs. But the notion also encapsulated broader sentiments that the development situation in Solomon Islands had changed fundamentally since RAMSI's arrival in 2003, and development approaches needed to be refurbished to better engage with the country's long-term development challenges. RAMSI will continue to provide police support overseen by the Office of the Special Coordinator reporting to the Pacific Island Forum.

Declaration on Aid Effectiveness (OECD 2008). Partnership, it was argued, would provide a better basis for engaging with Solomon Islands' long-term development challenges, ensuring more effective aid.

This article examines the prospects for development partnership as a basis for effective aid in Solomon Islands. Focusing on Australia's bilateral relationship with Solomon Islands, it considers whether partnership is a realistic proposition by assessing its core dimensions—ownership and alignment. It argues that normative pressures to frame the aid relationship in terms of partnership have obscured significant obstacles including issues of state fragility and viability, persistent political instability and high aid dependency. This has precluded pursuit of more innovative aid approaches which build on the hybrid nature of post-RAMSI development support and address the fundamental importance of co-production to Solomon Islands' aid-dependent development future.²

Specifically a case study of RAMSI transition in Solomon Islands, this article examines issues of broader relevance for aid partnerships in highly constrained aid environments, where politics is undevelopmental and aid dependency high. It begins by reviewing the general case for partnership as a basis for effective development, establishing a dichotomy distinguishing between partnership and interventionary aid to frame subsequent discussion. It then considers the development situation in Solomon Islands and how partnership ideas have informed transition and the shift from interventionary modes of support under RAMSI. Prospects for effective partnership in Solomon Islands are then assessed, against core criteria of ownership and alignment. Finding significant obstacles to realising effective partnership, the article considers implications for future development support. It argues that in the context of high aid dependency and co-production of sovereignty, donors need to

recognise their role as 'owners' and exercise this more deliberately in support of long-term strategic development.

2. Partnership, Intervention and Development

The language of partnership is central to donor understandings of aid effectiveness and development success (Booth 2012; World Bank 1998). Partnership broadly implies responsiveness; being realised when donors respond to development priorities set by host governments (ownership) and align support with these priorities. This recognition is embodied in the Paris Declaration that has been influential in shaping the delivery of aid resources.³ The Paris Declaration sets out a normative agenda for good development practice to inform and judge donor efforts, including an injunction for donors to be more responsive in delivering aid, according to local priorities and context. The Paris Declaration sets out core principles of development effectiveness which donors should consider when delivering aid: ownership, alignment, harmonisation, results, and mutual accountability (OECD 2008). Ownership requires developing countries to clearly set out their strategic development priorities to achieve reductions in poverty. Alignment requires donors to get substantially behind these objectives and, where possible, use local systems in ways that reinforce the capability and legitimacy of the developing state. The remaining principles call for donor coordination to avoid duplication and minimise transaction costs (harmonisation) and a focus on results through better measurement.

While the Paris Declaration encourages donors to provide responsive aid, in practical

3. The Paris Declaration of 2005 was arguably the most influential expression of growing international interest in development effectiveness. It followed the 2002 Monterrey Consensus and the 2003 Rome Declaration on Harmonisation and has been followed by the 2008 Accra Agenda for Action and the 2011 Busan Partnership for Effective Development Co-operation focused on how the inclusiveness of development partnerships could be strengthened.

2. Co-production refers to when 'a host relinquishes authority over some governance function to an external actor' (Matanock 2009, p. 1). The concept is developed further in the next section.

terms Paris-style partnership is a guiding principle or goal. In difficult development environments, such as occur in fragile states, donors face challenges in providing assistance in ways which conform fully to the aims of the Declaration. In such circumstances, donors may adopt supply-driven development approaches which seek to compensate for capacity deficits and institutional fragilities. Such approaches may still be consistent with partnership in that they engage at a level which accepts the legitimacy of partner governments and seek to build partnership capacity over time.

While the Paris Declaration sets out an ideal approach for donors to consider when providing aid, in reality, aid approaches can be understood as sitting along a spectrum. At one end sits a partnership style of engagement, which requires confidence in counterpart capabilities and the legitimacy of local development priorities. Partnership modalities are characterised by a focus on dialogue to agree on development priorities, investments in capacity building to empower partners and the provision of direct budget support through partner systems. At the other end sit more interventionary forms of support, exemplified in internationally mandated state-building missions constituting extraordinary responses to state fragility and political collapse (Chandler 2006). As a crisis response, interventionary aid is prescriptive and donor driven, being more sceptical of local capacities and the legitimacy of local development visions. It reflexively looks to capacity substitution through technical assistance and conditional forms of support as an expedient means of institutional stabilisation.

Aid can involve the co-production of governance and sovereignty, whereby external actors are vested with responsibility for managing specific governance functions for an agreed time period (Krasner 2004; Matanock 2009). Co-production arrangements may be formalised through shared sovereignty arrangements (e.g. reflected in treaty agreements) or be implicit in donor agreements where a donor is made directly responsible for policy delivery by a host government (Matanock 2009). Such arrangements have the

practical effect of quarantining parts of the state from local politics and accountabilities. While helping ensure basic state functionality, they can also generate new dependencies and moral hazard as local elites disengage and disavow responsibility for good government and development, confident donors will fill the breach (Easterly 2007). Co-production arrangements blur the role of donors as external agents of development, incorporating them in internal governance arrangements. Such support is a form of intervention, complicating prospects for partnership-enabling developmental politics.

In practice, donors provide blended aid, reflected in hybrid forms of support which combine partnership and interventionary approaches (Hameiri 2010). A key question for donors is: in what circumstances do the prospects of partnership-based aid become untenable and more interventionary approaches are required? The absence of viable government following violent conflict clearly requires more interventionary support. More challenging is where a country leadership is not developmentally focused. The Paris Declaration assumes recipient governments are broadly viable and national leaderships politically motivated to articulate and drive strategic development agendas. This assumption may not be borne out where political leaderships are predatory, public policy is driven by short-term political considerations and clientelistic modes of political legitimation, and where effective public good provision is incidental to political success (Booth 2012, p. 541). Booth (2012, p. 540) argues that '[i]f the proposition about country ownership as a precondition is true, the most important development issue is whether countries are governed by people for whom national development is a central objective'. Where country ownership is absent it should be treated 'as an outcome to be constructed' requiring 'a different role for development assistance' (Booth 2012, p. 539).

Issues of state fragility, political instability and aid dependency are particularly significant in Pacific Melanesia, raising important questions about the potential for genuine

partnership as a basis for aid in the region. Australia, as the region's leading donor, has evoked the Paris Declaration as an important principle guiding its aid to the region, including with the Port Moresby Declaration in 2008 (Australian Government 2008) which was used to frame Australia's increasing bilateral aid program, and regionally through the Cairns Compact (Pacific Islands Forum 2009). The following section considers how the notion of partnership has informed the transition of one of Australia's key development relationships in the Pacific—Solomon Islands—which has evolved from a more extreme example of interventionary-based support encapsulated in RAMSI to a more explicit partnership model.

3. RAMSI Transition: From Intervention to Partnership

RAMSI eventuated as an extra-ordinary regional response to ethnicised, intra-state conflict in Solomon Islands.⁴ The 'tensions' started in 1998 when fighting erupted and ended with RAMSI's arrival in July 2003. While overt conflict ended following the signing of the Townsville Peace Agreement in 2000, criminal lawlessness and economic stagnation continued, intensifying processes of post-colonial state decline (Dinnen 2008), leading to a breakdown of financial management and service delivery. Corruption and extortion increased and key export industries (logging, palm oil and mining) collapsed. For the six years of the tensions, per capita gross domestic product (GDP) halved, only recovering its pre-tension level in 2013 (Haque 2013).

This complex security and development context framed RAMSI's early intervention that centred on restoring security and averting economic and state collapse. While key donors and international financial institutions disengaged from Solomon Islands, during the

tensions Australia trebled its aid, but shifted its focus towards humanitarian and peace-building support, bypassing the compromised state (AusAID 2006, p. 4). Initially reluctant to intervene, Australia rejected several overtures from the Solomon Islands Government. However, concerns about regional contagion and the growing persuasiveness of the state failure discourse in Australian policy circles saw Australia agree to lead a long-term state-building intervention (Fry & Kabutaulaka 2008) focused on restoration of civil order, economic stabilisation and, over the longer term, the rehabilitation of government institutions (Coppel 2012, p. 2).

As a crisis response, the logic of RAMSI's initial development support was from its inception interventionary. RAMSI drew heavily on the language of partnership and was careful to obtain the active consent of the Solomon Islands Government and the region. However, in reality the mission constituted a robust form of Australian regional engagement that came to be known as cooperative interventionism (Fry & Kabutaulaka 2008).⁵ Markedly different to Australia's 'hands-off' approach that had characterised Australia's engagement with Pacific Island states since decolonisation in the 1970s, it reflected a determination to actively impose a liberal peace including through wholesale reconstruction of local institutions along good governance lines (Allen & Dinnen 2010). Braithwaite et al. (2010, p. 51) report that the then Australian Prime Minister John Howard understood RAMSI's role as one of ambitious political re-engineering, an 'all or nothing' and open-ended mission with no fixed time frames.

Implicit in RAMSI's development logic was the need to strengthen formal institutions to tame errant political behaviour and provide an enabling environment for post-conflict growth. The decision to intervene implied a strategic assessment that Solomon Islands' politics had

4. The causes of the conflict and genesis of RAMSI have been well covered by others. A definitive account of the factors leading to the tensions, the conflict and the RAMSI intervention is provided by Braithwaite et al. (2010).

5. Australia required the mandate of the Pacific Islands Forum, Solomon Islands Cabinet and the passage of legislation by the Solomon Islands Parliament as a prerequisite for its intervention (see Fry & Kabutaulaka 2008),

become irredeemable and that an external circuit breaker was required to restore order. Initial development support was focused on institutional triage and the restoration of a governance backbone that could facilitate long-term development. RAMSI established a three-pillared development framework focused on strengthening central state institutions of law and justice, economic governance and the machinery of government.

Central to RAMSI's approach was the co-production of security and basic state functionality. This was epitomised in RAMSI's assumption of 'the core legitimacy associated with the monopoly over the use of force and guaranteeing the safety of citizens' (Braithwaite et al. 2010, p. 77). RAMSI adopted a 'hands-on' approach to engagement through the provision of embedded technical assistance located in central state institutions (Fry & Kabutaulaka 2008, p. 11). RAMSI officials were embedded in key public service positions as 'in-line' officials enjoying delegated authority and thus real administrative influence.⁶

While the provision of technical support was formally consultative, in practice RAMSI enjoyed high degrees of operational autonomy. This reflected not only the permissiveness of the Solomon Islands Government but also the technical complexity of the state-building mission which overwhelmed local capacities and privileged international advisers.

RAMSI governance structures reinforced this practical autonomy, working as 'a kind of shadow executive government in many key areas' with reporting channels to metropolitan capitals as important as links to the national executive (Fry & Kabutaulaka 2008, p. 11). RAMSI officials were frequently criticised for

operating in an interventionary style unresponsive to local priorities and preferences (Braithwaite et al. 2010). RAMSI's 'muscular' (Braithwaite et al. 2010, p. 77) approach can thus be distinguished in degree from other internationally mandated missions with finite mandates (such as the UN-led mission in East Timor, Kingsbury & Leach 2007). According to Fry and Kabutaulaka (2008, p. 11): '[b]ecause this begins to look like the profile of the bureaucracy in the last days of the colonial period, however much welcomed this time around, it does potentially raise a different set of issues to those posed by the "hands-off", aid conditionality approach'.

Development assistance under RAMSI was effective to a point. Several quick development wins have informed RAMSI's reputation for success, including the rapid restoration of civil order and Solomon Islands' macroeconomic stabilisation (Braithwaite et al. 2010; Coppel 2012). Under RAMSI, public sector debt declined from 73 per cent of GDP in 2004 to around 15 per cent in 2012 (Haque 2013, p. 3). Economic growth increased, fuelled by logging and public expenditure and improvements in business confidence, with per capita output growing on average by 3.6 per cent per annum (Haque 2013, p. 5).

But the interventionary basis of the mission created challenges over time. RAMSI has been criticised for the construction of unsustainable and unresponsive state institutions, and for focusing on the reinstatement of inherited post-colonial institutions rather than identifying more appropriate hybrid responses. For example, RAMSI's law and justice program is said to have institutionalised an unsustainable justice model disengaged from local justice systems and requiring long-term donor subsidisation (Allen et al. 2013). A focus on central state institutions came at the expense of line ministries responsible for service delivery, perpetuating local perceptions of a disengaged and removed state. RAMSI failed to address Solomon Islands' economic structural vulnerabilities, entrenching an extractive or *cul de sac* development model based on intensive and unsustainable logging (see Hameiri 2012) and proving unable to support economic

6. Baser (2007, p. 11) identified three kinds of in-line position in Solomon Islands: *RAMSI in-line officials* occupied established public service positions, usually at a senior level, carrying out sovereign responsibilities. There were 13 in-line positions during RAMSI's early intervention including the Undersecretary for Finance and Accountant General. *Supernumerary* positions were *de facto* in-line, supplementing government capacity to reduce backlogs (primarily judges and lawyers). *Constitutional* positions have been a feature of post-colonial Solomon Islands and include High Court judges.

diversification. While mining developments may go some way to compensating for declining logging, Solomon Islands will remain heavily dependent on aid that, in 2012, was equivalent to one third of Solomon Islands' annual GDP or US\$300 million (World Bank 2013, p. 12).⁷

Heavily interventionary in its early phase, RAMSI evolved over time as it sought to deal with issues of sustainability, dependence and cost. In this sense, transition was an ongoing theme. RAMSI was an expensive intervention, costing some \$2.6 billion (Heyward-Jones 2014) since 2003, and despite its open-ended mandate was under increasing pressure to rationalise in a graduated manner. RAMSI sponsors were also acutely aware of the dependencies caused by the interventionary approach and the desirability of shifting support away from interventionary to more genuine partnership modalities as a basis for more effective aid. A 2005 review of RAMSI by the Pacific Islands Forum Eminent Persons Group (2005, p. 6) found that while RAMSI had, '[o]ut of necessity . . . adopted an interventionist approach . . .' it was 'timely to adopt a more development approach with Solomon Islands being an equal partner, if not the driver'.

However, early efforts to strengthen the partnership-orientation of RAMSI support struggled to gain traction. In 2009, a *Partnership Framework between Solomon Islands Government and Regional Assistance Mission to Solomon Islands* [sic] (RAMSI, Solomon Islands Government 2009) was agreed between RAMSI and the Solomon Islands Government. The partnership sought to tighten RAMSI's mandate and provide a baseline against which to gauge its development performance and prospects for drawdown. But

7. Aid represented some 28 per cent of Solomon Islands GDP in 2003 (up from 21.7 per cent in 1990), rising to 51 per cent in 2006 (Baser 2007, p. 5). Australia is Solomon Islands' largest development partner providing some 74.3 per cent of official development assistance in 2011 (Australian Government 2013, p. 16). Haque (2013, p.17) notes aid flows to Solomon Islands averaged US\$330 million per year or 50 per cent of GDP since 2003 and can 'reasonably be expected' to remain at around 30 per cent of GDP.

the partnership was never strongly owned by Solomon Islands and relied on RAMSI support for its application. Solomon Islands Government reluctance to move to a partnership footing was exemplified in the supply (donor) driven nature of RAMSI transition discussions and local concerns at the prospect of RAMSI withdrawal (Barbara 2013). Notwithstanding the significant tensions that existed between RAMSI and the Sogavare Government in 2006–2007 (Moore 2008), RAMSI for the main enjoyed significant public and political support throughout its mission.⁸ Local enthusiasm for transition was tempered by concerns over the unfinished nature of state-building and the possible return of violence.⁹ In May 2013, the 7th Forum Ministerial Standing Committee on RAMSI endorsed the transition of development support to bilateral development partners. However, at this meeting, acting Solomon Islands Prime Minister, Rick Hou, reminded donors 'that as focus shifted to RAMSI's transition and new partnerships for development with Australia, it was important to remember the outstanding issues that resulted in the request for regional intervention in the first place, and that RAMSI's transition be task-bound and not time-bound' (Pacific Islands Forum Secretariat 2013).

RAMSI transition required the assimilation of its development support into bilateral and multilateral development programs. With the bulk of such support funded by Australia, this equated to the effective absorption of RAMSI's development pillars into the bilateral Solomon Islands–Australia Partnership for Development (Australian Government, Government of Solomon Islands 2009) (P4D).¹⁰ In November 2012, Solomon Islands'

8. The *People's Survey 2011* of some 5,000 respondents found 86 per cent supported the continued presence of RAMSI, and only 19 per cent thought it is time for RAMSI to scale back (Coppel 2012, p. 1).

9. The failure of the mission to spark nationalistic resistance is notable given its scale and interventionary depth and contrasts significantly to the experience of other international missions such as United Nations-led missions in Timor Leste.

10. The bilateral P4D predated RAMSI transition. Agreed in 2009 as part of the Australian Government's decision to roll-out partnerships for development will all bilateral

Cabinet endorsed RAMSI transition and a reconfigured P4D. The partnership was reconfigured to incorporate former RAMSI programs under four priority areas: service delivery (education and health); improved justice services; broad-based economic growth (infrastructure and livelihoods); and improved governance (Australian Government 2013). Overall funding levels were broadly maintained but modalities and delivery approaches under the P4D were reviewed and rationalised.¹¹ A review of RAMSI support in 2013 pledged to increasingly make use of SIG systems; particularly for planning, implementation and monitoring and evaluation . . .’ while noting ‘this is a long-term but necessary step’ (Australian Government 2013, p. 2).

The post-RAMSI Australian aid program is now on an explicit partnership footing. But in practical terms, the P4D represents a hybrid partnership notable for the continuity of RAMSI program support as much as for significant changes. Former RAMSI programs are now subject to a more developed partnership infrastructure centred on annual dialogue mechanisms and regular sectoral-level discussions. RAMSI programs have also been incorporated into a bilateral program characterised by an aid culture more inherently sympathetic to partnership as a development aspiration. But transition has not reduced support for state maintenance and the preservation of core institutional functionality. A key SIG demand during transition discussions was the need to ensure continuity in program support and preserve institutional gains won under RAMSI. Thus, while transition discussions acknowledged the need for former RAMSI programs to

partners in the Pacific, it provided the framework for Australia’s bilateral program. The P4D thus sat alongside and complemented the RAMSI Partnership Framework. The original P4D was structured around four ‘priority areas’: service delivery (health and education), economic livelihoods, economic infrastructure and addressing economic and fiscal challenges. Most Australian bilateral aid was delivered through the P4D.

11. In 2011–12, expenditure was \$A64.2 million for the bilateral program and \$56 million for RAMSI. Most bilateral expenditure was delivered under the P4D. In 2013–14, budgeted bilateral aid to be delivered under the expanded P4D is estimated at \$A104.1 million.

reduce technical adviser support over the long term, there was also a transitional commitment to maintain institutional funding levels and technical assistance.¹² RAMSI also retains de facto responsibility for security through the maintenance of a reduced police presence and an implicit security guarantee. There is thus a structural tension embedded in the P4D as Australia seeks to strengthen the partnership orientation of the relationship while maintaining RAMSI’s co-production role in preserving security and backstopping central state functionality.

4. Prospects for Effective Partnership in Post-RAMSI Solomon Islands

This section considers if a foundation for effective partnership exists in post-RAMSI Solomon Islands by considering the criteria of *ownership*—whether a nationally focused developmental leadership exists with whom donors can partner—and *alignment*—whether sufficiently robust national policy systems exist for donors to work.

4.1 Ownership

The Paris Declaration defines ownership as occurring where ‘[p]artner countries exercise effective leadership over their development policies, and strategies and co-ordinate development actions’ (OECD 2008, p. 3). Ownership requires partner country leaderships to have a clear development agenda (Booth 2012). The Paris Declaration implies a nationally oriented development focus, with country leaders collaborating to resolve collective action problems through investments in growth-enhancing public goods.

In Solomon Islands, political instability and the short-term horizons of leaders militates against strategic and nationally oriented

12. The World Bank (2013, p. 55) notes Australia will continue to provide significant technical assistance following transition including 25 advisers to Ministry of Finance (MoFT), 30 to the justice sector and 10 across health, education, infrastructure and agriculture.

development policies. RAMSI aimed implicitly to provide space for a developmentally focused national leadership but it has not emerged. Instead, the post-tensions political environment has been noteworthy for persistence of longstanding instabilities. This has included intensive, local politicking, high incumbent turnover (around 50 per cent at each election), the personalised nature of politics and the absence of effective formal political parties, and a post-election government formation process leading to highly unstable governing coalitions (Steeves 2011).

In the context of high political turnover, local political elites have an 'ephemeral character' (Dressel & Dinnen 2014) which limits long-term development perspectives central to ownership. National elections in 2006 and 2010 were heavily supported by donors and deemed 'free and fair' by international observers, but failed to deliver stable government. At the 2006 elections, Snyder Rini was elected as prime minister heading a deeply unpopular coalition. Public rioting sparked a political crisis which saw Manasseh Sogavare appointed as prime minister, heralding a turbulent period in Solomon Islands politics before Sogavare was overthrown by Derek Sikua in late 2007 (Moore 2008). The 2010 national elections saw Danny Philip elected to head a government that was debilitated for most of its short term because of its tenuous parliamentary confidence. It sat only once in 2011 before being toppled by Gordon Darcy Lilo at the end of that year.

A variety of structural factors undermines the emergence of a strategic political debate focused on national development issues in post-tensions Solomon Islands. A high degree of political fragmentation in Solomon Islands militates against a national framing of development problems and reflects the challenges of high social diversity, extreme geographic fragmentation, the predominance of subsistence livelihoods and limited penetration of the territorial state.¹³ Political fragmentation is com-

pounded by the weak sense of national identity and the limited salience of the 'nation' as a basis for political mobilisation (Dinnen 2008). Beyond a very small urban community, notions of citizenship and nationality have little resonance with local communities in which the village and moral frameworks based on kinship, *kastom* and Christianity are decisive. Solomon Islands lacks hard and soft infrastructure to support nation-building and state consolidation necessary for strategic development. In this context, the idea of national development has limited political resonance and prospects for national collective action reduced.

Absent a strong national political frame, the politics of development takes on highly localised and personalised dimensions. The focus of politics centres on local legitimisation strategies through the distribution of material rewards to personal networks (Woods 2014). Politics equilibrates around local development visions based on micro-projects and small cash grants. Economic resources are used to support consumption instead of growth-enhancing productive investments. The localised development frame is exemplified in the expansion of Constituency Development Funds (CDF). These are discretionary funds awarded to MPs to support local development projects and have been an important mechanism for MPs to reward and foster political support (World Bank 2013, p. 7). Since 2007, CDF funding has grown exponentially, becoming a key mechanism for local service delivery.¹⁴ Dinnen (2008, p. 350) notes that '[t]his mechanism has

major markets and small and dispersed population. These limit realisation of scale economies, make competitive trade difficult, and mean Solomon Islands is likely to remain highly aid dependent for the long term (Haque 2013). Such constraints limit the scope of action of local leaders but also require them to make the most of limited development options.

14. There are several discretionary constituency funds available to parliamentarians, the main one being the Rural Constituency Development Fund (RCDF). RCDF funding increased from Solomon Islands Dollar (SBD) 80 million in 2009 to SBD 103 million in 2011. Accountability systems around these funds are underdeveloped (Solomon Islands Government (SIG) 2012, p. 38).

13. Solomon Islands faces significant economic structural constraints arising from its geography, isolation from

reinforced the role of individual members of parliament as personalised agents of “development”, thereby circumventing the bureaucratic delivery systems of the state, as well as contributing to highly uneven patterns of development.’

This is not to argue that Solomon Islands’ politicians are uninterested in development. Rather, development is understood along localised metrics consistent with the political economy within which politicians operate (Corbett 2013). Where governments have shown interest in national development projects, a primary motivation has been their anticipated political benefits rather than economic potential. For example, the Townsville Peace Agreement of 2000 provided for five local development projects on Malaita designed to address (legitimate) local grievances over uneven development and dampen internal migration pressures as people move to Honiara in search of employment. In this spirit, the Solomon Islands Government’s long-held determination to develop an oil palm plantation at Auluta continues in spite of feasibility studies showing its unviability given local geographic conditions (Allen 2012), longstanding issues around land tenure, commercial viability and investor interest. Little consideration is given to the opportunity cost of different national development projects and implications for long-term economic development.

To the extent that a political settlement exists between elite political and economic interests in Solomon Islands, it is extractive rather than growth oriented (Khan 2010). Elites have shown little interest in collaborating to grow the national economic pie to mutual benefit, being instead preoccupied with distributing economic rents derived from intensive resource extraction and accessing state resources and aid budgets (Craig & Porter 2013). For example, RAMSI’s efforts to improve logging governance to increase state revenue were stymied by elites even as logging intensified (Hameiri 2012). This is a zero sum understanding of development and betrays a narrow elite conceptualisation of the state as a development actor.

The result has been a perpetually weak post-colonial state, heavily reliant on donor support and disempowered in its capacity to act as a developmental catalyst. Solomon Islands’ experience thus runs counter to that of successful late developers such as the Asian economies, where elites equate their personal economic interests with national development and regard an authoritative state as central to developmental success. With national elections understood as private goods and the state itself viewed as a source of patrimonial rent, the political system works to drain the state of any concerted developmental capacity or inclination. Very few post-colonial national governments have had what might be called developmentally reformist inclinations. Indeed, Bart Ulufa’alu’s reformist program following the Asian Financial Crisis in 1997 met with significant elite resistance and contributed to the tensions (Hameiri 2012; Moore 2008). No governments during RAMSI were particularly reformist or had strong legislative records.

The incentive structures driving domestic politics thus work in developmentally centrifugal ways, leading to a political focus on localised and fragmented development projects and outcomes which struggle to provide a basis for long-term national growth. An independent review of the bilateral P4D in 2012 found that the lack of decisive developmental leadership on behalf of SIG limited the developmental potential of the partnership. The review called for ‘real and explicit clarity of intent about the longer-term role and function of development assistance in Solomon Islands if policy dialogue is to be directed towards its most productive ends’ (Independent Performance Assessment Panel (IPAP) 2013). The review recommended that the government ‘take a stronger lead in articulating its policies and priorities’ (p. 17) and argued that the potential of the P4D could only be realised if the government became ‘increasingly clear as to what its policy positions and priorities are, and itself drives the partnership harnessing the allocation of resources to those ends’ (p. 20). The ambiguous commitment of political elites to a program of state consolidation shifts the onus of state maintenance and the provision of basic

governance back onto donors. In such an environment, donors will struggle to find authoritative political counterparts sufficiently focused on national development with whom to partner.

4.2 Alignment

Implementation of the Paris Declaration principles requires donors to 'base their overall support on partner countries' national development strategies, institutions and procedures' (OECD 2008). Systems alignment requires that donors support national development policies using partner systems (including public financial management and procurement systems), thus reinforcing state legitimacy and building state capacity. By extension, alignment assumes state capability; counterpart governments that can articulate policy priorities authoritatively, administer their sovereign territories and mobilise citizens and resources in support of stated policy goals.

Prospects for alignment in Solomon Islands are undermined by the pervasive institutional weakness of the post-colonial state and associated weakness of public policy processes. In Solomon Islands, the policy process does not function in recognisable ways based on sequential processes of agenda setting, policy development, implementation, monitoring and evaluation, and reform. Efforts to strengthen local policy capacity have struggled. According to the World Bank (2013, p. 7): 'The results of capacity building efforts under a decade of RAMSI support, with an early focus on capacity substitution, remain unclear. In key central agencies, capacity among civil servants, though growing, remains thin and centred upon donor-supported high-performing units. Service delivery through government systems has been improving, although institutional arrangements to support local level delivery remain weak.'

A major impediment to systems alignment in Solomon Islands is the disconnect between politics and policy, reflected in significant differences between *formal* and *informal* policy. Part of the ritual of government formation in Solomon Islands is the preparation of comprehensive and very detailed coalition policy

statements (see, e.g. National Coalition for Reform and Advancement (NCRA) Policy Statement 2010). But political commitment to these strategies is variable, and they provide only a superficial guide to any government's actual priorities. Formal policies—such as budget statements, policy guidelines and strategies—have limited credibility and impact in setting binding constraints on opportunistic political behaviour. The country has a plethora of development strategies including the National Development Strategy (NDS) 2011–2020, and a raft of sectoral policies, but few have authority or determine the allocation of national resources. Gains in budgetary capacity remain heavily subsidised by donors.

A 2012 Public Expenditure and Financial Assessment report found improvements in the budget process had occurred, including the policy orientation of the budget and its general credibility, but that public financial management gains remained dependent on donor support, links between central agencies and line ministries remain weak, and sector strategies under the NDS lacked 'fiscal realism' (SIG 2012, p. 9). Discrepancies between announced budgets and actual expenditure, particularly at the line ministry level, can be significant, reflecting weak public financial management systems but also the political subversion of budgets. Very high budget allocations are directed to discretionary forms of public expenditure such as tertiary scholarships and CDFs.

This disconnect means that formal policy pronouncements in Solomon Islands tells us little about actual political priorities of leaders and provides a false basis for partnership. The proliferation of development strategies highlights the significance of isomorphic mimicry as an explanation of policy process in Solomon Islands. Isomorphic mimicry refers to when recipient countries feel compelled to adopt and implement externally prescribed but ill-suited policies deemed by donors as legitimate but also how aid recipients use externally prescribed policies and 'the appearance of legitimate engagement with development discourses' (Pritchett et al. 2010, p. 25) to mask dysfunctional behaviour.

Donors have sought to compensate for the alignment challenge posed by weak institutions in various, sometimes contradictory, ways. Efforts to incentivise policy development and implementation through investments in partnership infrastructure and provision of performance-based aid are counterbalanced by donor compensation for weak institutional capacity through co-production arrangements, reflected in the continued provision of high levels of aid and technical support. Partnership in practice is often dependent on the existence of interventionary support. This is best evidenced in the establishment of the Core Economic Working Group (CEWG), which was established after the 2009 financial crisis to support dialogue around long-term economic reform priorities. The reform agenda pursued through the CEWG has been held up regionally as an example of successful strategic policy-making but has required high donor subsidisation to make it work, including through technical assistance to support the Solomon Islands Government's participation in policy discussions. A review of the CEWG conducted by AusAID's Office of Development Effectiveness in 2012 found that '[t]here is . . . a concern that the number of expatriate staff working in MoFT [Ministry of Finance and Treasury] has created a situation in which expatriate staff engage primarily with expatriate seconded staff rather than Solomon Islands civil servants' (p. 14).

5. Prospects for Partnership after RAMSI

A 2013 performance assessment of RAMSI's final program year pointed to its ambiguous development legacy:

While RAMSI has made many gains . . . the Solomon Islands Government remains highly dependent on external support. Leadership, commitment and local ownership are variable but generally weak. Limited progress has been made on longer-term development challenges, particularly strengthening the capacity of the Solomon Islands public service to implement its own policies and programs. (Australian Government 2013, p. 2)

Despite a commitment to build partnership over time, genuine partnership in Solomon Islands remains a distant proposition. Issues of state fragility, the limited national development focus of its political leadership and high aid dependence complicate prospects for effective ownership and alignment upon which partnership must be based. While the rhetoric of partnership has guided RAMSI transition, Australia's post-RAMSI bilateral aid responds to this complexity through a hybrid approach incorporating partnership and interventionary modalities that seek to backstop state functionality while cultivating partnership over time. Australian aid, and that of other donors, remains fundamental to the co-production of sovereignty and state functionality in Solomon Islands.

Efforts to consolidate the partnership basis of Australian aid through transition is a welcome long-term aspiration but has arguably come at the expense of a more strategic re-evaluation of the continued role of interventionary support, through co-production, as an equally important part of Solomon Islands' development future. Co-production support designed to preserve security and governance gains made under RAMSI has been framed in a passive way under a presumption it will be phased down over time.

The focus on partnership is consistent with a development narrative in the region that treats donors as external development actors whose role is to enable partner governments to realise their development potential. This is problematic in situations such as Solomon Islands, and other highly aid dependent countries in the Pacific, because it denies the complex and implicated role of donors in situations of high aid dependence in underwriting stability and governance. It also fails to recognise opportunities donors may have for influencing development directions where host governments are permissive and reconciled to the co-production of sovereignty. In such circumstances, donors have more complicated roles not only as development partners but as default co-owners of development problems.

The constrained prospects for development partnership in Solomon Islands suggests that the focus of Australian aid should be shifted to

areas beyond the state including community-driven development and private sector service delivery. But the substantial state-building investments made under RAMSI have vested significant long-term obligations on Australia to preserve RAMSI's state-building legacy and continue to support basic governance and security. This poses a challenge for donors regarding how to build on RAMSI's state-building legacy to help Solomon Islands better engage with its long-term development challenges.

Two key issues arise from this analysis. The first centres on whether existing interventionary support could be refocused or extended in certain sectors to underwrite better long-term development outcomes. Explicitly recognising Australia's long-term role in supporting co-production in Solomon Islands, and, subject to political agreement with the Solomon Islands Government, could interventionary forms of support be used in creative ways to help expedite the country's engagement with key structural adjustment challenges and nudge it onto a more sustainable development path? Might enhanced interventionary forms of support in certain sectors provide a better foundation for addressing long-term development challenges, such as the education sector which will be important to Solomon Islands' engagement with emerging opportunities in regional labour markets (Close 2012)? What might enhanced co-production arrangements look like in specific sectors, and what political agreements might be needed to bed these down beyond general partnership discussions?

The second question centres on the contradictions between the provision of long-term interventionary support to maintain basic governance and security and the moral hazards arising from high donor subsidisation which undermines incentives for local ownership. Booth (2012, p. 539) argues donors need to treat ownership as an outcome to be constructed as a basis for effective long-term development partnership. But significant donor subsidisation reduces pressure on local leaders to engage with difficult development problems, blunting donor efforts to build ownership through a partnership infrastructure.

Can the provision of long-term interventionary support be delivered in ways which limit dependencies while providing space for the emergence of new national leaders and constituencies for development with whom donors could partner over the long term?

Recognising explicitly the hybrid nature of post-RAMSI development partnerships and the complex role that donors have as co-owners of development problems may open up new possibilities for more effective aid. A key challenge for development partners will be to find the combination of interventionary and partnership-based support which best engages with the development challenges in Solomon Islands. Building on the lessons learned from RAMSI's experience as an interventionary mission will be important to ensure that the continued mix of donor support—partnership and interventionary forms of assistance—is better directed to realising positive development outcomes.

May 2014.

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