

PROVINCIAL GOVERNANCE STRENGTHENING PROGRAMME
JOINT OVERSIGHT COMMITTEE MEETING
HERITAGE – 8TH NOVEMBER 2013
MINUTES

Attendance:

NAME

Members

Stanley D. Pirione

Jeremiah Manele

Derek Vagi

Walter Huberts-Rhein

Cecilia Pau'u

Selwyn Vasuni

James Taeburi

Jude Devesi

Observers

Gloria Suluia

Lorena Evira Ayuso

Apologies

Atenasi Ata-Wasuka

Secretariat for JOC

Nancy Legua

Momodou Sawaneh

| DESIGNATION/POSITION | NAME OF ORGANISATION |
|---|---|
| Permanent Secretary/National Director/Chairman | Ministry of Provincial Government and Institutional Strengthening |
| Permanent Secretary | Ministry of Development Planning and Aid Coordination |
| Deputy Secretary to Cabinet | Prime Minister's Office |
| Policy Adviser | Ministry of Public Service |
| PIU Manager and OIC, UNDP -Sub-office | UNDP Sub-Office, Honiara |
| Provincial Secretary | Central Province |
| Provincial Secretary (Ag) | Guadalcanal Province |
| Assistant Resident Representative- Programme | UNDP Sub-Office, Honiara |
| Governance Analyst | UNDP Sub-Office, Honiara |
| Attaché-Climate Change | European Union |
| Senior Program Manager/Public Sector Governance | Australian Department of Foreign Affairs and Trade |
| Under Secretary | Ministry of Provincial Government and Institutional Strengthening |
| Chief Technical Adviser (interim) | Provincial Governance Strengthening Program (PGSP) |

| Agenda Items | Descriptions | Action Points to follow up |
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| <p>Agenda item 1</p> | <p>Opening Prayer The meeting was opened with word of prayer by the Provincial Secretary for Guadalcanal Province, Mr. James Taeburi and followed by introduction of the Joint Oversight Committee (JOC) members, observers including the secretariat team.</p> | |
| <p>Agenda item 2</p> | <p>Welcome remarks by the Chairman and noting of apologies The Chairman who is also the Permanent Secretary of the Ministry of Provincial Government and Institutional Strengthening and the National Director of PGSP, Mr Stanley D. Pirione, welcomed members of the Joint Oversight Committee and thanked them for availing their time to attend this important meeting despite their busy schedules.</p> <p>Considering the busy schedules of JOC members present at the meeting and the fact that only two members in the meeting were in the previous JOC meeting, the Chairman proposed a change in the agenda so that the project document presentation and discussion could be the first item on the agenda instead of confirmation of previous minutes. This was endorsed and thus the meeting started with the presentation and discussions of PGSP phase II project document followed by confirmation and matters arising from the previous meeting.</p> | |
| <p>Agenda item 3</p> | <p>PGSP Phase II discussions and endorsement of final project document: The Under Secretary, MPGIS, who is also the National Project Coordinator presented the summary of the main project components of PGSP phase II including the tentative budget for the next phase on output basis.</p> <p>The Chairman, in addition, emphasised the importance of the draft document. He explained further what is expected from each component and urged all members to give comments on the draft so as to improve those areas that may need improvement. He informed the meeting that the Cabinet has approved the Ministry submission for an increase of PCDF by additional SBD10m to SBD40m and SBD15m for recurrent budget support for PGSP.</p> <p>Whilst expressing appreciation for the Cabinet approval, the Advisor of the Ministry Public Service enquired as to whether the commitment by the Government in supporting the programme has been consistent. The Chairman responded that though there have been reductions in the original amounts submitted for PCDF, the government has so far maintained its commitment to the amount approved for PCDF. He informed the meeting that for 2013, of the \$22.5m approved by the government out of the SBD35m requested, SBD16.6m has been disbursed already and claims have been submitted to Ministry of Finance and Treasury for the balance of SBD5.9m.</p> | |

In his contribution to the project document discussions, the Permanent Secretary for the Ministry of Development Planning and Aid Coordination thanked the Ministry for the presentation and underscored the importance of the summary project budget at this meeting for discussions. He added that the finalisation of the project budget shall facilitate the formulation of annual work plans in the MDPAC format for early processing of the development fund for the provinces. On the PCDF projects, the PS of MDPAC advised that there should be sufficient maintenance cost built into the budget to ensure sustainability of assets.

Making reference to Local Economic Development (LED) component of the project document and the budget, the PS, MDPAC, reiterated the significance of LED indicating that it may help increase the purchasing powers of the provinces and boost the rural economy. He told the meeting that the inclusion of LED in the project document can enable the government to further explore opportunities in the ongoing negotiations with European Union on the focus areas of the 11th EDF resources. The logging industry that the country has been relying on for so long, he said, is now declining making the government to look for alternative sources of growth.

In his contribution, the Provincial Secretary of Guadalcanal Province felt that Local Economic Development (LED) is long overdue but at the same time he told members that there should be a national framework on LED that may serve as the basis of what the provinces may do in LED. He advised that the concept be properly looked at in coordination with the national government.

The EU representative informed the meeting that EU has shifted its focus area to Water & Sanitation and Alternative Sources of Growth (LED) for 11th EDF 2014-2020 as indicated by the national government. While noting what the program and Ministry has so far done in phase I in promoting LED she asked for more description on what the provinces are doing.

In addition to the Chairman's explanation on the importance of LED at the rural level and for the PEM, the CTA (Interim) informed the meeting that as a management response to PGSP midterm evaluation of 2011, the Ministry has since been encouraging provinces to invest more on infrastructures and activities that promote local economic development. He added that for the past two years, provinces have invested a lot in infrastructures that promote local economic development by giving unrestricted access to those infrastructures by the private businesses. The copra/cocoa dryers and storage facilities in Makira Ulawa, the copra milling in Choiseul and Isabel Provinces, the fishing centres in Guadalcanal etc were cited as examples.

In response to the question of intended activities in water and sanitation raised by the EU representative, the CTA (Interim) informed the meeting of the projects that have so far been funded by the provinces in Water & Sanitation such as provision of 40 water tanks to Kilufii hospital which seems to have addressed the long term water needs of all the health staff and their families in the referral hospital, the provision of tractors for refuse collection in Western Province, construction of sub-stations for refuse collection and management in Gizo and the procurement of refuse collection truck for Temotu (budgeted this year) are few examples of provincial government activities in the area of water and sanitation.

Underlying the importance of this major policy shift by the government in terms of 11th EDF, the Permanent Secretary for MDPAC informed the meeting that focus on Water & Sanitation will be at the urban centres with the possibility of tapping the 11th EDF funding sources for water and sanitation and alternative sources of growth.

The Policy Adviser of the Ministry of Public Service, in his contribution, made reference to the 7th Premiers Conference theme “**resourcing provincial governments to build vibrant local economies**”, which he said fits in well with the LED component of PGSP Phase II output II. He advised that instead of waiting for a national framework to be developed by the National Government, the provinces should continue with what they are doing best in LED and try to build on it in order to promote local economies. He told the meeting that it would be good to start small and develop on the experiences later.

In response to further clarifications on LED requested by the Provincial Secretary of Guadalcanal Province, the CTA (interim) of PGSP informed the meeting that there was a strong recommendation by the Mid Term Evaluation of PGSP (**recommendation 4 (f)**) in 2011 for the programme and UNCDF to further conceptualize LED. He pointed out the details of LED on page 17 of the project document, which indicates that there will be a scoping mission to prepare the provincial governments to lead a participatory process where local people from all sectors work together to stimulate local commercial activities resulting in a resilient and sustainable economy. The process, he said, should lead to creation of decent jobs and improve the quality of life for everyone, including the poor and marginalized.

The Assistant Resident Representative of UNDP sub-office in Honiara, underlined the importance of LED component of the phase II and hence it needs further conceptualisation as indicated by the project document but he added that, there should be a footnote in the project document to show that the budget is tentative and that the actual cost estimate of LED will be determined after the scoping mission. This, he said, will build flexibility in the proposed budget.

In response to the question posed by the Policy Adviser of the Ministry of Public Service as to whether MPGIS will be requesting staffing support under its establishment for phase II, the Under Secretary, MPGIS, confirmed that the staffing in

component 5 for phase II shall continue to be secured under the current arrangement (through donor technical support). The Permanent Secretary and Chair added that technical support is very much needed in phase II of the programme. He strongly expressed the need for technical support for the Ministry and the provincial governments throughout the next phase but at the same time he will make sure that the government officers aggressively learn the systems and procedures for sustainability and the eventual take over by phase III.

Commenting on the importance of monitoring and evaluation not only for the MPGIS but also for the Ministry of Public Service, the Adviser for the Ministry of Public Service called on the MPGIS to extend invitation to staff of the Ministry of Public Service in any future M&E trainings/workshops. The Chairman informed the adviser that MPGIS has so far appointed two M&E Officers who shall be capacitated in monitoring and evaluation. He added that should there be any training in M&E, the Ministry of Public Service shall be duly informed.

Speaking on the experience of the Ministry of Development Planning and Aid Coordination, The Permanent Secretary of MDPAC informed the meeting that whilst his Ministry has an M&E unit, the unit is still at its infancy and they have not developed the national M&E framework yet but added that an M&E Specialist shall be hired to develop an M&E framework. He told the meeting that when the framework is ready and the unit becomes fully operational, it will be monitoring and evaluating both SIG and donor funded projects to ensure there is value for money.

Responding to the question as to whether the revision of the PGA 1997 could be brought forward instead of waiting for the completion of functional assignment, the Chairman commented that the functional assignment is indeed a big task which cannot be accomplished within a short time frame because of the consultation processes involved in it but the review of PGA 1997, he said, is necessary and the MPGIS will work on it. He told the meeting that the review of PGA 1997 has always been very high on the agenda of the Ministry even before PGSP was formulated. He gave examples of inconsistencies in the Act that seems to be causing a lot of inconvenience for the Ministry and the Provinces.

Commenting on the functional assignment, the Deputy Secretary to Cabinet agreed with the views expressed by the Chairman but added that there is a need for an alignment of what the government is doing, particularly the National Development Strategy.

On the issue of capacity building, under output 3, the Provincial Secretary for Guadalcanal Province expressed concerns that whilst the output emphasises the capacity building of provincial assembly members, the induction programme being conducted by the Ministry does not seem sustainable as it has so far got only a minimal impact. The members of the

provincial assemblies, he said, do not still understand their roles. Since assembly members come and go every four years, the capacity building, he said, should be geared towards enhanced civic awareness coordinated at national level and that it should be conducted before leaders are elected.

Whilst supporting the focus on LED and rural economic growth, the Provincial Secretary for Central Province warned that the importance of basic services such as health and education should continue to be given prominence in phase II. In response the Chairman informed the meeting that education and health services will still continue to receive funding in phase II at the discretion of the provincial governments. The shift in focus on LED as shown in the project budget estimate does not mean that the basic service sectors will be forgotten, the Chairman confirmed.

The Acting Deputy Resident Representative of UNDP sub-office and the head of Project Implementation Unit, suggested that the Ministry should consider introducing trainings on ethical issues for the MPAs as a way of raising awareness. In response to the suggestion on ethical training, the Chair informed the meeting that whilst the Leadership Code Commission is conducting this aspect of the training, it should be given more support in the next phase of the programme particularly during the induction programs that the Ministry normally conducts immediately after provincial elections.

Recommended changes in the project document:

After a lengthy discussion on the project document, the following minor adjustments were highlighted:

1. Unforeseen budget of 3%: there is consensus for the wording to be changed to "contingency".
2. A foot note in the budget to indicate that the LED budget is currently tentative and that the actual estimate shall be determined after the completion of the scoping mission.
3. The costs estimate of Provincial Capacity Development Officers and consultancies to be moved under output 3.

After exhaustively discussing the project document, the Chairman tabled the following four recommendations for consideration by the members of the project steering committee:

RECOMMENDATION I: ENDORSEMENT OF THE PROJECT DOCUMENT FOR PGSP PHASE II

With those minor changes to be incorporated, the Chairman asked for endorsement of the project document. The motion to endorse the project document was moved by the Permanent Secretary of the Ministry of Development Planning and Aid Coordination and seconded by the Advisor of the Ministry of Public Service and the committee endorsed the project document for phase II.

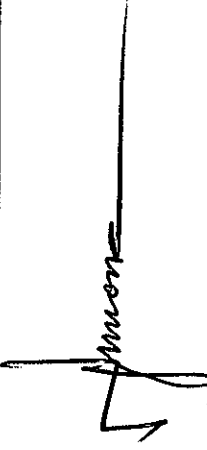
**Phase II
project
document task
force**

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| | <p><u>RECOMMENDATION II: JOC TO ENDORSE THAT THE CTA (INTERIM) AND THE PROJECT FINANCE OFFICER TO STAY ON TO SUPPORT THE PROPER CLOSURE OF THE PGSP PHASE I UNTIL END OF MARCH 2014.</u></p> <p>The Advisor of the Ministry of Public Service moved the motion for the endorsement of recommendation II for the CTA (Interim) and the Finance Officer of PGSP to continue to support the proper closure of phase I and ensure a smooth transition. The motion was seconded by the Permanent Secretary of the Ministry of Development Planning and Aid Coordination.</p> <p>In addition to the project check list to be completed by the two officers, the Ministry also sought the support of the CTA (Interim) to technically support the planning and the budgeting process of the provincial governments which commences in December and finishes by end of March 2014.</p> <p>The project closure check list includes, amongst other things: preparation of terms of reference for the final evaluation of phase I, support the evaluation of phase I, auditing of phase I transactions, closure of PGSP accounts, final revision of 2013 budget, asset verification and transfer of project assets to phase II, project narrative report by using pre-closure CDR, final narrative and financial report for the donors by using the final combined delivery record, preparation of management response to the final audit report, reconciliation of outstanding vendors, verification and payment of outstanding bills and sundry creditors.</p> <p><u>RECOMMENDATION III: SUBMISSION OF THE FINAL VERSION OF THE JOINT PROJECT DOCUMENT TO THE CABINET</u></p> <p>The Advisor of the Ministry of Public Service moved the motion for the Joint Project Document to be submitted to the Cabinet for their information and support. The motion was seconded by the Permanent Secretary of the Ministry of Development Planning and Aid Coordination.</p> <p><u>RECOMMENDATION IV: FORMULATION OF A MINI-BUDGET TO KICK START PHASE II IN 2014</u></p> <p>In making a business case for this recommendation, the Chairman indicated that it is his Ministry's intention for the gap between the two phases to be as narrow as possible. A long gap, he emphasized, may have a severe impact on continuity and the staffing. He indicated that when project staff departs, the cost of re-assembling them might be too high on the programme as well as the Ministry. He reiterated the need for continuity and smooth flow of work. The mini budget will be formulated by end of November 2013 (towards the closure of all purchase orders by UNDP) for JOC members' consideration</p> | <p>UNDP/UNCDF</p> <p>MPGIS</p> <p>MPGIS/UNDP /UNCDF/PGSP</p> |
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| | <p>in their December 2013 meeting.</p> <p>The motion to endorse the recommendation was moved by the Advisor of the Ministry of Public Service and seconded by the Assistant Resident Representative of UNDP sub-office in Solomon Islands.</p> <p>In supporting the recommendation, the Permanent Secretary of MDPAC, supported the position underlined by the Chairman by underscoring the importance of continuity of the programme. He called for a narrow gap between the two phases.</p> <p>On his part, the ARR of UNDP sub-office, assured members that whilst it has not been possible to have the two phases of PGSP overlapped, the UNDP will try as much as possible to give all necessary support to narrow the gap so that the impact, as feared by the Chairman and JOC members, will be minimal.</p> | |
| <p>Agenda item 4</p> | <p><u>Interim Report on PGSP: 1st January – 31st October 2013</u></p> <p>In presenting the brief interim report of PGSP to the JOC members, the CTA (interim) informed members that the financial report of what has been accomplished in 2013 shall be incorporated in a more detailed report in December. He went through the report output by output. On output 4, the CTA (interim) informed the meeting that the UNDP is completing the recruitment process of M&E Specialist to commence work before end of this month. The consultant, he said, shall fine-tune the monitoring framework developed in 2011, a training manual shall be developed with reporting formats but the main training for officers responsible for monitoring shall be conducted in 2014.</p> <p>The interim report also highlighted some of the challenges that the Ministry and the provincial governments face with regards to effective service delivery and the implementation of the programme by the provincial governments.</p> <p>Commenting on the interim report, the Assistant Resident Representative stressed the need for change in strategy with regards to capacity building. He said whilst the continuous capacity issues justify the need for a second phase, it is still worrying that the same issues on financial management and internal control compliances recur in the assessment report. The Permanent Secretary of MDPAC whilst noting the progress made to date, also re-echoed the same sentiment adding that the issues of capacity constraints and lack of compliance may undermine the sustainability of the programme. He called on the Ministry to work out a strategy to address the institutional and human capacity challenges in order to ensure sustainability. He pointed out that the unfavourable living conditions in the provinces also contributes to capacity issues for the provincial governments as qualified officers refuse to take up postings in remote locations.</p> | |

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| | <p>In response to the interim report, the Provincial Secretary of Guadalupe Province informed members that the human capacity issue is very challenging to the provincial governments as there is no pool of human resources for the provinces to draw from. He suggested that the Ministry increases service grants to enable provincial governments to directly employ more officers to deliver services.</p> <p>Whilst acknowledging the comments made on the capacity issues and the issues of compliance, the Chairman indicated that his Ministry is making all efforts to ensure that positions are filled but noted that he always faces severe challenges on the issues of budget when it comes to Ministry establishment which is determined by the MoFT and the Ministry of Public Service. He informed the meeting that he went as far as asking the Public Service Commission to give him powers to recruit officers. The Advisor for the Ministry of Public Service informed members that the review of the Public Service Act will probably address the issue of recruitment on a long term basis.</p> <p>Commenting on the challenges faced by the provinces in implementing PCDF projects, the Provincial Secretary of Central Province told members that the late release of PCDF tranches by the government is the main contributing factor to late delivery of projects. The late release of funds, he said, forces planning officers to use short cuts in order to maximise delivery and fast track implementation, which leads to using processes that are not in line with standardised procedures.</p> <p>In responses to the late release of development budget, the Permanent Secretary of MDPAC, indicated that the delays are normally caused at the Ministry of Finance who administers the cash flow according to the monthly receipts of the government. He added that the ongoing competition for resources between recurrent and development budget is another factor that affect the delivery of development projects. He, however, assured the meeting that efforts are being made to improve the process and that MDPAC will work closely with MPGIS for speedy release of funds for timely implementation of projects.</p> |
| <p>Agenda item 5</p> | <p>Endorsement of the revised AWP 2013 by the Joint Oversight Committee. As there was no issue raised on the revised AWP, The Deputy Secretary to The Cabinet moved the motion for the endorsement of the revised budget of PGSP 2013. The motion was seconded by the Provincial Secretary of Guadalupe Province.</p> |
| <p>Agenda item 6</p> | <p>Confirmation of the minutes of the December 20th 2012 The Deputy Secretary to The Cabinet moved the motion to confirm that the minutes are true reflections of the meeting.</p> |
| <p>Agenda 7</p> | <p>Matters arising from the minutes of the meeting of 20th December 2012. Secretariat to make amendment to agenda item 4</p> |
| <p>Agenda</p> | <p>The Chairman announced 13th December 2013 as the tentative date for the next JOC meeting.</p> |

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| item 8. AOB | There being no other business to discuss, the Chairman declared the meeting closed at 2:08 pm with the closing prayers performed by the Deputy Secretary to the Cabinet. |
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Stanley D. Pirione
Permanent Secretary, MPGIS/National Project Director and Chairman of Joint Oversight Committee of PGSP