The Private Sector, the Solomon Islands and the Peace–Economic Dividend:
Learning from the RAMSI Experience

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<tr>
<td>ACMC</td>
<td>Australian Civil Military Centre</td>
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<td>CMPPMG</td>
<td>Commonwealth Multinational Police Peace Monitoring Group</td>
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<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>ERU</td>
<td>Economic Recovery Unit</td>
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<td>GRA</td>
<td>Guadalcanal Revolutionary Army</td>
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<td>GRF</td>
<td>Guadalcanal Revolutionary Front</td>
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<td>IFI</td>
<td>International Financial Institution</td>
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<td>IFM</td>
<td>Isatabu Freedom Movement</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IPMT</td>
<td>International Peace Monitoring Group</td>
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<td>IPPA</td>
<td>Investment Promotion Protection Agreement</td>
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<td>MEF</td>
<td>Malaitan Eagle Force</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<td>RAMSI</td>
<td>Regional Assistance Mission to the Solomon Islands</td>
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<td>RSIPF</td>
<td>Royal Solomon Islands Police Force</td>
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<td>SICCI</td>
<td>Solomon Islands Chamber of Commerce and Industry</td>
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<td>SIG</td>
<td>Solomon Islands Government</td>
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<td>SME</td>
<td>Small and Medium Enterprise</td>
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<td>SOE</td>
<td>State-owned enterprise</td>
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Executive Summary

Ten years following the arrival of the Regional Assistance Mission to the Solomon Islands (RAMSI), the Australian-led mission is due to transition to predominantly bilateral (Australia-Solomon Islands) partnerships in July 2013, thereby signalling the end to the most complex and lengthiest regional intervention and stabilisation mission in the Pacific. The transition does not, however, reflect disengagement. Australian Government 2013 budget allocations of AU$499.8 million towards the transition and RAMSI’s successor bilateral programmes between 2013 and 2017 demonstrate significant continued external engagement. Learning from the RAMSI experience is therefore both timely and appropriate as the Solomon Islands Government (SIG) and its partners reflect on the sustainability of the hard-won peace and economic dividend.

Objective
Commissioned by the King’s College Humanitarian Futures Programme as part of a multi-country 12 month research project examining the role of the private sector in humanitarian action, the objective of the “Learning from RAMSI’s Experience” report is to analyse and document the role of the private sector in the post-conflict recovery of the Solomon Islands.

Audience
The report’s target audience includes the Australian Government and its agencies tasked with the development and oversight of RAMSI and its subsequent incarnations; the SIG and its partners; and the Pacific Islands Forum under which RAMSI’s mandate is provided by the Biketawa Declaration. The report’s secondary audience includes the private sector; the international humanitarian community; and civil society organisations.

Methodology
The report was undertaken over a period of 23 days throughout April and May 2013. The report’s findings are based on both a desk review of literature on RAMSI, the Solomon Islands economy pre-and post-crisis, and the role of the private sector in humanitarian action, and key informant interviews conducted in the Solomon Islands during a 7-day field research trip. National and international stakeholder groups were consulted, including RAMSI officials (civilian, military and policing), SIG officials, representatives of the private sector, civil society organisations, and the church, the international development sector, the Solomon Islands media, and the academic community. Additional informant interviews were conducted by telephone, email and Skype.

Main findings
The ‘tensions’ in the Solomon Islands between 1998 and 2003 were a potent mix of economic stagnation, inequitable development, high unemployment, conflict between Guale landowners and Malaitan settlers, the hijacking of the state, and the collapse of law enforcement. The private sector was severely weakened in the process; businesses faced significant challenges, including poor local demand, rising transport costs, deteriorating infrastructure, lack of business confidence and security problems. Major businesses closed or reduced operations and exports fell, and the dominant Chinese business sector suffered considerably due to community riots in 2006.

RAMSI was deployed in 2003 following several earlier failed attempts at securing peace. It consisted of three pillars: (1) law and order; (2) economic reform; and (3) machinery of government. RAMSI supported the SIG in the creation and passing of enabling legislation and regulatory frameworks in its economic reform pillar, which has led to varied levels of success, but did not engage the private sector directly. Instead, RAMSI’s engagement was an indirect and informal partnership that failed to capture the development-security nexus. It missed key opportunities, such as connecting with relatively coherent sub-sectors of the private sector like Chinese businesses.

At the macro-economic level, there have been significant joint RAMSI-SIG efforts to transform the national investment environment and strengthen economic governance. These include the passing of key legislation and the strengthening of the Finance and Treasury Ministries’ systems and capabilities to support and encourage economic management,
sustainable growth, and policy and regulatory reform. These reforms are reflected in the Doing Business Indicators, which feature the Solomon Islands as increasing in rank from 106th in 2010 to 74th in 2012.

This progress is not, however, reflected within the community-based business sector. The RAMSI-sponsored People’s Surveys reveal that perceptions of business conditions had worsened and that starting a business held considerable obstacles. The challenges ranged from a lack of business skills, poor understanding of banking services, and family (wantok) demands, indicating that private sector growth in post-conflict and conflict-affected contexts demands a far more nuanced approach than RAMSI’s linear, top-down model.

Therefore, while RAMSI’s framework acknowledges the need for economic reform and for creating the conditions for economic growth, there has been a failure to link this meaningfully with the private sector. Creating the enabling economic environment is only one part of the post-conflict recovery picture; employment and other economic opportunities can increase the likelihood of nurturing and sustaining fragile peace arrangements.

It is clear that the private sector is a key protagonist in post-conflict recovery. Coupled with humanitarian action, or as a conduit for humanitarian action, the private sector is a central enabler in the growth of local businesses, providing employment and creating the enduring conditions for economic security. Humanitarian actors are increasingly recognising that markets are a key mechanism for the delivery of aid with humanitarian interventions ranging from ‘market aware’, through to ‘market support,’ to ‘market based programming.’

Given the centrality of economic growth to the prospects for peace, donors cannot afford to ignore the private sector from the earliest stage in their intervention. It is clear that nation-building is a multifaceted and delicate business requiring the participation of all stakeholder groups. Fragile states thus require more than the conventional ‘state-centric’ conflict recovery mechanisms, and regional missions must integrate the ‘Do No Harm’ principle across their intervention and in considering public-private partnerships.

Looking ahead, therefore, it is important to evaluate the implications of this for the Solomon Islands and Australian support to the country during the transition, and other post-conflict environments where it is providing bilateral assistance. Fresh thinking is required post-RAMSI based on new modalities of engagement. AusAID’s 2012 Sustainable Economic Development - Private Sector Development Strategy emphasises the importance of targeted interventions in fragile states to create employment and help the local business sector grow. Interventions which advance, for example, the role of women in business, skills-based training for former militants, rural private sector development and access to banking. The Strategy echoes a key premise of the New Deal for Engagement in Fragile States: strong economic foundations for employment and livelihoods in its five Peace and Statebuilding Goals (PSGs). The research shows that this is likely to require a mix of innovative approaches that combine non-economic with economic incentives. AusAID’s options for direct interventions provide a useful framework for engagement.¹

¹ AusAID (2012) Sustainable Economic Development, Private Sector Development, Thematic Strategy (August), pp. 31. The options include: funding large scale public works programs; supporting infant industries; supporting women’s participation; funding public research into business opportunities in developing countries; supporting growth clusters; and providing business advisory services.
Context Analysis

The ‘Tensions’
In the years following Solomon Islands’ independence in 1978, a stagnating economy led to growing social frustration, high unemployment, and a lack of infrastructure and basic services for the majority of Solomon Islanders. By 1998, this became a potent mix, which erupted into conflict between Malaitan migrants and traditional Guadalcanalese (Guale) landowners on the island of Guadalcanal.

Indigenous Guale militant groups (later known as the Isatabu Freedom Movement (IFM) and the Guadalcanal Revolutionary Army (GRA)) had begun to emerge in 1996 and within two years, an orchestrated campaign of agitation, then violence and intimidation, had begun on the northern Guadalcanal plains to expel Malaitan migrant settlers. In response, the Malaitan Eagle Force (MEF) was formed to defend Malaitans and their property, predominantly in the capital, Honiara, which became an enclave.

The MEF drew substantial support from the Malaitan-dominated Royal Solomon Islands Police Force (RSPIF) rendering the already debilitated security sector compromised. In 2000 the MEF, with the support of the RSIPF Field Force, placed Governor-General Lapli and Prime Minister Ulufa’alu under house arrest and took control of the central government. Despite successive interventions and peace agreements – the Commonwealth Multinational Police Peace Monitoring Group (CMPPMG) in 1999; the Australian-sponsored Townsville Peace Agreement in October 2000 and the International Peace Monitoring Group (IPMT) – and general elections in 2001, the Solomon Islands Government effectively lost control of Guadalcanal with Malaitans controlling the capital and Guadalcanalese militants controlling the countryside.

The humanitarian cost of the ‘tensions’ was significant, leaving approximately 40,000 (nearly ten per cent of the population) people forcibly displaced and an estimated 400 dead. The state had effectively lost all authority and ability to exercise power in response to widespread lawlessness. In May 2003, Prime Minister Allan Kemakeza requested that Australia provide armed intervention to restore law and order. In July 2003, RAMSI was deployed.

The United Nations Development Program (UNDP) identified five inter-related root causes of the conflict: (1) the mismanagement of land; (2) traditional versus non-traditional authority structures; (3) access to government services, public resources, and information; (4) the lack of economic opportunities; and (5) the failure of the law and justice. The tensions had multiple layers that can be broadly described as: Malaitan versus Guale; Guale versus other groups; Honiara versus the rest of the nation; the colonial legacy versus development equity.

At the social and community level, the root of the tensions, particularly in Guadalcanal and specifically Honiara, related to illegal squatting and use of customary lands, the commercialisation of land, rapid population growth and land pressure and poor management of urban growth (particularly around Honiara). A history of indentured labour of Malaitans on Guadalcanal plantations since the 1900s and overpopulation on the island of Malaita led to extensive rural-urban drift of Malaitans to Honiara. This resulted in urbanisation pressures in and around Honiara, a sense of marginalisation amongst Guale, intensified cultural differences between Malaitan and Guale, and tensions over land ownership.

In addition, following the establishment of provincial government in the 1980s, central government in Honiara retained the purse strings; therefore, rural Guadalcanal and the other provinces experienced ‘distance decay’ and increasingly demanded greater development equity and control of shares and revenue from natural resources.

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2 The origins of migration from Malaita to Guadalcanal, where the capital Honiara is situated, lie in the British colonial policy of indentured plantation labour and post WWII migration of Malaitans in search of employment.

3 For further background see Australian Department of Foreign Affairs and Trade (2004). ‘Solomon Islands. Rebuilding an island economy.’ Commonwealth of Australia. Canberra, pp.4


5 Ibid, pp.43.


http://www.vanuatu.usp.ac.fj/sol_adobe_documents/usp%20only/pacific%20law/bennettpdf

Humanitarian Futures Programme // The Private Sector, the Solomon Islands and the Peace-Economic Dividend: Learning from the RAMSI Experience
The Private Sector

Throughout the 1980s and 1990s, the Solomon Islands faced similar obstacles to economic growth as other small island developing countries (LDCs) in the Pacific; namely, an over-dependence on resource extraction (and a few core primary industries, such as logging) which benefited the few, weak state institutions, a poor business regulatory environment, high transport costs and inadequate infrastructure (e.g. expensive and unreliable inter-island shipping services) and the lack of port facilities), limited competition, high communication costs, and the centralisation of banking services with little reach into the rural sector. Approximately 80 per cent of the population was engaged in subsistence livelihoods with little involvement in the cash economy. The major economic and commercial activities were relatively limited and included plantation production of copra, cocoa, and palm oil, one fish cannery, a gold mine on Guadalcanal, and small resort and diving enterprises.

In 1998, prior to the tensions, the Solomon Islands private sector employed 23,773 people in both the formal and informal business sectors out of a population of around 239,000 people aged 15 and over. The sector consisted of agricultural production, forestry and timber products, fisheries, mining and exploration, manufacturing, construction, wholesale and retail, accommodation and hospitality. The private sector was predominantly located in and around Honiara and the Western Province. In 1998, 49 per cent of all enterprises were located in Honiara and 17 per cent were in the Western Province; in 2003 over 50 per cent of enterprises were located in Honiara and at least 70 per cent of all manufacturing operations were situated there.

Palm oil and copra production dominated industry. The now defunct foreign-owned Russell Islands Plantation Estate Ltd (RIPEL) was the leading producer of copra, coconut oil and cocoa but was struggling in 2004, further impacted by low world prices and high transportation costs. In Central Guadalcanal, Gold Ridge Mine (then owned by Ross Mining), was forcibly closed and infrastructure was destroyed or stolen by the IFM. The largest oil palm plantation was abandoned by the Solomon Islands Plantation Limited (SIPL) and became the headquarters of the IFM’s ‘eastern troop’. Like the government, the private sector was all but paralysed by the tensions. The notable exceptions were in those foreign-owned companies in the forestry and fisheries sectors which were able to operate relatively unaffected by the tensions due to their geographical distance to the tensions. SIG Audit Reports dated 2005 reveal that Japanese, South Korean and Malaysian companies took advantage of the crisis years to increase their exploitation of the nation’s natural resources.

In 2003, approximately 98 per cent of the formal businesses operating in Solomon Islands were classified as small or medium-sized enterprises (SMEs). A survey of the private sector conducted in mid-2003 showed a 40-45 per cent decline in formal businesses (excluding self-employed persons). During this period, manufacturing, agriculture and fishing also declined with employment in the manufacturing sector having declined by up to 50 per cent since 2000, while in most other sectors the reduction in employment levels averaged between 35 and 40 per cent.

Already limited, the private sector was severely weakened between 1998 and 2003 as a result of the tensions. The 1999 census revealed that less than a third of the population was in paid work, while Gross Domestic Product (GDP) decreased by an estimated 24 per cent between 1998 and 2002, reversing the growth of the preceding decade. Businesses faced significant challenges, including poor local demand, rising transport costs, deteriorating infrastructure, lack of business confidence and security problems. Major businesses closed or reduced operations and exports fell. Coupled with falling commodity prices, the value of merchandise exports fell by an annual average of 19 per cent between 1999 and 2002. The fighting caused extensive damage to personal property, infrastructure, core government operations and social services delivery, and forced the closure of a significant number of businesses.

14 According to DFAT, ‘around 6000 to 7000 informal, micro-enterprises are believed to operate around the country. These ‘part-time entrepreneurs’ are engaged primarily in agriculture and fishing, and their sales are primarily restricted to their immediate market.’ DFAT (2004), pp.76.
17 Hardin (2003). The DFAT report notes that the ‘decline in the private sector also can be seen through the number of private sector employers contributing to the National Provident Fund. In early 2000, 3930 employers were contributing to the National Provident Fund. By May 2003, there were 1236 employers contributing, a decline of around 68 per cent.’ DFAT (2004), pp. 76.
20 Ibid., pp. xiii.
21 Ibid., pp. 1.
In 2002 formal government debt increased by over 40 per cent as government lost control of finances and exports collapsed. Increasing debt servicing costs, uncontrolled expenditure by government ministries and extortion by militants and police led to fiscal deficits which the Government was not able to finance. High interest rates and limited opportunities for new and viable investments in the domestic market restricted private sector involvement. Falling exports led to substantial trade deficits which, together with capital flight, severely eroded the economy’s foreign exchange reserves.

Hence, by early 2003, the state had lost its authority and ability to enforce law and order; corruption and extortion drained government resources, and service provision had faltered. Domestic production had collapsed and the economy’s spiralling debt had become unmanageable.

The 2004 Australian Department of Foreign Affairs and Trade report Solomon Islands: Rebuilding an Island Economy cited the following factors as impediments to the growth of the private sector prior to and during the tensions: law and order; poor and inadequate infrastructure; limited access to affordable finance; problems with land ownership and tenure; foreign exchange policies, trade and investment. Pervasive corruption, misappropriation of funds, disregard of the rule of law and government procedures, political favouritism and general inefficiencies have all contributed to a lack of trust in the machinery of government and a deterioration in businesses’ operating environment. Solomon Islands was overwhelmingly dependent on logging with the other key industry, mining, fraught with landowner issues.

Since 2009, the World Bank has been engaged in a series of reforms and programmes which have had and continue to have direct implications for the Solomon Islands private sector. These include:

- **Reforms in the telecommunications sector** which increased the number of people having access to mobile communications from 50,000 to 300,000 – approximately 55 per cent of the population.
- **The Rapid Employment Project** provided 324,000 days of work for the urban unemployed. Women equate to 57 per cent of the beneficiaries, and youth 51 per cent.
- **The Rural Development Program** supported over 200 community infrastructure projects in rural areas – including classrooms, health clinics, and water supply systems – reaching over 300,000 people, over half the population.
- **The Solomon Islands Electricity Authority** significantly improved the quality of services, and moved from a SBD 70 million loss in 2010 to a SBD 53 million profit in 2012.
- **In 2012, the Solomon Islands become a candidate country for the Extractive Industries Transparency Initiative (EITI),** supported by technical assistance provided by the Bank. EITI promotes improved governance in countries rich in natural resources by publishing and verifying government revenues and company payments from oil, gas, and mining activities.

According to informants within the business sector, such support has impacted negatively on the growth of the private sector through stifling development by creating dependency, as in other countries with heavy international intervention. Interestingly, this criticism was also directed towards RAMSI. A businessman interviewed argued for greater engagement between the private sector communities (especially small and medium-sized enterprises (SMEs)) in Australia and New Zealand with support given for business mentoring programmes.

**The Chinese Business Sector**

The Chinese community in the Solomon Islands is small, yet its footprint on the private sector has always been significant. Some have been residents for generations, their families and businesses becoming an integral part of island life. But in the mid-2000s, the country saw an influx of new arrivals from mainland China, bringing with them money and a desire to do business. Beachfront sites were bought up and transformed into hotels; prime property used for restaurants and shops. While this undoubtedly brought opportunities for islanders, it led to complaints of low wages and poor working conditions.
conditions, as well as allegations of unethical business practices.

By 2006, Chinese businesses dominated the commercial private sector, controlling up to 80 per cent of the retail trade.\(^3^0\) The question of how much they have blocked indigenous entrepreneurs from emerging is difficult to calculate but the sale of cheap goods ensures a steady clientele despite the significant discontent over faulty goods, food being sold beyond their expiration date and the treatment by some Chinese businesses of their local employees.\(^3^1\)

Mathew Quan, President of the Chinese Association of Solomon Islands (CASI), explained that there is a long-standing informal, or tacit, understanding that Chinese businesses should not seek to enter certain business sectors (such as transport, i.e. taxi and bus services) and that these sectors should be the domain of indigenous Solomon Islanders, is ignored by the arrival of new Chinese migrants.\(^3^2\) Despite this apparent mutual understanding, the dominance of Chinese businesses has caused much resentment among the majority Malaitian population, which has led to violence and the subsequent reliance of the Chinese business sector on Private Security Companies (PSCs) to provide security in the face of a weak and compromised local police force.

Finally, when asked what role the Chinese business sector saw itself having in post-conflict recovery, one member of the Chinese business community replied that there were individual entrepreneurs who valued their employees and saw the importance of the direct and indirect benefits for both the employer and the community, and by extension the country.\(^3^3\) One such example is that of prominent businessman, Patrick Leong, whose land near the RAMSI base east of Honiara was being occupied by squatters.\(^3^4\) In 2011 a reconciliation ceremony was held. Actions like these are, however, are damaged by those Chinese illegally profiteering.

\(^{31}\) Ibid., pp.7.
\(^{32}\) Interview with Mathew Quan, President of the Chinese Association of Solomon Islands (CASI), China Town, Honiara, Solomon Islands, 23 April 2013.
\(^{33}\) For example, during the 2006 riots Quan’s local employees protected his businesses from burning and looting because of their vested interests.
RAMSI and the Private Sector

Analysis of the Interface and Changes over Time - From then to now

In 2003, RAMSI Special Coordinator Nick Warner stated in his first speech: ‘Our immediate purpose is to restore law and order in Solomon Islands. Our police will be working hand-in-hand with the Solomon Islands police to provide safety and security to streets and villages and to get guns out of communities. Only then will conditions exist for the revival of the economy’.\(^{35}\) The perception of Australian officials at the time was that ‘very little industry existed’,\(^{36}\) while other observers argue that RAMSI deliberately limited its engagement with the private sector in order to ensure it did not become an ‘inhibitor to investment’.\(^{37}\) A decade later, in 2013, RAMSI Special Coordinator Nicholas Coppel stated that ‘the private sector has always been integral to RAMSI’.\(^{38}\) The relationship is symbiotic, as another Australian official stated: ‘the business community has a direct interest in the security dividend that RAMSI offers’.\(^{39}\) The below account follows various stages of the RAMSI mission, and is followed by some primary analysis.

The early years: 2003 - 2006

RAMSI’s framework for economic reform was strongly aligned to the SIG’s National Economic Reform, Recovery and Development Programme 2003-2006 (NERRDP). The NERRDP’s considerable focus on private sector development is less clearly articulated in official RAMSI literature. The NERRDP identified the private sector as the ‘engine of growth’\(^{40}\) and argued that the successful implementation of the Plan was due to the involvement of the private sector, alongside the Government and the public sector.\(^{41}\) The NERRDP called for ‘an effective programme to assist these businesses to participate effectively in the future economic growth’ stating that the future social cohesion and longer-term economic stability of the Solomon Islands is dependent to a significant extent on the development of a prosperous indigenous entrepreneurial class.\(^{42}\) DFAT stated in 2004 that ‘given the limited resources available to the Solomon Islands Government and the previous problems of government management, reforms focused on private sector involvement are more appropriate’.\(^{43}\) Special Coordinator Warner stated in 2004 that: ‘Crucial to the future of the Solomon Islands is bringing about much needed economic reform. Resuscitating the economy will require foreign and local investment if economic growth and jobs are to return to the country. This in turn requires regulatory reform, taxation reform, restructuring of state-owned enterprises and reform of the financial sector to ensure stability and credit to business and consumers’.\(^{44}\) RAMSI Development Coordinator Jane Lake later concurred that ‘law and order and a functioning government and economy are all integral to private sector development…key to this was getting government finances under control. This is a more holistic approach to private sector development’.\(^{45}\)

Box 1 // Key RAMSI-SIG Frameworks

| 2009: Partnership Framework Between Solomon Islands Government and Regional Assistance Mission to the Solomon Islands |

In 2004 the SIG’s Ministry of Finance Economic Reform Unit (ERU) was established tasked with identifying, developing and advising on reforms to support the growth of the private sector by ‘implementing policies that will encourage investment, including in the provinces, which will lead to the creation of new jobs and growth in the economy.’\(^{46}\) The Financial and Economic Development Unit (FEDU) was similarly established


\(^{36}\) Interview, Australian High Commission, Honiara, Solomon Islands, 18 April 2013.

\(^{37}\) Interview, expatriate official, Honiara, Solomon Islands, 19 April 2013; Interview, Honiara, Solomon Islands, 18 April 2013.

\(^{38}\) Interview with Nicholas Coppel, RAMSI Special Coordinator, Honiara, Solomon Islands, 23 April 2013.

\(^{39}\) Interview, Australian High Commission, Honiara, Solomon Islands, 18 April 2013.

\(^{40}\) NERRDP (2003), pp. 100.

\(^{41}\) Ibid.


\(^{43}\) DFAT (2003), pp. xii.

\(^{44}\) Operation Helpem Fren: Rebuilding the Nation of Solomon Islands’, Speech to National Security Conference, Special Coordinator Nick Warner, Canberra, Australia, 23 March 2004.

\(^{45}\) Interview with Jane Lake, RAMSI Development Coordinator, Honiara, 23 April 2013.

\(^{46}\) ‘RAMSI’s 1st anniversary,’ Special Coordinator Nick Warner, Honiara, Solomon Islands, 24 July 2004.
with RAMSI and the RAMSI engagement with the ERU and FEDU to focus on macroeconomic stability; improve business regulation; improve financial services available to provincial and rural areas; improve the performance, governance and accountability of State-Owned Enterprises; improve the collection, analysis and publication of key economic and social statistics; and improve professional skills of Ministry of Finance and Treasury staff.

A key piece of legislative reform, the Foreign Investment Act, was passed in 2005, and resulted in an immediate seven-fold increase in the number of foreign investors in Solomon Islands. Parallel to such reforms, however, were concerns that the increase in business resulted in a rise in government corruption.

Whilst it is clear that RAMSI economic reforms were, much like the restoration of law and order, targeted to encourage private sector growth, actual engagement with the private sector was ad hoc in nature and often reflected personal relationships between RAMSI officials and private sector stakeholders. RAMSI’s crisis assistance strategy did not emphasise the role that the private sector should (or could) take in post-conflict recovery. This is in part due to the weakness of the sector during RAMSI’s early years. Moreover, the private sector was viewed as a ‘partner’ to economic recovery, but that partnership was in many respects ancillary to RAMSI’s core activities. As such, RAMSI’s interface with the national private sector was largely through indirect engagement (i.e. creating the enabling environment for private sector growth) and through interaction with the Solomon Islands Chamber of Commerce and Industry (SICCI) - which RAMSI increasingly sought to remind, had an integral role to play in economic recovery.

In a 2005 speech to SICCI, then Special Coordinator James Batley stated that the Chamber could be a powerful ‘advocate for change and for a better future… The challenge facing Solomon Islands is above politics and it is above the interest of any one of your members. Simply put, it is about the survival of the country’. In 2007, Special Coordinator Tim George delivered a similar perspective, stating that the scope for a body such as the Chamber of Commerce to draw attention, and shape responses, to the particular challenges facing a small and post-conflict economy such as Solomon Islands cannot be underestimated... the role we – the SIG-RAMSI partnership, the Chamber and the business sector generally – can play in creating the best possible environment for responsible economic growth and the development of the Solomon Islands commercial sector.49

The perception amongst elements of the Solomon Islands business community is that RAMSI could have done more in aiding the growth of the business sector, rather than focusing entirely on establishing a return to law and order, which allowed businesses to re-open. One repeated example concerns training and apprenticeships; local electricians found themselves unable to tap into the large pool of expatriates, Australian businesses, and RAMSI itself, because they did not meet Australian industry standards. Several local business people reflected that training programmes could have been created to ensure that local electricians acquired such Australian industry qualifications.50 A prominent Solomon Islander also suggested that RAMSI could have supported the establishment of professional associations.

The Chinese business community’s perspectives of RAMSI’s engagement with the private sector are shaped by the degree of insecurity that permeates China Town. Therefore, whilst those interviewed reflected unanimous support for RAMSI’s role in re-establishing law and order and for RAMSI’s ongoing presence, the mission’s failure to first prevent and then protect China Town in April 2006 has marred perceptions of RAMSI as a security provider. China Town in Honiara was largely burnt to the ground, shops were looted, and vehicles torched; 90 per cent of the area was destroyed and an estimated 1,600 jobs were lost.

Throughout the tensions the capital had not been targeted, and certainly not the commercial China Town district. The riots were in response to the election of a government and Prime Minister perceived to have strong links to Asian – primarily Chinese – businessmen and that these businessmen had bribed MPs to ensure that the Government would serve their interests. For example, the elected Prime Minister, Snyder Rini, was supported by Sir Thomas Chan, a wealthy ethnic Chinese businessman who is also the president of the Association of Independent Members of Parliament (AIMP) and owner of the Honiara Hotel where the AIMP/PAP group camped in the lead up to the election of the Prime Minister – this was used by

49 Address to Solomon Islands Chamber of Commerce, Special Coordinator Tim George, Honiara, Solomon Islands 10 May 2007.
51 Interview, Honiara, Solomon Islands 22 April 2013.
52 Interviews with Chinese business community, China Town, Honiara, Solomon Islands 23 April 2013. One businessman referred to the RAMSI response in 2006 as ‘appalling and disgraceful’.

10 Humanitarian Futures Programme // The Private Sector, the Solomon Islands and the Peace-Economic Dividend: Learning from the RAMSI Experience
the Malaitan Eagle Force during the tensions as their Headquarters. Targeting of the Chinese private sector occurred again in 2011, also coinciding with the change in government however far less damage occurred due to the policing response.\textsuperscript{54}

Members of the Chinese business community interviewed also did not believe that RAMSI had taken sufficient action to protect their interests or prosecute those Chinese businesses engaged in illegal activities.\textsuperscript{55} This has impacted negatively across the legitimate Chinese business community in terms of both reputation and also their ability to conduct business.\textsuperscript{56} For a number of Chinese business leaders interviewed, it has raised questions about the effectiveness of RAMSI’s economic reforms. RAMSI should, it was argued, be more engaged in grassroots economic reforms such as finding solutions to unemployment and the development of the rural sector.\textsuperscript{57} This perspective was not a consequence of a lack of understanding of RAMSI’s mandate but rather recognition of the relationship between economic disenfranchisement and development inequity and the potential return to conflict.

**The middle years: 2007 onwards**

The manner in which RAMSI engaged with the private sector did not change significantly from 2007 onwards with the exception of the Solomon Islands Media Assistance Scheme (SOLMAS) launched in 2008. RAMSI’s primary objective remained as the *enabler* of a conducive business environment.

The implementation of a number of key legislative reforms occurred, namely those listed in Box 2 (and preceded by the aforementioned Foreign Investment Act 2005 and Regulation 2006).

**Box 2 // Legislative Reform**

**Secured Transactions Act 2008** was developed and implemented to improve access to credit for Solomon Islanders.

**Companies Act 2009** and **Insolvencies Act 2009** passed by Parliament will make it easier to set up and run a company in Solomon Islands. These Acts also allow the creation of ‘community’ companies, which are more appropriate for villages, communities, landowners and women’s groups seeking to start up a business. One of the key purposes of the Companies Act 2009 is to ‘support a simpler approach which reflects regional best practice and has been tailored especially for the local environment.’

**Customs Valuation Act 2009** will help to improve compliance by businesses importing goods and align Solomon Islands Customs work with World Trade Organisation standards.

**Foreign Investment Act 2005 and Regulation 2006** facilitate and promote foreign investments in Solomon Islands.

The 2007 Pacific Islands Forum Taskforce Review of RAMSI (the Taskforce) recommended that RAMSI’s drawdown over time should not involve a blanket, arbitrary exit deadline, but rather a series of jointly agreed indicative and condition-based timelines.\textsuperscript{58} These timelines would be met as key institutions across several sectors built capacity and attained sustainability.\textsuperscript{59} In February 2008, the inaugural Forum Ministerial Standing Committee (FMSC) meeting on RAMSI decided these conditions-based timelines would be achieved through the development of a Solomon Islands Government–RAMSI Partnership Framework. The proposal to develop such a framework was originally endorsed by the Pacific Islands Forum Ministerial Standing Committee (FMSC) on RAMSI in early 2008. This was in recognition of the need for improved consultation between RAMSI and SIG and, in turn, between RAMSI, SIG and the Pacific Islands Forum. The Enhanced Consultative Mechanism (ECM) was thereby established to facilitate consultation and ultimately a strategic partnership between RAMSI and SIG.

In 2008 Solomon Islands Minister for Foreign Affairs and External Trade, Hon. William Haomae stated the ECM was ‘very important for achieving the objective and goals of RAMSI… and more significantly for better realisation of these goals’.\textsuperscript{60} Specifically, the Strategic Partnership, Haomae said, ‘has its importance in the delivery of positive outcomes to the people of Solomon Islands through a continuous dialogue and consultation with RAMSI’.\textsuperscript{61} ‘It is our view,’ stated the Foreign Minister, ‘that the structure of this Framework will assist us to align our efforts for greater impact on the


\textsuperscript{55} Ibid.


\textsuperscript{57} Ibid.


\textsuperscript{59} Ibid.

\textsuperscript{60} Ibid.

\textsuperscript{61} Ibid.

\textsuperscript{55} Ibid.

\textsuperscript{56} Ibid.

\textsuperscript{57} Ibid.


\textsuperscript{59} Ibid.


\textsuperscript{61} Ibid.
livelihoods of the 80 plus per cent of our people that depends on economical rural activities to meet the basics of their rural livelihoods and its sustainability’. 62

A ‘living document’ was created in 2009 through the SIG-RAMSI Partnership Framework, which contains objectives and targets for RAMSI’s activities in the Solomon Islands with indicative timeframes linked to each objective. 63 The report lists as one of the three overall pillars: Economic Governance and Growth Aspiration: A Solomon Islands achieving broad-based economic growth and a more prosperous society (including for those living in rural areas) supported by a fiscally responsible government which promotes sound economic policies’ (see objectives in Box 3). 64 The Partnership is managed by the SIG-RAMSI Support Facility (SRSF) which states on its website that it is ‘committed to buying locally where possible and to supporting Solomon Island businesses, especially those owned and operated by women’.

The report’s log frame sets out economic management and reform strategies and targets including: improved financial services available to provincial and rural areas; more Solomon Islanders able to access credit through commercial banks; improved business regulations.

Box 3 // Economic Growth and Governance Pillar

A Ministry of Finance and Treasury (MoFT) that provides leadership in financial matters and high quality professional financial and economic services.

RAMSI will work in partnership with the Ministry of Finance and Treasury to improve or assist:

- MoFT systems and capabilities, particularly in corporate services, budget, inland revenue and debt management;
- broad economic management and sustainable growth, including policy and regulatory reform;
- performance of State Owned Enterprises.

The articulated goal is ‘Leadership in financial matters and delivery of high quality professional financial and economic services to the Government, other Ministries and the wider community’ and the indicator is: ‘Improved standard of living of Solomon Islands through economic and financial reforms that grow the economy in a sustainable way’. 65 Interestingly, however, whilst engagement with donors and international financial institutions (IFIs) is specifically stated, no explicit reference is made to engagement with the private sector.

The 2011 Annual Program Performance Review appraised the Partnership Framework’s progress since its inception in 2009 and noted that there had been improvements in economic management and reform supporting stronger private sector growth. 66 The review cited a Chamber of Commerce members’ survey in which almost 70 per cent of participants said they expected their business to be in a stronger position in 2012. 67

Indeed, the business environment did improve at the macro level. In 2011, the Solomon Islands was named one of the top 10 biggest business environment reformers according to the World Bank’s Doing Business in a More Transparent World 2012 Ranking. 2012 saw improvements in the private sector investment climate. This includes improvements in the time to register new companies and land transitions. Since the Companies Act came into force in 2010 there has been a near doubling of the number of new companies incorporating each year, indicating that simplified processes with lower fees have encouraged greater participation in the formal private sector. The Solomon Islands Doing Business Indicators has seen a consistent shift in ranking from 106th in 2010, to 81st in 2011, to 74th in 2012. 68

AusAID’s claim that companies in the Solomon Islands can now register in less than one and a half days, ‘one of the best times in the world,’ 69 was paradoxically viewed as both testament to the success of RAMSI in creating the regulatory enabling environment and a matter of concern with suspicion over the speed with which companies engaged in potentially illegitimate practices had acquired licences. 70 Moreover, in sharp contrast to the findings of the World Bank, RAMSI’s 2009 People’s Survey pointed to the fact that Solomon Islanders found that establishing a business in the country continued to be a real challenge; 27 per cent of the 5053 respondents said conditions for starting a business were better than two years ago, and while 28 per cent said that business conditions remained the same, 29 per cent said they had worsened. Of the 30 per cent of the respondents who said they had

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62 Ibid.
63 Partnership Framework Between Solomon Islands Government and Regional Assistance Mission to the Solomon Islands (Honiara, April 2009)
64 Ibid., p. 6. The other two pillars are (1) Law and Justice; and (2) Machinery of Government. The Framework also addresses cross-cutting issues: capacity building; anti-corruption; advancing gender equality.
66 RAMSI Annual Program Performance Report 2011 (June 2012), Canberra, pp. 2
67 Ibid.
70 Interview with former Solomon Islands Government official, Honiara, Solomon Islands, 21 April 2013.
tried to start a business in the past two years, 90 per cent reported having experienced problems. The survey also highlighted that men found it easier to start a business than women.\(^7\)

**Box 4 // Shipping Service to Remote Islands**

The Domestic Maritime Project, funded by the Asian Development Bank, AusAID, NZAID, and the European Union, is an example of a targeted intervention at the national infrastructure level that will have significant consequences for increasing the supply-chain linkages for local markets and bringing goods to remote areas.

The Domestic Maritime Project is a franchise shipping scheme in which SIG subsidises private shipping operators to provide services to eight remote areas in Solomon Islands which would otherwise not have a boat connection to Honiara.

The Project is also engaged in infrastructure development, constructing and rehabilitating rural wharves and jetties. For example, the Niulomara Wharf opened in January 2013, with a local woman saying “The new wharf will allow us to get our copra, taro, melons, and other crops from the garden to the market in Honiara.”

The shipping services also fill a strong humanitarian need: transporting patients to the National Referral Hospital in Honiara.\(^7\)

Significantly, the 2011 RAMSI People’s Survey found that of the 28 per cent of respondents who had tried to start a business between 2009 and 2011, 73 per cent faced problems with customers and wantoks not paying for goods, 35 per cent mentioned insufficient cash flow, and 25 per cent mentioned insufficient management skills.\(^7\) Only 12 per cent of respondents said that they would approach a bank if they needed money to start a business due to the lack of collateral, not understanding the process, and fear of high interest rates.\(^7\) Limited access to banks in the Solomon Islands was clearly an obstacle to private sector growth.

These findings suggest that, in contrast to the macro-level analysis, substantial impediments remained at the grassroots level. While there is evidence that macro-level reforms have stimulated growth at the national level in certain sectors (for example, in the resource extraction industries of mining and logging)\(^7\), private sector growth outside the capital was especially hampered by impediments from before the tensions: weak supply-chain linkages, for example, impacted the ability of local companies to participate in the natural resources and agribusiness sectors;\(^7\) stimulating growth at the local and rural levels continued to be hindered by poor infrastructure, lack of access to electricity,\(^7\) tax procedures for small business, barriers to financial capital, access to banking services, security concerns, and land ownership issues.

On land ownership, disputes on the Guadalcanal Plains impacted on the SIG’s plans to revive large-scale rice farming in accordance with the SIG National Rice Sector Policy 2010-2015. Commercial rice production operated by Brewers Solomons Association (BCA) halted in 1986 after Cyclone Namu which flooded 75 per cent of Guadalcanal Plains. Consultations with landowners to redevelop the land failed, jeopardising the SIG’s efforts to create jobs and reducing the amount of rice imported.\(^7\) In accordance with the Policy, the SIG is also pursuing low-input rice farming methods (System of Rice Intensification) which would have employment dividends for rural communities. The Policy also outlines that the government is focusing its policy on rural advancement, engaging rural population in rice production will enhance rural livelihood and encourage more economical participation at the grassroots level.\(^7\)

It is clear that impediments to bridging the macro-level reforms with national investment and local level private sector growth are dependent also on other factors within the enabling environment. Therefore, targeted interventions are critical in bridging the private sector’s macro and grassroots levels.

**Current day**

There has been gradual progress in the banking sector, which is central to bridging the gap between macro-level reforms and micro-level development. The banking sector is slowly expanding outside Honiara into the provinces, therefore providing greater access to the majority of the population. Initiatives such as the Australian Westpac Banking

\(^7\) RAMSI, People’s Survey 2009

\(^7\) Available at: http://www.adb.org/features/connecting-solomon-islands-sea

\(^7\) RAMSI, People’s Survey, 2011, pp.7. Women were more likely to experience problems with wantoks and customers (pp.14). Significantly, however, the Survey found that female respondents were more likely to be doing business at the time of the Survey.

\(^7\) Ibid., pp.7

\(^7\) The production of local commodities dropped in the month of May. Central Bank of Solomon Islands quarterly bulletin showed that domestic commodities like logs, palm oil and palm kernel oil, copra, cocoa, fish and minerals have dropped significantly. Logging shipments dropped by 31 per cent; mineral (including alluvial gold) dropped by 11 per cent; palm oil dropped by 15 per cent; palm kernel oil dropped by 11 per cent; copra dropped by 38 per cent; cocoa dropped by 39 per cent. Fish production however increased by 2 per cent. The Solomon Star, ‘Local Production Drops’, 10 July 2013.

\(^7\) http://sri.ciifad.cornell.edu/countries/solomonislands/SI_Natl_Rice_Sector_Policy_2010to2015.pdf

\(^7\) International Finance Corporation, Solomon Islands, accessed at: http://www.ifc.org/wps/wcm/connect/region__ext_content/regions/east+asia+and+the+pacific/countries/solomonislands/IFC+in+solomon+islands

\(^7\) Only 10% of Solomon Islanders have access to electricity. The IFC is advising the SIG on partnering with the private sector to deliver hydropower.

\(^7\) Rice is imported at an annual cost of approximately SBD$200 million.

Corporation publication of a banking handbook in Pidgin will significantly assist in financial literacy for those who are literate however other methods, such as through radio, are necessary if a broader demographic are to be reached. Westpac has partnered with local businesses such as SolTuna Credit Union and is moving towards increased engagement with community-based businesses to expand the bank’s reach into the community.  

Investment in the Solomon Islands is increasing significantly, and is dominated by Australia, followed by Hong Kong and Papua New Guinea (PNG). In May 2013 PNG and the SI concluded negotiations on the Investment Promotion Protection Agreement (IPPA) which aims to promote and protect investment in each respective country. The PNG Investment Promotion Authority (IPA) revealed in its newsletter, Business and Investment Review for July that the number of foreign investments from PNG registered in the Solomon Islands up to June increased to 44. These registered PNG businesses fall mainly within the financial, agricultural, mining, telecommunication, accommodation, fishing, retail and wholesale and commercial services sectors. 

**Box 5 // State-Owned Enterprise (SOF) Reform**

A key success of SIG’s reform programme has been on-going SOE reform, especially the resolution of the solvency and debt issues surrounding key SOEs. The resolution of the solvency and debt issues of the Solomon Islands Water Authority and the Solomon Islands Electricity Authority has been a major achievement. These utilities can now focus on long-overdue improvements to efficiency and service delivery that affect all businesses.

**Current Investment Developments**

- **Telecommunications.** Bemobile is a Melanesian telecommunications company operating in PNG, SI, and Fiji, with its majority shareholders from PNG and Fiji. In April 2013 Bemobile went ‘global’ with Vodafone Fiji Ltd signing off on a strategic partnership under which Vodafone Fiji would assume management of Bemobile whilst allowing Bemobile to use the Vodafone brand in PNG and SI. The partnership is being heralded as critical to development in SI and indicative of growing investor confidence.

- **Logging.** Prime Minister’s Roundtable on Development, Society and Environment (March 2013) sponsored by IUCN and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) – unsustainable logging and unregulated conversion of forests to other land uses – not all logging companies are members of the Solomon Islands Forest Industry Association (as required by law).

- **Financial services.** South Pacific Business Development (SPBD) was launched in the Solomon Islands in May 2013 with the Central Bank Governor Denton Rarawa stating that the SPBD would “enable an additional 70,000 Solomon Islanders, to have access to financial services in the country by 2015” and “SPBD has been lending money to small business operators, mostly women, to help them expand their businesses.” Since its inception only five months ago, SPBD has disbursed over $2 million in loans to just under 800 women in the country. “At the same time, they have opened 880 new savings accounts for women and trained over 900 women under their financial literacy and business planning training programs.”

- **Chamber of commerce.** The Solomon Islands Chamber of Commerce and Industry (SICCI) has been established with a registered 100 members in 2012. The mining sector is likely to overtake the logging industry as the primary export industry. The Solomon Islands has experienced an influx of speculative mining companies due to relatively steady mineral prices and huge demand originating from China. The largest mining company in the Solomon Islands, the Australian based gold mining company, St Barbara Ltd, who have operated Gold Ridge Mine since 2012. Closed in 2000 during the tensions with enormous destruction to the mine’s infrastructure, then owners of Gold Ridge Mining Limited (GRML), Allied Gold, received a USD35 million loan in 2001 to restart operations.

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83 Ibid.
84 In 2009 then SICCI Chief Executive Officer, Calvin Ziru, met with then RAMSI PPF RSIP Police Commissioner, Peter Marshall, to discuss the relationship between strong commercial activity and improved law and order. The agenda included security issues concerning its members, specifically Chinatown with the burning of the SIFF building, and GPPOL with the burning of its headquarters in early 2009. SICCI Chamber News, February 2010, pp.4.
million loan from the International Finance Corporation to restart. GRML contributes approximately 20% of GDP to the Solomon Islands economy and employs approximately 600 people.

GRML is the largest private sector investment in the Solomon Islands and the most troubled. Long-standing landowner issues over resettlement and compensation have culminated in protests by the landowners in 2011. A 2013 independent environment audit into the Solomon Islands Gold Ridge Tailings Dam has recommended that the Gold Ridge Mining Limited (GRML) should shut down its operations. Criminal activity and GRML’s location in the heart of Central Guadalcanal where the tensions originated from has created a high level of insecurity for the mine. Local resentment is palpable.

There is however limited interaction between GMRL and RAMSI. Whilst GMRL are acutely conscious of not appearing ‘too close’ to RAMSI in the eyes of the SIG, the lack of support and lack of engagement from RAMSI has been markedly poor. As a leading expatriate investor argued, “If RAMSI’s intent is to create a stable structure, RAMSI should engage with the key employers such as GMRL.” It is noteworthy that when a RAMSI official was asked about the level of engagement between RAMSI and GMRL, the response was far more favourable and positive. The perception of engagement is very different from behind the iron fences in Central Guadalcanal.

RAMSI’s decision not to engage with GMRL is again a reflection of RAMSI’s coherent and unequivocal mission statement that the SIG does not have a developed minerals policy or a well-defined regulatory framework for mining or mineral exploration. The proposed Mineral Resources Authority Bill which was due to be tabled in parliament in November 2013 is now under question with recommendations that the Bill be deferred because landowners and community leaders were not adequately consulted. This means that dealings between government and mining and exploration companies can be ad hoc and uncertain. The GRML case explicitly demonstrates that whilst it is possible to manage issues around land access and local community concerns, there remain significant risks in the absence of clearer guidelines on engagement with local communities.

The Transition and Exit

RAMSI has consistently stated that the private sector can shape and support the post-RAMSI agenda. There are, however, few clear indications about how the private sector can engage, nor how it should navigate the post-RAMSI space. There is little evidence that the comparative advantage and value added of the different private sector actors have been integrated into the post-RAMSI roadmap.

Prior to the transition in July 2013, the RAMSI-private sector interface remains consistent with the past decade. More systemic engagement with the private sector is still needed. The 2012 AusAID private sector development strategy will hopefully better inform bilateral engagement with the private sector. For example, the Pacific Private Sector Development Initiative (PSDI), which was created in 2006, managed by the Asian Development Bank and co-financed by AusAID, aims to reduce barriers to the growth of businesses and provides technical assistance.

The private sector itself continues to retain divisions that were highlighted during the 2006 riots. Growing anti-Chinese sentiment (e.g. displayed on social media sites) amongst indigenous Solomon Islanders has re-emerged in 2013; tensions between old and new Chinese commercial elites; increasing levels of corruption; and a lack of confidence in the ability of the national police to protect the private sector are all factors that could threaten to undermine the stability of the private sector. There is considerable concern amongst the Chinese business sector that they will be increasingly targeted following RAMSI’s departure, and incriminated for the actions of the few.

The 2011 incident was by no means of the same scale as the 2006 riots, however, there is growing concern amongst the SI-Chinese private sector about the safety of their persons and property. As a consequence of a loss of faith in RAMSI and a lack of faith in the local police, the Royal Solomon Islands Police Force (RSIPF), Chinese businesses have resorted to private security companies.

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88 Solomon Times Online, ‘Gold Ridge Mining Gets Support,’ 29 June 2010. The total cost to refurbish the mine and replace the equipment was $150 million.
90 During the researchers’ visit to GRML, rocks were thrown at the GRML vehicle by youths. Central Guadalcanal, Solomon Islands, 22 May 2013.
91 Interview with GMRL senior management, Central Guadalcanal, 22 April 2013.
92 Ibid.
93 Interview with expatriate investor, Honiara, Solomon Islands, 22 April 2013.
94 Interview with RAMSI official, Honiara, Solomon Islands, 23 April 2013.
96 Ibid.
99 Interview with Mathew Quan, President of the Chinese Association of Solomon Islands (CAS), China Town, Honiara, Solomon Islands, 23 April 2013.
100 This unease pervaded China Town in 2013 with three different private security companies observed over the course of several hours patrolling the
In 2013 illegal squatter settlements were constructed on the Chinese cemetery in Honiara, including the digging up of the majority of the graves.\textsuperscript{104} The Chinese business community is as concerned as they were during the riots of 2006.\textsuperscript{102} Whilst those riots did not result in the loss of life, the disrespect for the dead speaks volumes in a culture and society as imbued as the Solomon Islands with the honouring of ancestors and the importance of burial rites.

\textbf{Box 6 // Private Security Companies}

The growth in private security companies over the past decade has been significant. In 2013, there are at least a dozen registered private security companies (PSCs) operating in Honiara alone. There are no regulatory frameworks in place for the private security companies and no industry-enforced qualifications or guidelines for best practice. Several of the PSCs were established by former RAMSI personnel, such as Fijian House: Solomon Security and Protection Ltd, which is a Fijian-owned and operated PSC and which dominates the PSC sector.

The growth in PSCs raises several questions. (1) How effective has RAMSI been in establishing law and order and restoring local confidence? (2) Given that the majority of PSC clients are expatriates, many of whom will leave following RAMSI's withdrawal, what will be the impact on unemployment?

The overwhelming reliance of the Chinese business sector on PSCs to provide security in the face of a weak and compromised local police force challenges the oft-repeated statement that RAMSI has successfully created the enabling environment for private sector growth through the establishment of law and order (and economic reforms). Alleged links between certain PSCs and politicians, as well as former militant groups, raises serious concerns about the potential for PSCs to act as political proxies.

Concerns over security also weigh heavily amongst others. Solomon Islands, one observer argued, is a "race against time" because the tensions were a "war about economics not ethnicity" and the economy is "in decline."\textsuperscript{105} A fear raised by one Solomon Islander interviewed was that Solomon Islanders do not want RAMSI to leave because seen as integral to ensuring equity of development.\textsuperscript{104}

For other observers, RAMSI's departure is long overdue.\textsuperscript{105} As Nicholas Coppel RAMSI Special Coordinator stated publicly: "The transition is also a signal to the outside world that Solomon Islands as a post conflict country have now been brought back to normalcy, peace and stability...This is an important message to international tourists, visitors and investors who will have confidence to travel to and invest in Solomon Islands, an important component for the country's economic growth."\textsuperscript{106} Coppel further stated in an interview that: "It is not helpful for the next stage of economic development to view this country as in a state of crisis...Having a foreign military deployed in country does not send a positive message for foreign investment."\textsuperscript{107}

Concerns over the impact of RAMSI's withdrawal on the private sector are substantial despite RAMSI having become a much more discrete model of intervention.\textsuperscript{108} The bubble economy that developed parallel to RAMSI will be directly impacted by the mission's withdrawal. RAMSI's official view on its impact on the local economy is not surprisingly mild:

"Clearly, we do have an impact on the local economy, whether through the spending patterns of individual RAMSI members in the retail, hospitality, housing or tourism sectors, or through opportunities for local contractors, sub-contractors or employees flowing from aid programs delivered under RAMSI, or from the need for RAMSI to support its own presence in country...my own view is that RAMSI's presence is providing genuine opportunities for local businesses and that this is occurring in a sustainable way."\textsuperscript{109}

There is little doubt that certain businesses have profited from RAMSI's presence. However, as RAMSI transitions to a bilateral programme with the consequent reduction of personnel, questions are increasingly being asked about what RAMSI is putting in place to ensure that the mission's departure does not cause significant unemployment. One area of concern is in the informal security sector which has seen a proliferation of private security companies whose clients are predominantly RAMSI personnel (see Box 6). Little appears to be done to help offset the impact of RAMSI's departure.\textsuperscript{100} Similarly in other local industries that have developed in parallel to RAMSI – the real estate market, security services, restaurants, laundry services – there is very little public discussion about

\textsuperscript{104} Interview with expatriate officials, Honiara, Solomon Islands, 25 April 2013.
\textsuperscript{105} Solomon Times Online, ‘RAMSI Transition Decision Based on Sustainability’ Coppel, 30 May 2013.
\textsuperscript{106} Interview with Nicholas Coppel, RAMSI Special Coordinator, Honiara, 23 April 2013.
\textsuperscript{107} Interview, Australian High Commission, Honiara, Solomon Islands, 18 April.
\textsuperscript{108} Address to Solomon Islands Chamber of Commerce and Industry Special Coordinator James Batley, Honiara, Solomon Islands, 18 November 2005.
\textsuperscript{109} Interview with RAMSI official, Honiara, Solomon Islands, 19 April 2013.
how RAMSI’s departure will impact on employment levels in Honiara.

The sustainability of the private sector will be dependent on SIG policies which seek to engage the private sector better in nation building, protecting it, and offsetting the consequences of RAMSI’s departure.¹¹

In conclusion to this section, despite RAMSI’s focus on economic reform as a core statebuilding task and integral to the Solomon Islands post-conflict recovery, neither RAMSI nor the SIG demonstrated genuine commitment or coherence towards a private sector strategy that promoted its integration within the wider peacebuilding and development initiatives. This failure to ensure that the varied national and sub-national private sector had a ‘seat at the table’ demonstrates the limitations of conventional wisdom on statebuilding and challenges the traditional state-centric model which indicates that security is the precursor for economic growth. Whilst successful in certain cases, this model does not adequately reflect nor incorporate the realities of economic development in the Solomon Islands. Nation building in fragile states demands highly innovative approaches to private sector growth that acknowledges and prioritises the role of human capital in post-conflict recovery.

Lessons

While it was recognised from the outset that private sector growth was integral to the peace-economic dividend in the Solomon Islands, RAMSI did not directly engage with the private sector in the Solomon Islands. This was for two reasons: (1) the economic collapse and 'the tensions' between 1999 and 2003 meant that the private sector was significantly reduced and largely absent during the initial years of RAMSI's intervention; and (2) RAMSI's mandate stipulated its role was to provide an enabling environment rather than pursue direct engagement, which was determined to be under the purview of the bilateral relationship conducted by AusAID. It is worth noting that during the mission's ten years the approach did not change nor did it evolve.

AusAID's Australia's 2012 Sustainable Economic Development – Private Sector Development Strategy recognises that 'a growing private sector is the engine of economic growth and is fundamental to moving people out of poverty', and that in fragile states, targeted interventions must aim to create employment and help local businesses get established or grow. RAMSI has maintained a clear directive from the outset that it is 'not here [Solomon Islands] to address conflict'.

RAMSI's approach to engagement with the private sector can be attributed to a number of factors. First, the Solomon Islands was viewed through a 'failing state prism' and this heavily influenced both how the underlying causes of conflict were understood and what was considered to be the most appropriate response – in this instance, a state-centric intervention model. Moreover, the state failure paradigm resulted in little confidence on the part of RAMSI in government capacity and leadership. The RAMSI Development Coordinator stated that the context demanded a very different development paradigm than other contexts, and that in certain respects, RAMSI contradicted the normal development model by placing in-line advisors into the government rather than capacity building of local human resources – however, this was what was required. This was certainly the case during the Budget Stabilisation Program (July 2003 to October 2004) which saw emergency assistance to stabilise the state's finances, however was replaced by the Financial Management Strengthening Program which had a stronger focus on capacity building. There has been continuing criticism that the RAMSI advisors lack the specific capacity building or mentoring skills required, language being just one of the skills.

Secondly, RAMSI's mandate was specific: i.e. restoration of law and order; stabilise government finances; promote longer-term economic recovery and revive business confidence; rebuild the machinery of government – including by promoting transparent and accountable governance and by supporting efforts to reduce corruption. In 2009, Special Coordinator Graeme Wilson stated that reviving business confidence was to be achieved mainly by strengthening economic governance and creating the conditions for broad-based economic growth. Direct engagement with the private sector was not discussed. Speeches by RAMSI's Special Coordinators reinforced the message that the role of RAMSI was to provide a secure environment for economic growth and to directly engage with the key government agencies (specifically, the Ministry of Finance) to stabilise government finances and regain control of government expenditure.

Thirdly, official RAMSI literature refers liberally to RAMSI's role in nation building with little distinction between nation building and state building and insufficient reflection of the absence of nationhood in the Solomon Islands. Solomon Mamaloni, former Prime Minister of the Solomon Islands, described the Solomon Islands as a "nation conceived but never born." In 2005, then Special Coordinator

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113 Interview, Jane Lake, RAMSI Development Coordinator, Honiara, 23 April 2015. In 2003 RAMSI placed 48 in-line advisors in key agencies, with the majority in the Ministry of Finance. A 2004 RAMSI speech stated that 'initially many of these advisors have stepped into in-line positions to get the bureaucracy functioning again. But overtime they will be training up their counterparts to take on these functions to ensure the change in practices is sustained and sustainable.' ‘Operation Helpem Fren: Rebuilding the Nation of Solomon Islands’.
115 Interview, former Solomon Islands Government official, Honiara, Solomon Islands, 23 April 2013.
116 Special Coordinator Graeme Wilson, ‘The Solomon Islands Government-RAMSI Partnership Framework: Towards a secure and sustainable Solomon Islands’ Address to State Society and Governance in Melanesia Program, Australia National University, Canberra, 17 December 2009.
117 Ibid.
James Batley stated emphatically “at its core, RAMSI is a state-building exercise.” RAMSI’s state-centric approach, whilst essential to rebuilding the institutions of the state, did little to foster nationhood. Notably, economic reform and nation building were linked in RAMSI lexicon: “Equally as important were the economic and nation-building aspects of the agreement: the parts of the deal concerned with modernizing the economy and promoting longer-term economic recovery. Economic reform is a crucial part of our efforts to modernise the economy. A modern, dynamic economy will result in economic growth and investment, which in turn will create jobs and opportunities for Solomon Islanders.”

Moreover, little attention was given to the development-security nexus. This is despite RAMSI Special Coordinator Graeme Wilson, linking the private sector with security and development in his 2010 speech to the Australia-Pacific Islands Business Forum in which he stated: “the importance of the private sector’s contribution to the prosperity of any country can never be underestimated. In the case of small, developing countries such as Solomon Islands, recovering in a post-conflict environment, private sector confidence and private sector activity are crucial... This is an excellent example of the inter-relatedness of security and development as the foundation of stability and prosperity.”

The failure to link the private sector with security and development in a more targeted and comprehensive manner impacted heavily on how economic reform was understood and enacted. RAMSI’s strategy for removing roadblocks to growth were only superficially linked to the underlying causes of the violence. Directly related to this is the tension between RAMSI and AusAID over ad hoc or ‘silo’ engagement that could potentially subvert local industry versus sustainable development. For example, as an informant stated “RAMSI was very conscious of engaging with the private sector and the Joint Task Force was actively looking for community engagement, however, was discouraged by AusAID in doing so in case the JTF squeezed out local industry. For example, the JTF could have delivered water but AusAID argued that the Ministry of Health should engage local companies.”

By way of conclusion, below is a summary of some key lessons to draw from this case study.

- **State-centric approach.** While economic reform was a major part of RAMSI’s role and the various security building frameworks, neither RAMSI nor SIG made a seat at the table for the private sector; nor did they feature economic growth and private sector engagement as a major thrust of their strategy, despite the dedicated economic pillar within the Partnership Framework. The model used for state-building in this case was the traditional approach of the international community; i.e. build the state, which in turn then provides for security, and then economic growth. This approach clearly does not suit the interventions required for fragile states and situations such as the Solomon Islands. While more difficult to engage the private sector than at the level of writing legislation and regulations, there is potentially much greater return on such an investment for future missions.

- **Enabling environment.** It is critical that missions such as RAMSI apportion civilian and military tasks clearly, and if critical areas such as the economic recovery and development are left for other arms of Government, this should be made explicit in the strategy, and a coordinated and closely monitored approach should then be developed. Creating the conditions for private sector growth is vital, but over such a long mission, more emphasis should have been on identifying the opportunities to strengthen the private sector that would populate this space.

- **Understanding of the context.** Engagement with the commercial Chinese elite for the purposes of post-conflict recovery could have led to job creation; helped to bridge the growing tensions between ethnic Chinese and indigenous Solomon Islanders; and, through ‘dominating the business space’ made it more difficult for illegal profiteers to do business. The failure of RAMSI to engage with the Chinese private sector reflected, according to one leading Chinese entrepreneur, the failure of RAMSI advisors to understand the uniqueness of the Solomon Islands, the local dynamics and the underlying causes of the tensions. The Solomon Islands, the Chinese
entrepreneur said, is not a test case for intervention and we Chinese have nowhere else to go.

- **Top-down reforms versus bottom-up development.** RAMSI’s strategy to foster private sector growth could have better recognised the vastly different scales of private sector engagement, and placed greater emphasis at the local or grassroots level, providing incentives to develop small to medium-sized business – the engine for growth. Instead, RAMSI’s concentration on reform efforts at the macro-level and the creation of an enabling environment led to varied results, and did not appear to ‘trickle down’ to the community levels; a more bottom-up approach would have identified opportunities earlier on for more innovative economic development options.

- **New modalities.** Barriers to private sector engagement can be challenged by identifying new modalities for engagement that incorporate local realities such as the rural sector and traditional industries upon which approximately 80 per cent of the population are dependent. This means identifying alternative entry points into the private sector which better reflect the needs of Solomon Islanders. Appropriate alternative approaches for regional security and nation building missions to interface with local business and other actors include *engagement with local business prior to deployment* to determine *capacity and willingness* to partner in humanitarian action; the establishment of a systemic framework for partnership between mission and host country with the gradual phasing out of mission involvement; greater outreach to the private sector that includes the rural private sector (creating the conditions for private sector growth and engagement may simply not be enough); supporting frameworks and strategies that are contextually-appropriate.

- **Do No Harm.** A lesson from RAMSI’s considerable success in the development of the regulatory space is the inadvertent negative consequences that can occur – in this case, of enabling corruption within key primary industries, specifically logging and to a lesser degree fisheries. If more engaged, the humanitarian sector can share best practices in this regard, and combine with newly developed concepts such as resilience, which focuses on inputs that lead to sustainable outcomes for people.

- **Root causes.** The causes of the tensions remain unresolved, posing a serious challenge to post-RAMSI security in the Solomon Islands, and with direct consequences for the development of private sector growth. Unresolved land tenure and ownership issues are frequently highlighted as inhibitors or obstacles to private sector growth with the potential to trigger conflict. The transition must urgently take into account and address these root causes.

- **Financial inclusion and women.** There has been little active focus on women’s participation in the private sector, despite the SIG-RAMSI Gender Action Plan 2011-2013, which seeks to advance SIG policy commitments to gender equality across government. A 2008 report on women in business in the Solomon Islands cited three critical factors: (1) Women’s poor economic status and representation mirrors their lack of political representation; (2) Women’s organisations neglect women’s economic issues and have limited capacity to make the business environment supportive of women entrepreneurs; (3) Women in business need consistent and sector-specific support to do business and fully contribute to the Solomon Islands’ economic development.

- **Business diaspora and public-private partnerships.** The business diaspora is a critical element of the private sector. Several individual champions are Solomon Islanders who had been educated and/or worked in Australia prior to returning to the Solomon Islands. Incentives need to be created to encourage the return of overseas business

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people. While the SIG-RAMSI approach to private sector growth was at the macro-level, there was recognition that, ‘given the limited resources available to the Solomon Islands Government and the previous problems of government management, reforms focused on private sector involvement are more appropriate’. Private-public partnerships and interventions that involve groups with the capacity, such as the business diaspora or Chinese community, are fundamental to this.

- **Regional organisations.** The Pacific Islands Forum, Melanesian Spearhead Group and other regional sub-organisations and agencies could have played a far greater role in developing the private sector and thereby enabling it to play a role in humanitarian action. Indigenous regional bodies have arguably more context-specific experience with LDC and small island state private sectors than those external to the region (including Australia and to a lesser degree, New Zealand) which should have been better utilised under RAMSI. A key criticism of RAMSI is that few of its economic advisors had experience in small island state economies. Engaging with regional organisations such as the Pacific Islands Forum and the Melanesian Spearhead Group and drawing on regional (Pacific) economic experts would have deepened RAMSI’s engagement at the grassroots or local level.

- **Collaboration.** Multi-stakeholder coordination and cooperation are essential if creative solutions are to be identified, lessons captured and capacities harnessed. For example, the Pacific Private Sector Development Initiative (PSDI), which was created in 2006, managed by the Asian Development Bank and co-financed by AusAID, aims to reduce barriers to the growth of businesses and provides technical assistance to improve a country’s business. Donor peace building strategies and frameworks do need to better reflect engagement with other key stakeholders in order to develop a more nuanced approach. As the 2012 UNDP Private Sector Strategy recommends: “A more holistic multi-

Looking Forward

In July 2013, RAMSI will transition to a bilateral programme. The Australian Government 2013 budget has allocated AU$499.8 million towards the transition and RAMSI’s successor bilateral programmes between 2013 and 2017 demonstrate significant continued external engagement. Other donor partners, particularly New Zealand, the European Union, the Asian Development Bank, and the World Bank, have committed to supporting key elements under ‘bilateral’ development assistance programmes. RAMSI’s transition, or exit strategy, is conditioned upon the attainment of particular performance benchmarks, set out in the SIG-RAMSI Partnership Framework (2009). The exit strategy incorporates the private sector through the Economic Management strategy of which RAMSI has met key targets as discussed earlier.

In 2012, as part of RAMSI’s transition, the economic governance and machinery of government programs commenced design processes to transition key program elements into the Economic and Public Sector Governance Program (SIGOV). SIGOV will fall under the longer-term Solomon Islands-Australia Partnership for Development, which will further strengthen coordination, delivery and effectiveness across SIG central agencies.

AusAID’s Australia’s 2012 Sustainable Economic Development – Private Sector Development Strategy recognises that a healthy ‘private sector is the engine of economic growth and is fundamental to moving people out of poverty’, and that in fragile states, targeted interventions must aim to create employment and help local businesses get established or grow. The strategy identifies five basic features of an environment that supports private sector growth: (1) institutions and governance; (2) infrastructure; (3) macroeconomic environment; (4) basic education and health; and (5)

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128 Report to the Pacific Islands Forum on RAMSI activities 2012, p.5.
access to finance. RAMSI has made considerable inroads in terms of institutional, macroeconomic and governance reform, however key inhibitors remain – such as poor infrastructure.

AusAID-funded infrastructure projects have 30 per cent targets for women’s employment or business support to help women’s businesses tender for maintenance contracts. The strategy outlines continued commitment to the New Deal for Engagement in Fragile States which stipulates strong ‘economic foundations for employment and livelihoods’ in its five Peace and Statebuilding Goals (PSGs), and builds on the New Deal by advocating for such targeted and direct interventions, acknowledging that building strong economic foundations can take time.

RAMSI Development Coordinator Jane Lake stated publicly that ‘By remaining too long, large external interventions like RAMSI can foster an unhealthy dependence on external organisations. People can become used to depending on external institutions to maintain stability and growth and provide leadership, when what is needed is the country to invest in and demand better leadership, performance and accountability from their own institutions – political, security or service delivery.’ Lake further noted that ‘civil society, including the private sector and churches, are yet to make a substantive mark on political and bureaucratic accountability’. This is the closest admission within official literature that RAMSI acted as an inhibitor, rather than enabler of private sector development.

In regards to security, RAMSI, post 1 July 2013, will primarily be a police capacity building operation. RAMSI's departure from the Solomon Islands sees the complete withdrawal of the Combined Task Force (CTF), the military wing of RAMSI; however the Participating Police Force (PPF) will continue to train the RSIPF and provide support to the senior management until 2017. The PPF will maintain a public order management capability to provide support to the RSIPF in the management of a major public disorder incident. It is likely that RAMSI (specifically Australia and New Zealand) will remain security guarantors for the Solomon Islands beyond 2017. Lack of public confidence in the RSIPF and ongoing corruption issues within RSIPF senior management suggest the role of the security sector in nation building is likely to limited.

**Implications and Recommendations**

Members of the local private sector have shown extraordinary resilience in the face of instability and it is highly likely that those individuals will remain committed to engaging in nation building in the post-RAMSI era. However, further opportunities should be explored to deepen and strengthen the strategic engagement between the private sector and the SIG, and external stakeholders. This includes developing guidelines for best practice engagement with the private sector and clearly delineating a ‘Do No Harm’ approach to private sector engagement that ensures that private sector activities do not exacerbate conflict and create divisions.

Moreover, the growth in private security companies and the impact of RAMSI’s departure will have on PSC employees necessitates innovative approaches to ensure that the demobilisation process of former militants working as PSC employees, coupled with the impact of increasing unemployment, is not derailed in the post-RAMSI environment. It is imperative that RAMSI’s successors enable the participation of the private sector in seeking solutions that will foster job growth for males vulnerable to recruitment, mobilisation and exploitation. The local private sector plays a critical role in this aspect of peacebuilding, and one which should have been developed much further by RAMSI.

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Recommendations

To Regional Assistance Missions

- Coordinate and explicitly set out what the civilian role is in building the capacity of the local private sector early in the post-conflict reconstruction process in order to smooth the transition when international assistance withdraws.

- Explore how a military contribution’s ‘enabling’ role can also take into account the work of those building the private sector’s resilience. Coordinate with civilian counterparts and local communities the development of shared resilience indicators, including short and long-term strategies. These must take into account the fact that post-conflict countries frequently return to conflict – therefore, a resilience framework would examine (a) the root causes of vulnerability in the different levels of the private sector, and (b) the link between the private sector and stability (not simply post-conflict recovery).

- Stabilisation is dependent on the health of the private sector just as economic growth is dependent on stability. It is therefore critical that assistance missions develop private sector growth strategies from the outset – parallel to stabilisation activities. This is particularly important in view of the different stages of disarmament, demobilisation and reintegration (DDR); regional missions should identify opportunities for demobilised fighters to be reinserted, and then reintegrated, through productive economic activity. This will often involve engaging in innovative and cross-sectoral approaches early on.

To the Australian Government

- Deploy Australian Civilian Corps (ACC) personnel who are skilled business mentors to work alongside SMEs so that they can increase their capacity and grow.

- Review the successes and weakness of the collaborative initiative, Business 4 Millennium Development (B4MD), in relation to private sector development in a post-conflict context. Use this as a model for how Australia contributes to future regional missions.

- Review the Australian Department of Finance and Deregulation policy, which is moving away from predominately long-term deployments towards shorter-term project-based placements. It will retain one long-term deployee as a senior in-country representative, supported by targeted project based assistance, including shorter term placements and twinning visits. Work across Government to ensure that those deployees are well-equipped to manage private sector development issues and opportunities.

- Develop similar policies to that of the United Nations Office for Project Services (UNOPS) accountability framework and oversight policies (2008) to govern relations and the activities of contracted MNCs.

- Support targeted or direct interventions as advocated in AusAID’s Private Sector Development Strategy so as to ‘create new jobs rapidly, helping to provide the conditions for peace and complementing longer-term reforms for improving the investment climate.’ Engage the private sector in public-private partnerships through supporting the private sector-SIG interface, particularly in terms of infrastructure projects. Consider models such as the highly successful Nepal Micro Enterprise Development Programme (MEDEP), funded by AusAID and UNDP, which focuses on economic empowerment through establishing community enterprises or cooperatives, innovative solutions to accessing financial institutions, financial literacy training, business training and start-up costs.

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133 Australian-based not-for-profit organisation which encourages and facilitates core business activities that contribute to the Millennium Development Goals. This is a collaboration between the private sector and NGOs, involving the CEOs (rather than CSR), that began in Papua New Guinea. See http://b4md.com.au/.


135 United Nations Office for Project Services (UNOPS) accountability framework and oversight policies (2008).


137 Since 1998, MEDEP has provided employment to more than 50,000 rural poor. 68 per cent have been women. Women are empowered by engaging them in decision-making roles in district micro-enterprise associations.
• Use the Private Sector Development Strategy as a means to link the peace-economic dividend at the local and national levels. The challenge in 2013 and beyond is how to bridge the gap between the creation of an ‘enabling environment’ and the growth of local SMEs.

To the Solomon Islands Government

• Develop modalities for engaging the national and diverse sub-national private sector, and explore how to use it as a vehicle for conflict prevention and recovery, recognising the role that the local private sector plays in strengthening the post-conflict safety net and building peace.

• Cooperate with donors such as the Australian Government and other key stakeholders in regards to local private sector growth that could strengthen coordination mechanisms, and ensure the coherence of strategies, and integrate monitoring and evaluation in programming.

• Prioritise Solomon Islands ‘candidate’ status to the Extractive Industries Transparency Initiative (EITI) which brings together governments, businesses, and civil society to promote transparency, good governance, economic growth, and poverty reduction, and seeks through compliance to reduce the instability and conflict that can arise from diversion of funds and corruption.

• Prioritise the engagement of women in the local private sector, both within the urban and rural sectors, and address issues of gender discrimination within the commercial sector.

• Enforce anti-corruption measures and the rule of law across the business sector to ensure that direct foreign investment and illegal practices do not become triggers or catalysts for the renewal of conflict.

• Develop conflict-sensitive mechanisms for reintegrating former militants into the local private sector. Following conflict there is often an influx of inexperienced and poorly skilled young former militants into the labour market. Reintegration mechanisms, if managed poorly, risk becoming exploited for political reasons, or result in former militants capturing the state through increasing demands.

To the International Humanitarian Community

• Work actively to strengthen markets as a primary means of preserving livelihoods and building peace – consider partnerships with the local private sector.

• Recognise the value in public-private partnerships. Build creative partnerships with the private sector, and encourage collaboration with key actors (government, development partners, academics, local businesses) who can lend their expertise and provide important contextual knowledge.

• Base engagement with the private sector on clearly delineated principles of Do No Harm which upholds transparency and accountability to local people. Also invest in market analyses that map power in markets, and potential negative market distortions caused by humanitarian action.

• Ensure that, during a response, the impact of humanitarian interventions on markets and people’s access to markets is documented to avoid causing inadvertent harm to people’s livelihoods.

• While engaging in a multi-stakeholder policy dialogue on the participation of the private sector in humanitarian action, review past practice in operations such as the Solomon Islands
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