



ANALYSIS

Australia's costly investment in Solomon Islands: The lessons of RAMSI

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LOWY INSTITUTE
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EXECUTIVE SUMMARY

More than ten years after it was launched, the Regional Assistance Mission to Solomon Islands (RAMSI) has achieved some impressive results. It has restored law and order in Solomon Islands; it has reconstituted a shattered economy; and it has helped rebuild the broken machinery of government. But it has also cost Australia some \$2.6 billion, a massive and disproportionate investment given Australia's interests in Solomon Islands. And RAMSI transformed Solomon Islands into one of the most aid-dependent countries in the world.

This assessment of the achievements of RAMSI reveals important lessons for responses to crises in Australia's region. These include the value of working with regional partners, the need to avoid building parallel bureaucracies, and the importance of promoting real political change. But the most important lesson of RAMSI for any future intervention is the importance of knowing how much to spend and when to leave.

INTRODUCTION

Launched in 2003, the Regional Assistance Mission to Solomon Islands (RAMSI) has been one of the most significant – and most expensive – operations spearheaded by Australia in the Pacific Islands region. It brought together multiple government agencies and departments in a massive effort to bring stability and development to one of the smallest and most impoverished nations in the world. Australia spent \$2.6 billion in real terms on the Mission, representing some 95 per cent of the total cost of the Mission.¹

As of 1 July 2013, RAMSI has transitioned to a police-only mission, with the development-focused elements of the mission folded back into the bilateral aid programs of Australia and New Zealand. At a time when the Australian Government is promoting the alignment of its development spending with its foreign policy priorities, it is important to review the RAMSI exercise to understand what was, and what was not, achieved. In many respects RAMSI was exactly the kind of integrated pursuit of Australia's aid, economic and foreign policy goals that the government is trying to realise through the merger of AusAID and the Department of Foreign Affairs and Trade (DFAT). Indeed, RAMSI holds many lessons for the way that Australia will conduct its policy in the Pacific Islands in coming years.

In the words of RAMSI's first Special Coordinator Nick Warner, the mission was "unique and complex". It was unique because it was a regional mission, with participation from all of the members of the Pacific Islands Forum, and unlike many other international interventions, came at the express request of the Solomon Islands Government. It was complex because it focused on three challenging tasks, which became the pillars of the mission: 'Law and Justice', 'Economic Governance' and 'Machinery of Government'.

This Analysis will examine the successes and failures of RAMSI. It will consider whether the significant financial investment that was made has been justified. It will also identify key lessons that have been learned that would be applicable to Australian policy in the Pacific Islands region. RAMSI was "unique and complex", but many of the economic and governance challenges RAMSI tackled in Solomon Islands are far from unique in the broader region, and in many respects, are less complex.

THE PRICE OF SUCCESS

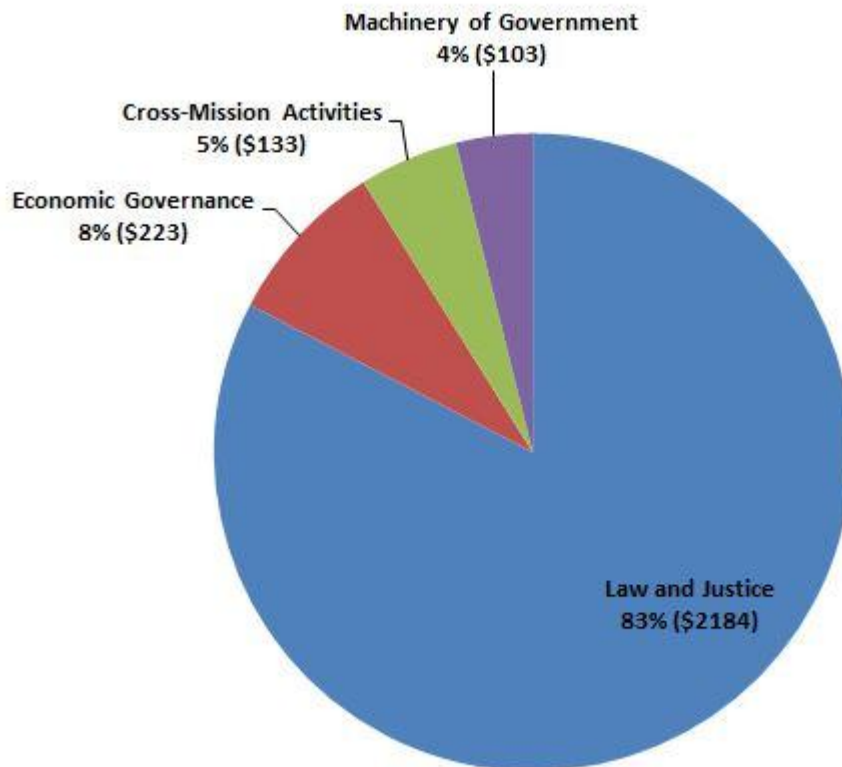
RAMSI was by many measures a successful mission and many of these specific successes will be detailed below. But RAMSI was also a hugely expensive mission. In real terms, Australia spent \$2.6 billion on RAMSI between 2003 and 2013 – although the real cost of the mission was probably higher.²

Australian government data on its own expenditure on RAMSI had not been collected in a consolidated, consistent and accessible format until the Lowy Institute requested it. This matters because it is difficult for government to make a proper assessment of the achievements and failings of the mission without a comprehensive understanding of the costs. The difficulty of collating expenditure data from a range of government departments and agencies during the mission also raises questions about the government's ability to accurately forecast the cost of future initiatives of this type.

Of RAMSI's three pillars – Law and Justice, Economic Governance and Machinery of Government – it was Law and Justice that absorbed the greatest share, accounting for some 83 per cent (\$2.2 billion) of the total expenditure. Approximately \$223 million was spent on economic governance, \$103 million on improving the machinery of government and \$133 million on cross-mission activities.³ New Zealand spent approximately \$173 million.⁴ The personnel contributions of other Pacific Island nations were paid for by Australia.

To put this in perspective, before RAMSI Australian spending in Solomon Islands consumed just over 3 per cent of Australia's aid to Oceania. During the RAMSI mission this increased to over 24 per cent.⁵ Despite this massive expenditure, however, Solomon Islands still struggles to stand on its own feet. The April 2014 flash floods in Guadalcanal were a notable reminder of this. After ten years of very significant aid expenditure, the country faces another disaster which has again demonstrated its reliance on foreign aid.

Figure 1: Australian Expenditure on RAMSI, 2003-2013 (AUD million, constant prices 2013)



Source: Expenditure data provided to the author by the Department of Foreign Affairs and Trade, Canberra, January 2014. The expenditure was released publicly at the Australian Senate 2013-2014 Supplementary Budget Estimates, Standing Committee on Foreign Affairs, Defence and Trade, 17 February 2014. The Lowy Institute has converted the figures from current prices to 2013 constant prices, using a formula consistent with that used by the Australian Government in reporting aid expenditure.

Table 1: Breakdown of Australian expenditure on RAMSI, 2003-2013
(AUD million, constant prices 2013)

Pillar	Mission totals 2003-2013 (A\$m)	% of Total
Law and Justice		
AFP	1,475	
AusAID	303	
Defence	406	
<i>Pillar Total</i>	2184	83%
Economic Governance		
AusAID	211	
Customs	12	
<i>Pillar Total</i>	223	8%
Machinery of Government		
AusAID	103	
<i>Pillar Total</i>	103	4%
Cross-Mission Activities		
AusAID (Corporate Enabling)	72	
DFAT	61	
<i>Pillar Total</i>	133	5%
TOTAL	2,643	100%

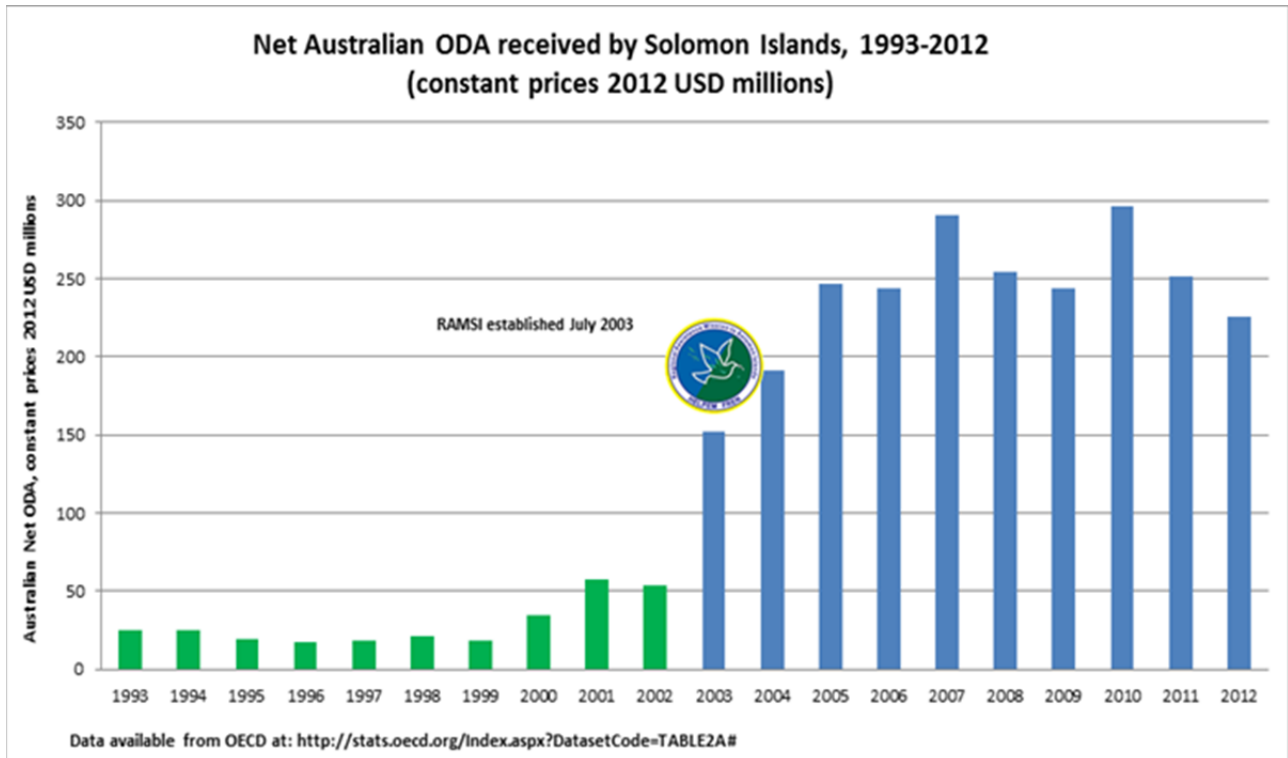
By many measures, Australia should be pleased that its efforts contributed to positive change in Solomon Islands. The relatively rapid restoration of law and order in 2003 was a considerable achievement. RAMSI's assistance in the recovery of the shattered Solomon Islands economy was a massive feat, given the very deep problems in the economy prior to the intervention.⁶ The question is, however, were these achievements worth the price?

Australia, through RAMSI, elevated Solomon Islands to the third largest recipient of Australian aid in 2003 and it remains in that position today.⁷ Net Australian Official Development Assistance (ODA) to Solomon Islands represented 24 per cent of the total net Australian ODA to Oceania between 2003 and 2012. By comparison, net Australian ODA to Solomon Islands comprised only 3 per cent of total net Australian ODA to Oceania in the decade before RAMSI.⁸ RAMSI expenditure averaged \$260 million a year, just short of what Australia spent in the entire previous decade in Solomon Islands.⁹

In 2001, according to the *United Nations Human Development Report 2003*, official development assistance received by Solomon Islands was 22.2 per cent of Gross National Income (GNI), almost exactly the same as it was in 1990 (when ODA comprised 22.1 per cent of GNI).¹⁰ By 2010 (the year for which data was available for the *United Nations Human Development Report 2013*), ODA comprised 61.4 per cent of GNI. Research by the ANU's Development Policy Centre shows that Solomon Islands went from being the 35th most aid dependent country in the world in 2000-2002 to being the second most aid dependent country in the world between 2009 and 2011.¹¹

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Figure 2: Net Australian ODA received by Solomon Islands, 1993-2012



Were RAMSI's achievements worth the \$2.6 billion price tag and did they require a decade-long stay?¹² Solomon Islands will always be important to Australia because of its location in Australia's principal sphere of influence, the Southwest Pacific, but geography alone does not justify the size of Australia's contribution over ten years. Compared to Papua New Guinea, which has a population of some seven million people and where Australian interests are deep courtesy of proximity, shared wartime experience, colonial history, strong investment and trade links, and a large aid program, Australia's trade, investment, aid and even people-to-people relationships with Solomon Islands prior to 2003 were relatively small. Between 2002 and 2012, Australian aid expenditure per capita in Papua New Guinea increased by 71 per cent (from US\$40.67 to US\$69.55).¹³ Over the same period, Australian aid expenditure per capita in Solomon Islands increased by 604 per cent (from US\$58.27 to US\$410.31).¹⁴

When he launched the mission in a post 9/11 environment, the then Australian prime minister John Howard argued that a failed Solomon Islands would pose a significant security risk for the whole region and be vulnerable as a safe haven for transnational criminals and terrorists. Governance and the rule of law were failing in Solomon Islands but

governance challenges were common to many Pacific Island countries. The spectre of terrorism and dangerous transnational crime was very unlikely. Indeed, Howard's overwrought justification for the mission may well have contributed to what in many respects has been Australia's greatest failure when it comes to RAMSI: the inability to conceive and execute an exit.

Before RAMSI was even established, AusAID and the Australian Defence Force (ADF) were vocal about the need for firm criteria to judge when the mission had achieved its task and should be wound down. After RAMSI's highly successful first year, however, the mission's tasks became more difficult. A number of Solomon Islands politicians became less supportive of and sometimes hostile to the mission. Australian officials began to disagree about whether RAMSI had done enough to prevent Solomon Islands regressing, either through another breakdown in law and order, a resumption of ethnic conflict, bureaucratic failings or economic shocks. Events like the 2006 riots in Honiara gave risk-averse officials good reasons to argue that RAMSI should stay and allowed Australian parliamentarians to avoid difficult decisions about the future of Australia's contribution to RAMSI. The shock to the economy caused by the global financial crisis in 2008 helped justify the continuing contribution to economic governance. In the case of RAMSI it was less a case of mission creep than mission drift.

Solomon Islands faced very serious security and governance pressures from 1999 to 2003 that successive governments in Honiara were unable to control. After RAMSI's successes in restoring law and order and helping to improve macro-economic stability in its first few years, these pressures had lessened considerably. Many of the remaining challenges faced by Solomon Islands were similar to those faced by other Pacific Island countries. The Australian Government was happy to accept risks in Papua New Guinea and other Pacific Island countries that it was not prepared to accept in Solomon Islands. It is not obvious why RAMSI and the vast Australian expenditure that was channelled through RAMSI were essential for a decade in Solomon Islands and why development challenges in Solomon Islands were more deserving of Australian attention and resourcing than similar challenges in other neighbouring countries.

Concerns about a resurgence of violence may have been justified, but that does not mean that a sizeable external police and military contingent had to remain in the country to deal with that possibility. Gun crime in Solomon Islands after 2003 was very low, much lower than in Papua New Guinea. The effects of the global financial crisis, budgeting and revenue collection problems were a problem for a number of other Pacific Island countries, which were not attracting the same kind of support RAMSI offered Solomon Islands. Challenges around the machinery of government and rural development were also similar to those in other parts of the Pacific.

Australia's initial decision to work with the region to establish RAMSI was predicated on a request from the Solomon Islands Government. While RAMSI only remained in Solomon Islands at the pleasure of the Solomon Islands Government, the commitment of the government in Honiara to engaging with RAMSI to implement the reforms that were part of RAMSI's mandate was inconsistent over ten years. This made it difficult for RAMSI to achieve its own objectives. But neither this nor open hostility from the government of Prime Minister Manasseh Sogavare from 2006-07 caused Australia to question its continued commitment to RAMSI.

In addition to sensitivities at the political level, popular recognition of Australia's efforts in RAMSI waned after the first year. The results of the 2013 edition of the Solomon Islands Government RAMSI People's Survey showed that only 35 per cent of those surveyed recognised Australia as the main provider of funding for RAMSI; 16 per cent said New Zealand paid, 13 per cent said the Solomon Islands Government paid and 66 per cent did not know.¹⁵ Australia, in fact, contributed approximately 95 per cent of overall RAMSI funding.

These survey results and Australia's often fraught relationship with Solomon Islands politicians serve to demonstrate Foreign Minister Julie Bishop's concerns that Australia has difficulties translating its massive aid investments in the region into either popular or political support in the region.¹⁶ In 2003, the Australian Government assessed the mission would be more likely to be successful if responsibility for it was shared with other Pacific Island nations. It was right. But the regional nature of the mission also meant Australia had to sacrifice some of the kudos for its contribution. Ms Bishop has been encouraging better branding of Australia's aid contributions but it is unlikely that branding will address her concerns about recognition. In the end, Australia is probably always going to be forced to make a choice between effectiveness and recognition.

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ACHIEVEMENTS AND LESSONS LEARNED

Despite the significant costs of RAMSI, the mission had some significant achievements. It is worth looking at these in more detail. Australia's experience in RAMSI also holds valuable lessons that the new Australian Government can apply in pursuing Australia's interests in the Pacific Islands region in the future.

LAW AND JUSTICE

ACHIEVEMENTS

RAMSI's overwhelming early priority was to restore law and order in Solomon Islands. The breakdown of that order had largely, although not solely, been a result of conflict between Solomon Islands' two main

ethnic groups based in the islands of Malaita and Guadalcanal. The Australian Defence Force and the Australian Federal Police (AFP), in cooperation with the defence forces of New Zealand, Papua New Guinea, Fiji and Tonga and the police forces of Pacific Islands Forum member states assumed responsibility for this task, working alongside the Royal Solomon Islands Police Force (RSIPF). The three overarching goals of the Law and Justice pillar were to create “a RSIPF that operates effectively and independently of RAMSI, a correctional service of Solomon Islands that operates effectively and independently of RAMSI and a capable and independent justice system.”¹⁷

RAMSI was first and foremost a policing mission. Approximately 300 police officers from Australia, New Zealand and many Pacific Island countries formed the Participating Police Force (PPF) in July 2003. The PPF immediately mounted a massive policing exercise in the capital Honiara to build the local population's confidence in the mission. It pursued and quickly arrested the most wanted criminals, Guadalcanal's Harold Keke and his associates and Malaitan militants, including Jimmy 'Rasta' Lusibea. Within the first three months of operation, some 3700 firearms were surrendered or confiscated throughout Solomon Islands.¹⁸ More than 3000 people were arrested.¹⁹

The military contribution to the mission was to provide protection and support to the police rather than to perform a traditional peacekeeping role. Solomon Islands had suffered a breakdown in law and order, not a civil war. The initial intervention force consisted of approximately 1800 military personnel. It comprised a multinational infantry battalion (with units from Australia, New Zealand, Papua New Guinea, Tonga and Fiji) supported by engineers, transport, helicopters and a number of naval vessels, including HMAS *Manoora*.²⁰ The early show of military force was a critical factor in convincing militants and thugs to give up their weapons and surrender. But almost as important was the logistical support that the military was able to provide for the mission, which enabled early successes in restoring law and order.

Although the main military contribution came from Australia, the Pacific Island military contingents were important to the mission. The multinational nature of the military forces increased its legitimacy in Solomon Islands and internationally. Soldiers from Fiji, Papua New Guinea and Tonga were able to engage more readily with Solomon Islanders than their Australian and New Zealand counterparts. The military contingent's size and activity were reduced significantly in late 2003. The last time the military contingent assisted the police in a public-order response was in 2006. The last significant security operation involving the military was during the 2010 elections.²¹

Early high-profile successes made RAMSI popular with the people of Solomon Islands. When Prime Minister John Howard visited Honiara on 25 August 2003, he was feted by hundreds of Solomon Islands children

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waving Australian flags and holding up pro-RAMSI signage along the road from the airport to Honiara's town centre. But the longer-term task of rebuilding the RSIPF proved to be much more difficult. The inadequate police response to the April 2006 riots in Honiara, which destroyed much of the capital's Chinatown, highlighted weaknesses in the PPF's capacity-building efforts. A Commission of Inquiry into the riots criticised the RSIPF's actions and highlighted the RSIPF's lack of public-order capability.²² The RSIPF subsequently received better training and oversaw security for the 2010 general election and 2012 Oceania Football Confederation Nations Cup without incident.

Successive results from the annual RAMSI People's Survey conducted by the ANU have indicated a continuing and worrying lack of confidence in the RSIPF. Even in the most recent survey, 60 per cent of Solomon Islanders said they were not satisfied with the help received from the RSIPF. More encouragingly, 30 per cent said the police had improved in the last five years and 34 per cent said the police had improved in some ways.²³ As is the case in many Pacific Island countries, most police resources are "overwhelmingly concentrated in Honiara and other urban areas, leaving rural areas with little or no ready access to the RSIPF."²⁴ In 2011 the PPF withdrew from all but three provincial posts, and the RSIPF is now responsible for operations in all but two provinces. Nevertheless, the RSIPF is still overwhelmingly dependent on RAMSI logistical and financial resources.²⁵

LESSONS LEARNED

Australia's 2013 Defence White Paper identified contributing to stability and security in the South Pacific and Timor Leste as the second-highest-priority task of the Australian Defence Force.²⁶ RAMSI holds three main lessons for Australian military and police operations in the Pacific in the future.

First, cooperation with the regional armed forces and police forces is a key to success. The experience of RAMSI showed that the involvement of regional forces helped the military communicate with and gain the trust of the local community, and mitigated some of the negative perceptions that can be associated with military deployments. The Australian Government should seek to involve regional defence forces in operations as well as training exercises involving the ADF, such as responses to natural disasters. The lesson is also valid for the police. The presence of police from other Melanesian countries helped Australian and New Zealand police communicate better with local communities in Solomon Islands and to build trust with the RSIPF itself.

Second, more work needs to be done to promote inter-agency and inter-departmental cooperation in these missions. DFAT and AusAID have a long history of close cooperation and liaison and so adapted relatively easily to the whole-of-government nature of RAMSI. Although the ADF

and AFP had worked alongside each other in Bougainville and Timor Leste, the structure of RAMSI was different. The ADF and AFP were more closely integrated in RAMSI, with the ADF playing a supporting role which was new to the military.²⁷ The differences in training and operational methods created a number of obstacles to smooth integration, particularly in the early stages of the mission.

Lieutenant-Colonel John Hutcheson, RAMSI's second military commander, wrote "while the Australian Defence Force possesses a proactive planning culture, the PPF were largely reactive in character and had little appreciation of the response timings that might be required to conduct actions on foreign soil... the PPF's lack of an overall campaign plan made it difficult to ensure that military activities supported the civil authority in an efficient manner."²⁸ Police and military commanders tried to address these deficiencies by collocating the PPF and military headquarters, expanding the use of liaison officers, running in-theatre training sessions and establishing combined working groups to coordinate inter-agency planning and resources.²⁹

Third, more attention needs to be paid to monitoring and assessment. When the AFP first engaged in RAMSI, there was no performance measurement framework that the AFP could adopt to assess the performance of its activities overseas. This made it difficult to judge the effectiveness of the AFP's contributions to capacity building in the RSPIF and to plan a timeline for this activity. The AFP recognised this and in 2007 began to develop appropriate performance assessment methodologies for the International Deployment Group (IDG), which were later applied to RAMSI. The PPF implemented its "first robust monitoring and evaluation system in March 2012."³⁰ This experience should inform the planning for future missions. Setting objectives for a drawdown strategy at an early stage is important. Establishing rigorous performance measurement and impact evaluation processes at the outset of an operation will help determine whether such objectives have been met.

ECONOMIC GOVERNANCE

ACHIEVEMENTS

RAMSI's Economic Governance pillar recorded some impressive achievements. From a state of near collapse in 2003, the economy has recovered and grown steadily – by over 80 per cent in real terms.³¹ Australia spent \$223 million on Economic Governance over ten years.³² Treasury, finance and customs officials from Australia and New Zealand were placed in key economic ministries in Solomon Islands to assist Solomon Islands officials.

RAMSI assistance helped the Solomon Islands Government to stabilise public finances. Revenue collection had collapsed prior to the

intervention. A key focus of RAMSI was to improve taxation administration and compliance. A taxation amnesty was implemented. The private sector was encouraged to meet tax obligations, which was supported by the reform of taxation policy. All of these steps led to the recovery of revenue collection.³³ Controls and discipline were imposed on the budget and better budgeting processes were restored over time.

Foreign investment has returned to Solomon Islands, facilitated by a reduction in sovereign risk and reductions in the cost of doing business. In 1996, total investment comprised approximately 4.5 per cent of GDP. Since 2005 investment from donors, government and private sector sources has averaged around 20 per cent of GDP per annum.³⁴ This has been reflected in new projects such as the Gold Ridge mine and Guadalcanal Plains Palm Oil Plantations.³⁵ There have been new investments in the telecommunications sector, as well as donor-funded investments in infrastructure. Export and imports have grown substantially – although this has been led by growth in timber exports that is widely believed to be unsustainable.³⁶

A series of economic reforms that focused on improving the regulatory environment for business and improving the standards of government have helped strengthen the national economy and have gradually improved living standards. The Foreign Investment Act was amended to reduce processing times for investment applications. Tariffs were reduced. RAMSI's assistance was essential in the introduction and the protracted passage of difficult reforms in taxation, aviation and telecommunications.

It needs to be acknowledged that many of these achievements come off a very low base. It is also true that the impact of these economic improvements has largely been confined to the capital, Honiara, while the majority of Solomon Islanders live in rural areas remote from the capital. The latest United Nations Human Development Index placed Solomon Islands at 143rd position out of 186 countries.³⁷ Solomon Islands is still classified by the United Nations as a 'Least Developed Country'.

LESSONS LEARNED

The key lesson learned from the Economic Governance pillar relates to the placement of treasury and finance officials from Australia and New Zealand in the Solomon Islands bureaucracy. This was seen as critical in the early stages of RAMSI. Solomon Islands government officials needed a buffer to resist the tendency of Solomon Islands MPs to interfere in the work of the Ministry of Finance and Treasury and other agencies. But this effectively created a parallel bureaucracy and resulted in a high level of dependence on foreign staff. This was exacerbated by difficulties in retaining skilled local staff caused by high demand from other organisations working in Solomon Islands as part of RAMSI.

Australian officials were also paid much more than their local counterparts, which created some resentment within key government agencies.

The experience of RAMSI suggests the placement of Australian staff in frontline rather than advisory positions had a negative impact on the bureaucracy of Solomon Islands. Rather than relying on Australian officials as a buffer, RAMSI should have built local bureaucratic leadership in a country where politicians are all too accustomed to using the public purse for personal advantage. While Australian officials working within the Solomon Islands Government were under pressure to demonstrate progress in the Economic Governance pillar, this progress has likely come at the cost of helping Solomon Islands Finance and Treasury officials develop the skills they need to sustain their independence post RAMSI.

MACHINERY OF GOVERNMENT

ACHIEVEMENTS

The Machinery of Government pillar of RAMSI's strategy sought to improve public accountability, the functioning of parliament, provincial governments, the public service and the electoral system, as well as increasing women's participation in parliament and the public sector. Through the placement of advisers, and the provision of technical and financial assistance, and training and community outreach programs, RAMSI had a number of successes. Although many of these programs were similar to those of a traditional bilateral aid program, RAMSI's mandate and longevity gave it important advantages in encouraging reform.

Governance in Solomon Islands in 2003 was particularly weak. Many government agencies were dysfunctional. As in other developing countries, the resources and effectiveness of key public institutions had been eroded through a lack of political and financial support.³⁸ Widespread corruption also undermined governance. The instability wrought by the ethnic conflict and the breakdown of the rule of law accelerated the collapse of an already ineffective system.

Comprising just under 4 per cent of overall RAMSI costs (or \$103 million), the Machinery of Government pillar was relatively inexpensive.³⁹ RAMSI's assistance to the accountability institutions of Solomon Islands showed progress in output and capacity from 2003 levels. By 2010, 80 per cent of backlogged cases were resolved by the Ombudsman. By 2012 the Office of the Auditor General had completed all of its audit reports.⁴⁰ More effective controls have been put in place to document the private and commercial interests of public officials. The Parliamentary Strengthening Program succeeded in developing a committee system to

scrutinise legislation, expenditure, foreign relations and parliamentary processes.

The level of professionalism and human resources management in the public service in Solomon Islands was improved. A new human resources management and payroll system was implemented in 2011, leading to significant savings by resolving payroll discrepancies and fraud.⁴¹ RAMSI re-established and supported the Institute of Public Administration and Management, which has since trained 1,374 Solomon Islands' government participants in policy development, financial management and ethics in 2012. Thirty-six per cent of trainees were women.⁴²

Although women's participation in parliament and the public sector appears limited, Solomon Islands has improved its female participation relative to the situation in other Pacific Island countries. There is one woman in Parliament. Women make up 20 per cent of the workforce in the public sector, although 60 per cent of these are in junior positions. Five of 25 permanent secretary positions are held by women.⁴³

Despite all these successes, significant governance challenges remain. Former member of parliament Joses Tuhanuku says, "of all the areas RAMSI has attempted to strengthen, it is governance that has undoubtedly proved the most challenging and real progress, the most elusive."⁴⁴ He argues that despite the improvements in the accountability institutions, little or no action has been taken in response to reports from the Auditor General or Ombudsman.⁴⁵ For example, in 2010, not one of the audit reports produced by the Auditor General was tabled in Parliament.⁴⁶ Achieving better accountability is also hindered by limited capacity in Solomon Islands' civil society and media sector to demand better results.

RAMSI had no mandate to address political reform in Solomon Islands. Despite their desperate calls for external assistance to help the country address the problems created by the ethnic conflict, it is highly unlikely Solomon Islands leaders would have agreed to a significant program of political reform. Cautious about local political sensitivities about its role, RAMSI was reluctant to become involved in efforts by the Solomon Islands Government to engage in constitutional reform, or to introduce legislation that would encourage greater political stability.

Yet political leaders, and indeed all MPs, have the potential to exercise a great deal of influence in making the machinery of government work and in promoting the rule of law. Lack of support from the legislature may threaten the enduring positive impacts of the work of RAMSI, across all three pillars of the mission.

The prominent Solomon Islands regional official Transform Aqorau says that all the good work done by RAMSI in restoring law and order has been undermined by politicians. He argues that rather than

demonstrating respect for the rule of law, members of parliament have “instead undermined the rule of law and given themselves power over the way millions of dollars are spent in ways that are disproportionate to the needs of Solomon Islanders.”⁴⁷

The PPF had the power to arrest politicians for crimes, including corruption. A number of former politicians, including Allan Kemakeza, the prime minister who negotiated the establishment of RAMSI, were arrested and later jailed for crimes they committed prior to 2003. But even this threat of punishment has failed to deter members of parliament from corrupt practices or from interfering in the proper processes of government. Politicians continue to be elected on the amount of direct benefits they are able to deliver to their constituents rather than on the quality of their work as ministers and parliamentarians.

LESSONS LEARNED

RAMSI's limited successes in improving public sector processes, capacity and accountability, have relied largely on encouraging good governance practices and the effective practice of the rule of law amongst officials. But ultimately serious change was never going to occur without political leaders taking responsibility for changing the system. Unfortunately the political system of Solomon Islands encourages the political class to undermine the rule of law and spend ever-increasing sums of money on enriching themselves and their supporters. RAMSI had neither the mandate nor the leverage to reform the politics of Solomon Islands. Without such reform many of the accountability gains brokered by RAMSI will likely be lost. Although it may well be impossible for any external actors to influence change in the politics of Solomon Islands, it is important for Australia to recognise the limitations of reforms that are not driven by politicians themselves or that are perceived as inimical to the political and business culture of Solomon Islands.

RAMSI had neither the mandate nor the leverage to reform the politics of Solomon Islands. Without such reform many of the accountability gains brokered by RAMSI will likely be lost.

In thinking about future Australian initiatives to improve the machinery of government in Pacific Island countries, a key lesson from RAMSI is that improving legal, oversight and investigative processes are not in themselves sufficient to tackle corruption. If Australia is serious about this issue it needs to find ways to encourage change in the political culture of these states. This is no easy task. The need to maintain good relations with its Pacific Island counterparts will constrain Australian governments from interfering in the politics of Pacific Island states. But creative and long-term efforts need to be made. Supporting politicians who are interested in reform is important because they often lack resources but this must be done in a way that does not compromise them or their ability to influence their peers. Providing or enabling expert legislative and practical advice on issues such as constitutional and electoral reform in Solomon Islands when requested by local institutions

can also be valuable in environments where this kind of expertise is weak.

CONCLUSION

Even if Australia does not make another large-scale intervention in the Pacific Islands region, the need of Papua New Guinea and Pacific Island countries for external assistance for a variety of governance, economic and security challenges is unlikely to disappear. Many of the lessons of RAMSI are relevant in these cases. Future decisions to intervene in Australia's neighbourhood should be based on clear assessments of the need, the real risk to regional security and Australia's national interests. More work needs to be done to promote inter-departmental and inter-agency cooperation in Canberra. A response to a security crisis in the region should involve the cooperation of regional defence and police forces. Assistance provided in such missions in the economic and governance spheres is likely to be more effective in the long term if delivered through an alliance of aid partners. Such an alliance can deploy the most appropriate experts to work with local officials rather than set up parallel bureaucracies staffed by foreign officials. It is also important not to shy away from promoting real change at the political and not just the bureaucratic level.

However, if there is one lesson that needs to be drawn from RAMSI it is the importance of knowing how much to spend and when to leave. Missions of this type need an exit strategy based on limited and defined criteria that should be agreed at the outset. Rigorous and honest assessments of performance and impact need to be made, as do judgements about when the costs of continuing a mission outweigh any possible benefits. In the case of RAMSI a massive and disproportionate investment accumulated over time largely because no one was prepared to make the difficult decision to end the mission. It would be easy to blame this on risk-averse officials. Ultimately, however, prime ministers and ministers need to assume this responsibility. In the case of RAMSI, \$2.6 billion was a massive investment for a country where Australia's interests are limited. A willingness by political leaders to seriously question what was being gained by persisting with the intervention might have helped prevent what was initially a good investment in regional stability and development from becoming a much more questionable one.

Future decisions to intervene in Australia's neighbourhood should be based on clear assessments of the need, the real risk to regional security and Australia's national interests.

NOTES

¹ Lowy Institute estimate based on analysis of expenditure data from Australia and New Zealand adjusted to reflect constant prices.

² Expenditure data provided to the author by the Department of Foreign Affairs and Trade, Canberra, January 2014. The expenditure was released publicly at the Australian Senate 2013-2014 Supplementary Budget Estimates, Standing Committee on Foreign Affairs, Defence and Trade, 17 February 2014. The Lowy Institute has converted the figures from current prices to 2013 constant prices, using a formula consistent with that used by the Australian Government in reporting aid expenditure. See: Australian Senate, "Australian Senate 2013-2014 Supplementary Budget Estimates, Senate Standing Committee on Foreign Affairs, Defence and Trade," (Canberra: Australian Senate, 2014). This figure would not include the likely full costs to the Australian Defence Force of the mission such as Australia-based personnel costs, asset write-downs etc.

³ Ibid.

⁴ New Zealand Ministry of Foreign Affairs and Trade, "Ten Years of New Zealand Contribution to Peace and Development in Solomon Islands," (Wellington: Ministry of Foreign Affairs and Trade, 2013), 11.

⁵ Lowy Institute calculation based on OECD data. See: Organisation for Economic Co-operation and Development, "Aid (ODA) disbursements to countries and regions [DAC2a]," <http://stats.oecd.org/Index.aspx?DatasetCode=TABLE2A#>.

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