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Executive Summary

Corruption in Solomon Islands ranges from nepotism amongst wantoks in the selection of employees, through the bribery of individual officials for hastened document processing, to systematic and elaborate schemes of payoffs and kickbacks involving large resource extraction projects. Corruption now occupies a unique position in the country, being both a cause of serious problems and an effect of even deeper ones, and recognising this dual nature is critical to understanding the nature of corruption in the country.

In Solomon Islands, public perceptions of corruption are reflected in the range of situations to which the pijin term *korapt* is applied. Most corrupt practice in the country pertains to the operations of the public service or governmental practice, and is most notably practised by very small minority of 'repeat offenders'. In assessing the issue of corruption in the Solomons, it is clear that the national integrity system has been comprehensively ineffective in maintaining standards of public propriety and accountability.

Structural causes of corruption in the Solomons stem from systematic factors, which either predispose actors to corruption, fail to prevent ongoing corruption, or create conditions supportive of corruption. The heavy involvement of foreign logging companies in the Solomon Islands economy has made the government vulnerable to their demands. Cornerstone governmental agencies for public accountability, professionalism and integrity are also highly vulnerable to political pressure and resourcing pressures. Moreover, there is an overall lack of leadership and political will aimed at supporting accountability and transparency in governance. Further, watchdog agencies, both within and outside the state sector have also failed to remove opportunities for corruption, or facilitate a public environment conducive to integrity and intolerant of corruption. There is an overall lack of public engagement with the state, and in effect, due to socio-cultural, economic and geographical factors, Solomon Islands in essence lacks 'a' public.

The governmental institutions that are intended to guarantee accountability in governance have also often failed to prevent corrupt practice. For example, there are three commissions that are charged with the employment and conduct of particular groups: the Public Service Commission, the Teaching Service Commission and the Police and Prisons Service Commission. All public servants, other than teachers, police and prison personnel, are employed by the Public Service Commission. A public service with strong internal checks to abuse of power would act as a significant barrier to unbridled executive power. Unfortunately, the erosion of public service education and professional standards has been accompanied by non-engagement in matters of discipline on the part of the public service commission, leading to frequent collusion by the public service with the executive. Despite comprehensive regulations and the oversight role of the Public Service Commission, therefore, the public service has become corrupt.

Other NIS pillars have also met with mixed results in their attempts to improve governance. The effectiveness of the group of formally mandated agencies such as the Leadership Code Commission, Ombudsman, Auditor General and Public Service Commission has been quite limited, particularly if judged relative to the scope of their powers. Although corruption has not been an issue for policy statements, Solomon Islands law and regulations form a robust position on what constitutes corruption, and the processes and agencies to deal with it. The fundamental lack of recognition of national public interests makes much of Solomon society vulnerable to tolerating corrupt and irresponsible behaviour from elected leaders and public institutions.

Anti-corruption effectiveness therefore varies widely between NIS elements. The legislature, executive, and parts of the private sector, civil service and police force have been complicit in increasing national corruption. More importantly, public pressure has not yet resulted in the pursuit and prosecution of distinct cases of corruption, or in the investigation of individuals central to many different allegations of corruption.

In the absence of Solomon Islands government strategies to fight corruption, there has been no explicit donor activity in the area of anti-corruption. There is therefore an urgent need for the stimulation of ongoing, open-ended Solomon Islands research and public discourse on integrity issues. There is urgent need for a historical survey of prosecuted cases of corruption and corruption-type crimes particularly focused on cases such as embezzlement, conversion and forgery, which involved leaders, prominent individuals and public sector officials, to begin building a public information base on corruption. Donor support in this regard could provide a basis for ongoing and continuous public interest research activities by Solomon Islanders, for and of the Solomon Islands situation, a key element for the evolution of sustainable integrity systems. Direct support for NIS institutions to fulfil their current functions and support for Solomon-led processes of self-assessment would be most beneficial. Resourcing for public awareness of the importance of the NIS, NIS elements and support for processes of public engagement in the future shape and role of NIS, including support of for research activities by Solomon Islands entities (including both organisations and individuals), would greatly help the government to begin to assess and redress issues of corruption in Solomon Islands.

Country Overview

The Solomon Islands is a small island developing country of about 990 islands and 480 thousand people located in the Southwest Pacific. It achieved independence from the United Kingdom in 1978, and has operated as a constitutional monarchy and member of the British Commonwealth since. The majority of its culturally diverse population lives in small settlements on traditionally controlled lands, and continues to rely heavily on subsistence livelihoods. The economy has diversified very little since independence, and has been unable to meet the employment needs of the rapidly growing population, nor the revenue requirements for state provision adequate social services.

This socio-economic substrate has had fundamental implications for politics and governance. Electoral outcomes and parliamentary dynamics have been largely determined on the basis of individual personalities rather on policy or party lines. Since independence these dynamics have permitted the election of legislatures lacking leadership or policy stability, and which have in turn hampered effective policy creation and implementation. Comprehensively weak leadership and a long-standing inadequacy of social services created the setting for a devastating civil conflict which began in 1998, the effects of which are still being played out.

The civil conflict has resulted in hundreds of deaths, the displacement of over 20 thousand people and a steep decline in the economy. Over time, these effects have led to an almost complete disintegration of state capacity, structures and powers. While most evident in law and order, this weakness extends to almost all government services, including the ability to develop and implement policy.

Beginning in mid-2003, a significant and rapidly escalating foreign intervention evolved, culminating in the deployment of over two thousand Australian, New Zealand and Pacific Islands military and police personnel. This intervention, the 'Regional Assistance Mission - Solomon Islands' (or RAMSI), achieved early successes through securing the surrender of prominent militants, the arrest of compromised police officers and the restoration of a sense of stability and order, particularly in the Honiara town area. It seems certain that while the military presence will reduce considerably, a significant aid programme will continue for the foreseeable future, focusing on governmental restructuring, the establishment of improved fiscal control and the revival of the economy.

The Solomon Islands' economy is subsistence based, with the majority of the population, on customary rural lands, relying on traditional or modified subsistence livelihoods. Subsistence production provides the bulk of food for more than 80% of the population, as well as providing a significant portion of the urban food supply. Subsistence methods and traditional sources also continue to provide housing and construction materials for the bulk of the population. The monetised sector is strongly oriented towards the import of a wide range of consumables and capital, and the export of primary products. Domestic markets are narrow-based and relatively small. Longstanding export crops are copra and cocoa, which are now largely produced by individual or group small-holders as opposed to large plantation. Large-scale primary industries include the palm oil and tuna fish operations, which first began in the early 1960s and 70s. There was a rapid increase in round log exports beginning in mid-1980s. This boom was characterised by a lack of value-added investment, highly unsustainable practices, and significant social dislocation in exploited areas. The industry also served as an incubator for corruption, from the community level through the public service and up to high political office.

The prevailing economic situation is one in which a relatively small proportion of the people and resources of the country are engaged in the formal economy. The bulk of the population is engaged only through the sale of copra, cocoa, marine products or local market produce, and the purchase of imported consumables transport fuel and small equipment. Casual labour is another point of contact between the majority and the cash economy.

Enduring links between peoples and their territories prevent the treatment of land, labour and entrepreneurship as independent factors of production. There has been little policy recognition of this, and less attention to mechanisms with which to address the situation. This has hampered the engagement of the vast majority of people and natural resources of the country. The narrow product range and limited participation in the cash economy has been maintained through official reliance on large-scale low value extraction. A growing dependence on imported foods has allowed consolidation of the dominant position of large importers, some of whom have also begun investing in resource extraction and export, most notably logging.

With regards to pressing social issues, Solomon Islands harbours a diverse, rapidly growing population, with a massive proportion of youth (UNDP, 2001). Population growth rates are universally high, but densities are highly varied. There is rapid urbanisation (UNDP, 2001) and the emergence of an urban class, with 2nd or 3rd generation Honiara-dwellers now in evidence.

Like other countries of the Melanesian region, Solomon Islands contains considerable cultural diversity. Although more than 90% of the population is Melanesian, a number of Polynesian cultures are indigenous to particular island groups at the northern, southern and eastern extremes of the country. Furthermore, resettlements during the colonial-era have also resulted in a sizable Kiribati population, principally in Honiara and Western and Choiseul provinces.

Solomon societies remain highly insular, with a persisting tendency to operate in small-scale units, with a high degree of social and economic self-reliance. Different experiences of development and international contact in the past has added a further layer of difference to pre-existent cultural diversity. There is wide variance between different cultural regions in their degrees of westernisation, monetisation and in the nature and scope of their involvement with state institutions. Social change is therefore itself diverse in nature. Some of the more influential parameters mediating the character of local social change include population density, Christian denomination, degree of urban contact, availability of cash and the extent of exposure to the outside world through tourism, foreign educated youth or presence of influential local elites.

Despite diversity and insularity, however, there is a trend of increasing inter-reliance and cultural relations through inter-marriage, and a developing ecumenism. Christianity remains the single most universal common factor across the different fabrics of the country. National culture is developing with extremely strong influence by Honiara, and in particular, Honiara youth culture. Family and kin-group relations continue to dominate social relations, but are also strongly mediated by church affiliations.

In assessing the potential for further change in the Solomons, there exists potential for continued and wrenching social change through the confluence of population, migration, and political, education and economic forces. And against this social backdrop there are also considerable problems with regards to issues of government and politics.

Solomon Islands is a constitutional monarchy and member of the Commonwealth, with Governor General representative of the Crown who nominally remains head of state. There is a unicameral parliament with 50 seats. Representation is according to geographically defined electorates, and election occurs through first-past-the-post balloting, with universal suffrage above the age of 20 and elections held every 4 years. The Prime Minister is leader of the largest party or coalition, and s/he selects a cabinet from amongst the members of Parliament. There are nine provinces possessing devolved functions and some powers to raise revenue independently. Together with the one functioning local government (the Honiara City Council), these administrations are largely dependent on national government grants for their operation. The dearth of responsible leadership seen in national government is reflected in provincial and local government. The pattern of instability and in-fighting has been particularly apparent within Honiara city politics.

In respect to electioneering, there is a history of generally 'free and fair' elections, despite frequent allegations (and court cases) regarding registration fraud and electoral inconsistencies. Parties do exist but are not strong, and are often ideologically indistinguishable to the electorate. Electoral choices are made almost exclusively on grounds of the individual contestant, with an emphasis on perceptions of performance in development of the local area or constituency. Such perceptions are very often inseparable from past or promised material gain from the candidate, so electoral behaviour is strongly influenced by local, family or individual gain, rather than suitability for national leadership skills or potential for representation on national issues. Combined with the first-past-the-post system, such attitudes have operated to deny the country of capable elected leadership.

Dynamics within the legislature often originate from the conditions of election, with a strong imperative to redistribute resources available to the office elected to. Additional checks and balances such as party pressure, public sentiment and broad-based pressure groups have had a varied and generally weak history. This has allowed the pursuit of individual and clique interests to undermine legislative and policy stability. Parliamentary motions of no confidence have successfully challenged coalition governments on two occasions, and several other attempts have been made.

The judiciary is appointed independently of partisan politics, and consists of a Chief Justice, Puisne Judge and Magistrates. There is a high court, magistrate courts and local courts with jurisdiction in local land and other matters. The English common law and act of the national parliament are sources of law. Unlike the executive and legislative arms of the state, the judiciary has enjoyed relative popular approval.

It is therefore clear that the country is emerging from crisis period of several years, the result of a culmination of fundamental issues about the nation-state itself, issues that remain unresolved. State relations with the population, the nature and relevance of public institutions, the operation and basis of democracy and nation are all under question. The alienation of state and its agents from people is a crosscutting issue across many different sectors of concern, and stems in part from the systemic corruption of public institutions. The effects of that corruption on leadership, service delivery and public functions has taken a significant toll on the credibility of the nation-state project, and holds considerable potential to continue doing so into the future.

The NIS has a critical role to play in the recreation of the SI nation-state; an effective NIS will be crucial to ensure lasting change in the governance situation and restore confidence in the state. While Solomon Islands' medium term future will be dominated by foreign intervention and donor support, the extent to which external interests are guided by the considered voice of Solomon Islanders, will make a critical difference to the suitability and sustainability of reforms during that period.

Corruption Profile

Definitions and Scope

Because there has been so little investigation of corruption in the country, perceptions of the issue of 'corruption' are based on 'common knowledge' – the 'off-the-record' word of informed insiders, snippets of official documentation, and the occasional intimation or allegation in the media by rival politicians or community leaders. However despite the fact that they are unsatisfactory and unverifiable, such information sources form the basis for judging the extent and significance of corruption in Solomon Islands, including this report. This limitation on the availability of information in itself constitutes a significant barrier to the control and reduction of corruption.

With regards to how this shapes public ideas about corruption, public perceptions of corruption are reflected in the range of situations to which the pijin term *korapt* is applied. Perceptions of corruption have tracked the evolution of corruption itself over the 25 years since independence. Early post-independence notions of corruption often focused on the role of wantoks and 'wantokism' in encouraging abuse of powers. A dominant view was that major risk lay in social pressures to use power for the benefit of one's kin and family.

Contemporary notions of corruption have come to focus on high level incidents involving official and political collusion with fraudulent schemes, unlawful resource extraction or grossly inequitable exercise of executive prerogative. This perceptual shift has accompanied the increasing frequency and prominence of such affairs involving, or allegedly involving members of Cabinet, senior public servants and even the Prime Minister.

Rather than replacing previous wantokism-based concerns about corruption, these new forms have widened the scope of corrupt practice in the minds of Solomon Islanders. Publicly lowered standards of personal behaviour amongst senior government figures have expanded corruption to a moral sphere, with street talk applying the term *korapt* to personal and well as official indiscretions of public servants and elected representatives. Regardless of the legal standing of particular decisions or behaviours, they may be regarded by the public as corrupt if senses of equity, propriety or openness appear to be violated.

It is also important to note that there is a diversity of perspectives about corruption. Many village people would regard impartial treatment by an official who they were related to, as culturally unacceptable and even an insult. Others, distinguished only by their degree of exposure to relatives in professional positions, would not. Within the urbanised, educated and professional cadres, there is a greater than average awareness of the importance of separation of personal life and official powers. Such awareness, however, does not directly translate into significantly different standards of professional conduct.

Perceptions of and attitudes towards corruption make manifest a certain paradox. While there are overwhelming instances of alleged and suspected corrupt activity, there remains virtually no investigation by either official bodies (such as the police), nor by societal institutions (such as the media). This lack of investigation, coupled with the frequency and commonness of allegations, has driven people to accept allegations without any evidence, but has also conditioned them to not demand any evidence. In this way, an insidious tolerance to corruption has emerged, in which people express suspicion of corrupt activity at the slightest indication, but at the same time are willing to accept inaction concerning that suspicion.

In addition to this broader understanding of corruption, corruption is *officially* recognised as an offence in two ways. Part X of the Penal Code identifies very broad definitions of bribery (S. 91), extortion (S.92), false declaration (S.95), abuse of office (S.96), and false assumption of authority (S.98) when stipulating offences to be recognised as official corruption. Public officers so prosecuted face criminal proceedings and penalties if convicted, of a felony warranting imprisonment for up to seven years.

The 1999 amendment of the Leadership Code Act (The Leadership Code (Further Provisions) Act 1999) enables prosecution of cases on the charge of 'official misconduct', which is stipulated in several forms. Official misconduct is extensively defined in the Act as:

- the use of office for personal benefit;
- neglect of official business;
- bribery;
- the acceptance of loans;
- the non-reporting of business interests,
- and even ownership of property which could not be expected to be attainable through known income or receipts.

Investigation of charges of official misconduct are carried out by the Leadership Code Commission, and, should there be determination of guilt, removal from office and fines of up to \$10,000 may be imposed by the commission.

Causes

There are numerous causes of corruption in this case. Hardship and opportunity present the first cause, swiftly followed by a conducive public service environment, a culture of permissiveness and more 'structural' causes such as the failure of watchdog agencies to carry out their role in a comprehensive manner.

It is clear that economic stress, low levels of public service remuneration, the absence of law and order and the widespread nature of threats to person and family were brought in the wake of the last few years of civil conflict. The decline in the economy together with embezzlement and misappropriation of public funds, has led to a collapse of the public service's payroll, causing severe hardship to its already poorly paid members. These factors, together with the lack of law enforcement, and the atmosphere of intimidation in Honiara has exposed a broad swath of the public service to unprecedented pressures to engage in corruption. Anecdotal evidence is that at the depths of governmental collapse in 2002, official permissions could be granted for as little as AUD2.50 from junior officers, such was the level of economic hardship amongst public servants.

Other proximate causes of corruption, which predate the civil conflict are low levels of professionalism in the public service, and a constancy of a political pressure to the degree that it became acceptable. Long time observers of the public service have expressed a consistent view that standards of professionalism and ethical conduct within the public service have declined since early post-independence period 20 years ago. Key factors identified in this decline include:

- A lack of public service training for incoming officers, partially due to the closure of the public service training school in the late 1980s.
- Widespread ignorance of regulation and procedure throughout the public service, created by a paucity of reference materials such as the General Orders and Financial Instructions and an erosion of the institutional knowledge base with the attrition of trained senior servants.
- Active subversion of an ethos of procedure by politicians (such as former Prime Minister Solomon Mamaloni) who equated it with the colonial era, and hence something to be dropped concomitantly with pursuit of public service localisation.

Political interference in administrative matters within the public service has therefore escalated since independence to the point where it is unremarkable. The constancy of such activity has brought about its own protection by normalising it. Pressures, suggestions and outright directives that may have been refused or reported in the 1980s are now regarded as unremarkable and everyday.

Finally, there historically has been, and continues to be, little pressure, of a public or legal nature, to enforce standards of official behaviour and punish the breach of such standards. This failing is especially important because it is both proximate and fundamental. The lack of public or institutional pressure to redress blatant corruption acts as an encouragement to potential or incumbent corrupters, and reveals some of the influential dynamics governing society and politics in the Solomons. This lack of pressure has been due to structural issues in key formal and informal integrity institutions, as well as a marked unwillingness of leading individuals within them, to concern themselves with investigation and action on corruption and corrupt individuals.

'Structural' causes of corruption, on the other hand, stem from systematic factors, which either predispose actors to corruption, fail to prevent ongoing corruption, or create conditions supportive of corruption. Mid-level, or structural causes have emerged both from interviews with former senior civil servants and long-time local observers of government in the Solomons; and from the focus group discussion held in Honiara towards the end of this country study.

The first instance of a structural cause of corruption is provided by watchdog agency failure. Watchdog agencies, both within and outside the state sector have failed to remove opportunities for corruption, or facilitate a public environment conducive to integrity and intolerant of corruption.

The media, while free, has been highly docile in its coverage and treatment of the corruption problem. Although there is a shortage of journalistic capacity, particularly for investigations, the main stumbling block has been the narrow ownership base of the media, and its close relations with the establishment. In spite of significant desire on the part of ordinary Solomon Islanders for the investigation of numerous and widespread allegations, the media has elected to ignore opportunities to do so. The presence of armed intimidation in the wake of the 2000 coup has compounded, and somewhat justified this reticence, but even media insiders admit that self-censorship is a major problem.

In addition, cornerstone governmental agencies for public accountability, professionalism and integrity are highly vulnerable to political pressure and the risks of resourcing pressure. At present, the Leadership Code and Public Service Commissions and the office of the Ombudsman are all administratively within the Prime Minister's office. This makes them all extremely exposed to political pressures, either direct and immediate, or more gradual, such as the resource pressure that has been applied to all of them over a period of years.

Partly consequent to the failure of cornerstone agencies, the public service has gone on to experience widespread failure in its role in the integrity system. The failure of the public service as an organisation has exposed its constituent members to heightened corruptive pressure, either from the political strata or from business and criminal elements within society, and outside of the governmental system. Coupled to this is the culture of accountability within the public service. Solomon Islands public service remains essentially colonial in promoting accountability upward, and insulating information from public eyes. This combination of stances is extremely dangerous when applied to a situation where the executive has an individual and collective vested interest in personal or small-group gain. Accountability upwards in the Solomons public service has provided opportunity for political corruption to be extended into the public service, and the shielding of internal processes from public attention has permitted the perpetuation of such corrupt activity.

Last of these structural factors is the fact that, due to socio-cultural, economic and geographical factors, Solomon Islands lacks 'a public'. The primacy of localised subsistence, and kin-networks as lifestyle foundations, means that Solomon Islanders operate within numerous interacting publics. The low and decreasing level of service delivery by the state has done little to change this. Ironically, the effects of corruption on weakening service delivery have eroded the limited stake that the rural majority held in the Solomon Islands nation-state project. Within such a situation, electoral representation results in the aggregation of small group concerns, often to the detriment of larger ones. Successful

parliamentary candidates are often those that promise, and succeed in mobilising their official powers for the special benefit of their electorate. In this way, the character of people's notions of engagement with the state can be dangerously close to those that would encourage corruption. This weakness has been exploited by holders of political power over the past two decades, to the detriment of their constituents, and of opportunities to create more appropriate relations for a modern nation-state.

Levels

Most corrupt practice in the country pertains to the operations of the public service or governmental practice. The private-sector does experience considerable corruption, particularly in the form of theft and embezzlement of company funds. Anecdotal evidence and perceptions of the problem indicate that such problems have less scope or gravity than the corruption involving government departments, agencies and state-owned enterprises.

The location of corrupt practice within the public sector and its levels, are related to the character of the practice itself. Misappropriation, embezzlement and diversion of funds is apparent throughout the public sector, but perceived to be more common at the mid- and upper levels of organisations, simply because of the access to such funds and opportunities for their misuse. The most recent scheme uncovered involved the establishment of parallel special accounts by fisheries department officials, and the diversion of licensing fees into them. Under RAMSI (the Regional Assistance Mission to Solomon Islands), arrests have been made and the case is now under active investigation. Directorship Boards within statutory authorities have also been implicated in such activities, the board of Solomon Islands Water Authority having allegedly granted themselves loans during 2002. These allegations and other such ones have not been investigated to date.

Bribery and collusive relations, particularly on a systematic basis, are most strongly represented in those ministries and departments, which regulate and grant permissions needed for the operation of businesses. In such locations, allegations commonly involve ministerial directives for the granting of special or unprocedural permissions, and can involve senior public servants within those departments. Instances of bribery at a lower level – involving individual cases of duty avoidance or the fast-tracking of a land application, are more likely to be carried out on an individual basis, and more often in response to wantok pressure rather than for purely financial gain.

Although positions of power – key cabinet portfolios, board directorships, and special commissions are at higher risk of corruptive influence, the location of corruption in the Solomons is heavily influenced by personal relationships between corrupters and corrupted which may extend considerable distances through time and organisations. In this way, a Minister tried in 1997 for allegedly accepting a bribe from logging concerns, has maintained close relations with those concerns. He is now alleged to have colluded with those same concerns in promoting illegal logging in the country over the last two years. This is in spite of not currently possessing political office. Positions of power certainly carry elevated risk of corruption, but corrupted individuals and relationships often continue beyond the loss of the original position or power.

Costs

Corruption has brought a massive and complex set of costs to Solomon Islands. Recognising and distinguishing between specific types is difficult because of the comprehensive penetration and wide ranging effects of corruption and compromised leadership behaviour.

The economic costs have been significant but there is little consensus on their extent. Publicly available estimates indicate that the Minister of Finance under the Sogovare government issued almost SBD40million in duty remissions in the year from June 2000 to July 2001, actions which were later determined to be beyond his powers. Accepting general opinion that these were inequitable, represented undue favour, and were thus instances of corruption, the episode would be but one of many instances of corrupt behaviour at the ministerial level. This

would imply ongoing revenue losses to the government in the region of millions of dollars per annum, beginning in the late 1980s. Widespread allegations remain concerning similar duty avoidance, and tax and royalty evasion schemes in fishing, logging and casino gambling sectors. Selective duties remission and preferential access to Honiara land both create unfair competitive advantage for the large businesses concerned, and distort the markets concerned, with associated efficiency costs.

Such costs would have been compounded over the past years of conflict 1998-2002, due to the 'compensation' industry that sprang up to extort funds from national treasury following the breakdown in law and order. Because much of the funds misappropriated during 'peace' settlements post-2000 came from Taiwanese Exim Bank loans, the debt service costs of these loans will be an added cost of corruption during the past four years of state failure.

There have also been very significant opportunity costs, but determining these is extremely difficult. The current dependence of the country on industrial-scale round log exports from primary forest can be attributed to the pro-logging stance of successive national administrations during the 1980s and 1990s. These included administrations tainted with allegations of logging related corruption and comprising ministers holding significant interests in the round log export industry.

The opportunity costs of corruption extend beyond export diversification. A recurring theme in the sentiments of informed and 'clean' civil servants is the extent to which constructive opportunities for reform, development and progress have been forsaken for the pursuit of the interest of a few. Sports development (through the use of International Olympic Committee funds), infrastructure development (both urban and rural) and public sector cost-cutting (through payroll reduction and performance auditing) are all cited as major areas of stagnation or regression due to the collusion of a few leaders in the protection of their own or associates interests.

The social costs of corruption have stemmed from a combination of economic and opportunity costs. Although not purely a result of corruption, the civil conflict from 1998 onwards is an obvious and very important consequence of the corruption that has flourished for over a decade. The failure of successive administrations to achieve progress on fundamental issues such as land, youth engagement, education and national civil relations is substantially a result of their preoccupation with personal gain or small-group gain at the expense of adequate policy development and implementation. There is also some basis to argue for the influence of corruption and the defence of corrupt interests in the escalation of the conflict and the formation of armed groups. To the extent that these are true, the greatest cost of corruption in the Solomon has been the nation-state itself.

Other social costs derive from the role of corrupt activity in undermining the legitimacy of leadership and authority, both traditional and state-related. The popular view of politicians (and to some extent, chiefs) as *korapt* and the normalisation of their unethical and irresponsible behaviour, has shown and will continue to have negative consequences for through alienation of people from the state, and weaken the opportunities for youth to engage with authority

Types

Three broad forms of corruption may be identified: illegal actions, the abuse of executive or discretionary prerogative, and the breach of regulations or convention.

Outright illegal actions include the diversion and misuse of funds, embezzlement, theft and the acceptance of bribes. Financial misuse may take the form of the creation of special accounts to hold and redistribute governmental receipts, or of ghost employees to capture excess and fraudulent payroll claims. Theft and embezzlement have been exercised through the granting of loans which are never repaid, payments for fictitious services rendered and through the extortion of 'compensation' payments for often fabricated or exaggerated damages during the conflict. The consensus in Solomon Islands is that bribery, although never proved, is almost

endemic to politicians, most cabinet members, and increasingly public servants. Alleged forms include the provision of goods and service in kind, particularly hospitality, alcohol and retail goods, the provision of overseas educational opportunities for leaders' children and occasionally, even the supply of motor vehicles and other major capital items.

The abuse of discretion or prerogative is probably the most common form of corruption at senior levels of government. Representative discretionary powers include the ability to award supply contracts (at the level of Permanent Secretary), issue directives for the issuance timber or fishing licenses (at the level of Minister) or create new employment positions and their entitlements (the Prime Minister). Abuse of discretion is at the same time common but difficult to prove. Prime ministerial discretion has been used for the appointment of political advisers and consultants with questionable pasts, often with excessive remuneration and counterproductive performance.

While perceived by the public as corrupt practice, such appointments have become increasingly common over the past three administrations, and arguably, have increased the risks of corruption at the political level. Ministerial discretion in granting licenses and license fee rates, is often exercised to the benefit of specific commercial interests. In 2001, the fisheries Minister was alleged to have abruptly and apparently unilaterally signed 42 fishing licenses to certain foreign companies at a rate discounted more than 60% from the norm. While within limits of powers, such actions have been, and continue to be highly questionable. The application of convention, or the pressure of integrity agencies such as the Public Service Commission (in the case of excessive remuneration for and obvious unsuitability of, political appointees) or the Auditor General (in the case of excessively unbalanced discretionary contracts), has not occurred, and so this practice has become quite established within the political executive and upper reaches of the public service.

Regulation breaches have been exercised for a long time, often as an expression of *wantokism*. While not explicitly illegal, regulations are breached and due process sidelined within the public service, often in networks, so as to bias the outcome of a process. The selection of candidates for government scholarships has been one area where accusations of such practice have been consistently levelled. By failing to create a key of criteria, and carrying out decision through anonymous votes, it has been alleged that selection committees have been free to exercise bias without any clear evidence of wrongdoing.

Corruption in Solomon Islands is most notably practised by very small minority of 'repeat offenders'. That is, they are long-time and experienced participants in corrupt practice. This is especially apparent from consideration of the individuals named in alleged corruption over a long period, and in different contexts. This core of key corruptive actors relies on relationships with other like minds and with occasional collaborators to capitalise on opportunities, forming corruptive complexes. Through this network complex, the hard core individuals are able to effect schemes regardless of whether they are actually in positions of power at the time. Importantly, the nature of this network is such that these central figures in corruption have repeated opportunities and increased likelihood of re-achieving positions of authority and power. In this way, corruption complexes create and maintain opportunities for corruption.

The majority of low-level, small-scale corruption is practised in response to opportunities as they arise, as opposed to opportunities that are created. In many ways, this type of corruption will likely respond more rapidly to improvements in the performance of integrity agencies and institutions.

The Impact of Change

Corruption has been a serious drain on the Solomon Islands' economy and public service, but its greatest significance lies in how it has entrenched destructive patterns of leadership and weaknesses in many of the systems of democratic governance in the country. The highest cost incurred by corruption has been broad and deep disillusionment by Solomon Islanders with the state, with its agents and apparatus and with the nation-state project as a whole. This longer-term development of corrupt practice within the Solomons has not been the result of recent

change, though recent economic and social upheavals have compounded the problems that began at or even before independence. There is therefore a need to establish long-term and far-reaching changes to ways of governance and perceptions of accountability in order that corruption in the Solomon Islands can be combated successfully.

The National Integrity System

Executive

The executive in Solomon Islands consists of the head of state, the head of government and the cabinet. The British monarch as head of state, appoints a Governor General as representative, on the advice of the Solomon Islands parliament. The Prime Minister is head of government, normally the Member of Parliament leading the largest party or coalition in parliament, and elected by parliament via secret ballot. The Prime Minister appoints a Deputy Prime Minister and Cabinet from amongst the members of parliament. The Cabinet consists of Ministers (currently 20), appointed by the Governor General on advice of the Prime Minister (1).

Cabinet and the Prime Ministership have historically been very unstable, being vulnerable to parliamentary motions of no confidence (2), a mechanism of particular potency in a setting where party politics is weak. In practice, the position of Prime Minister is often won and maintained by individuals who are most adept at meeting the individual aspirations of parliamentary members, rather than necessarily those whose policy stances enjoy the greatest support (3,4). The joint pursuit of limited interests is a significant theme in the executive in that it creates conditions consistent with the further exercise of official position for non-official benefit.

The executive, with the exception of the Governor General, is generally perceived to be the single most influential institution for the development of corruption in Solomon Islands. Executive power has not been checked nor balanced, and has evolved a culture conducive to corrupt practice. This is strongly reflected in public perceptions of the executive. The most common abuses of power involve the exercise of ministerial discretion or powers for the granting of official permissions and licenses to companies and individuals (4,5,6). Most heavily implicated are ministers responsible the resource sectors such as forestry and fisheries, both of which are major export earners, and both of which require government licensing and permissions to operate in the country (4,7). Also implicated are divisions and ministries involved in the allocation of public land in Honiara, labour permits for foreign workers, and the granting of import duty remissions (5,8).

The executive, generally speaking, is the one institution most deeply compromised with respect to integrity, ethics and even lawfulness (9). Rather than being a contributor to integrity within the country, the executive has been a showcase for unethical, illegal and generally corrupt behaviour.

Legislature

Solomon Islands has a unicameral legislature, the Parliament, which consists of 50 members, each representing a geographically defined constituency, and each elected through a first-past-the-post balloting system. Parliament elects its own speaker, who may be anyone fulfilling the conditions for parliamentary office. A deputy speaker is elected from amongst the members of parliament (1). Although based on the Westminster model with government and opposition, the Solomon Islands constitution recognises an additional group in Parliament – the Independent Group, made up of those members refusing to identify with either government or opposition sides of the house (10). From its inception, at many points in the past, and in the current situation, this group has held a major portion of the parliamentary seats. Its existence and its makeup are indicative of the fluidity of parliamentary politics, the weakness of parties and the inconstant motivations for decisions in the legislature (11).

In practice, parliament has been a very fluid, and in many ways, ineffective institution, particularly with regard to checking executive power (2,11). It is perceived to be closely aligned with corrupt practice in the executive, and there is considerable reason to expect individualised corruption within the house membership. Motivations for corrupt practice in the house include: furthering their individual status as representatives in their own constituencies,

including improvement of their chances of re-election; political manoeuvring in pursuit of positions of power such as cabinet portfolios, directorship of statutory bodies, and membership of influential select committees and task forces; and the desire for personal, family or crony-clique gain (13). The extent and frequency of allegations of corruption and collusion across both 'sides' of the house betray the shallow relevance of government and opposition in a situation where cartel-type behaviour amongst political representatives predominates (14).

These motivations, and the lack of consistent counter-motivations in the form of party discipline or articulated electorate pressure, have resulted in a "rawness" of parliamentary representation. Parliamentary debate and convention often appears perfunctory, and is perceived by the public to be dominated by a minority of experienced and articulate members (15). Political illiteracy on the part of parliamentarians has been blamed for this, and there have been recurring calls over the years to institute measures to address it.

There has been some appreciation of the Opposition's function as a balance to executive government, but this has often been exercised in pursuit of immediate changes in government (through the mechanism of motions of no-confidence), rather than as a place to represent diverse interests in society (15). This is partly a function of the lack of articulated interests in society (in the form of parties or issue-based pressure groups), as well as of a weak appreciation of representation and the role of the legislature.

The legislature has also played a weak role as an accountability mechanism. There has been little use of parliament as a place to demand accountability from governmental institutions such as the public service, statutory authorities and state-owned enterprises (16).

In many senses, the national Parliament is representative of the SI public in that it aggregates many disparate, narrowly founded interest bases, and privileges immediate, local and small group concerns over broader ones. The capacity of the institution to inculcate broader and more cohesive interests in the electorate has been eroded with the worsening calibre and character of the individuals and their collective stance. A deep-seated process of reinvigoration will be needed to establish Parliament as the supreme accountability body of the country.

Political Parties

Although political parties are a recognised feature in Solomon politics, and are often visible at election time, they are largely elite-based and devoid of comprehensive support or activity at the grass-roots level.

The current parliament comprises members from four political parties: Solomon Island Alliance for Change (SIAC) with 12, People's Alliance Party (PAP) (9), People's Progressive Party (PPP) (6), and the Labour Party (1). Tellingly, the independent group of MPs – not allied to any party, number 22, or almost half the house (17).

Although formally established and required to conform to standards, parties are largely transitory electoral devices, owing to the degree to which members are willing to act on an individual basis according to personal preference and benefit (18). Recent administrations have clearly utilised parties as vehicles for elected politicians and government members to legitimise their association with and involvement of cronies in their administration, often under the guise of titles such as 'political consultants' and 'advisers'. In this way a prominent Honiara accountant has been installed as political adviser to the Kemakeza administration (13,19).

The elite character of parties which was established during the independence period persists, with the party structure and processes most real amongst elected parliamentary members, and the party itself most visible around election time (18). The enduring associations related to party formation and maintenance have in many cases now developed into the equivalent of networks of cronies, divorced from efforts towards the development of public participation and support for policy or ideology (19). This lack of popular base also means that party resourcing must come from narrow and concentrated sources, which has opened up opportunities for

patronage, and party capture by a clique. The strong tradition of the independent group continues, with the group often holding the balance of power in the legislature, as it does now.

The Westminster system adopted by Solomon Islands relies on parties to be the primary mechanism for connecting the mass of the population to policy and decision making processes. Parties in the Solomons simply do not function in this manner, for reasons that extend far beyond the parties themselves. The absence of this mechanism has left the legislature without any consistent alternative to articulate interests and create and sustain legislative agendas, or give rise to consistent government policy. In this vacuum, the legislature has been shaped by the sum of individual aspirations, and dominated by the executive, which often represents the best route for achieving those aspirations. This situation has left the legislature vulnerable to corruptive pressures and prevented it from fulfilling its oversight role in the governmental system as a whole.

There is at least one attempt to develop a new party with some broad based public appeal, but it is not clear whether this represents the emergence of a new trend, or simply an isolated exception to the long standing rule (20).

Electoral Commission

There are two commissions charged with responsibilities for the electoral process. The first is the Electoral Commission, the other the Electoral Boundaries Commission. The Electoral Commission is an independent body, answering to Parliament, and tasked with the registration of voters and the conduct of elections. The Electoral Boundaries Commission is similarly independent, but is tasked with determining the number and boundaries of electorates (1).

The Electoral Commission is established under Section 57 of the Solomon Islands constitution, and consists of three members appointed for four-year terms. The Chairman is the speaker of parliament, and there are two members chosen from the general public, appointed by the Governor General on the advice of the Judicial and Legal Services Commission. The Commission appointed a Chief Electoral Officer, who acts as administrator for the Commission. The Commission bears responsibility for the registration of voters and conduct of national and provincial legislative elections, and is empowered to view and comment on all proposed bills with bearing on registration and elections, prior to tabling of those in parliament (1).

The Electoral Boundaries Commission is established under Section 53 of the constitution, and provides for five members, comprising a chairman and two members, all appointed by the Governor General in accordance with the advice of the Justice and Legal Services Commission. The Surveyor General and head of government's Statistical Services make up the remainder of the membership. This Commission is charged with the review of and recommendation regarding, the number and boundaries of electorates, and reports to Parliament. It is constitutionally required to do so no less than every ten years (1).

Holders of national or provincial political office are prevented from being members of either electoral commission.

Elections in the Solomons have been recognised as being relatively free of tampering, coercion and other obvious problems (18, 21). The main significance of elections to corruption is the propensity for elections to install either corrupt individuals, or individuals likely to be especially prone to corruption. The electoral commissions have little direct influence on such matters. As such, there has been relatively little pressure on the persons and operation of the commissions (22). At the same time, the electoral commissions have been largely neglected, experiencing effective deactivation following the completion of national elections every four years (22).

In 2001, the Electoral Commission faced the greatest challenge to its independence, when the Sogovare administration insisted on the impossibility of elections that year, elections, which were a constitutional requirement (22, 23). The Chief Electoral Officer's public declaration that elections were feasible within the constitutionally required timeframe was arguably the deciding factor in the eventual staging of the 2001 elections according to constitutional

requirements (24). That this declaration was made in spite of strong and obvious opposition from the government was an important marker of the Electoral Commission's independence.

Supreme Audit Institution

The supreme audit institution is the Office of the Auditor General, established under section 108 of the Constitution. The office of the Auditor General is meant to be a mechanism for ensuring financial integrity within the entire government system. As such, the Auditor General is protected from direction by the executive branch of government (or any other entities), and is appointed by the Governor General according to the recommendations of the Justice and Legal Service Commission. The office of the Auditor General carries out this function by carrying out annual audits of the accounts of all Ministries, offices, courts and authorities of the Government, of the government of Honiara city and of all provincial governments. These audits form the basis of annual reports, which the Auditor General is required to provide to the Speaker of Parliament for tabling before parliament (1,25).

Although the Auditor General's office is protected constitutionally and positioned so as to provide valuable checks and reporting to the public finance process, the office has been effectively prevented from fulfilling those functions. Under-resourcing has been systematic and taken the form of denial of necessary trained personnel for the effective execution of the office's role, and of necessary equipment and facilities. The Auditor General at the time of the study had telephone access only through a public pay-phone, and a professional staff of one. This is in contrast to a professional staff in 1979, of 23 auditors and accountants. The extent of under-resourcing is such that annual reporting and the financial audits cannot achieve meaningful coverage in either breadth or depth (25).

The Auditor General is also commonly sidelined in the budgetary process, by government allowing insufficient time for the office to consider and comment on the proposed budget and supply bills. Under the Public Finances Act, all government budgets are required to be submitted to the Auditor General's office for consideration and comment in the form of a report, prior to tabling before the Parliamentary Public Accounts Committee. In practice, although this happens, the time allowed for this process is usually completely insufficient for substantive comment (25). This has had the effect of reducing Auditor General to token, rather than substantive input in the process of budget development.

Judiciary

The judicial system in Solomon Islands consists of a Court of Appeal, a High Court, Magistrate Courts and Local Courts. A system of Land Appeal Courts which apply customary land law, also exists for consideration of appeals regarding customary land cases from the local courts. The High Court has unlimited original civil and criminal jurisdiction, but may hear appeals from the Land Appeal court only on matters of law, not customary land law.

The judiciary is independent of the executive and legislature, with all magistrates and judges other than at High Court and Appeal Court levels, being selected by the Judicial and Legal Services Commission (established under S.137 of the Constitution). The Commission is chaired by the Chief Justice, and includes the Attorney General, Chair of the Public Services Commission and two other individuals. Holders of political office are ineligible for positions on this Commission. Judges are protected from dismissal by the requirement that they may only be removed from office on grounds of grave misconduct, and on the determination of an investigative tribunal made up of retired Commonwealth judges. This eventuality has never been met in the Solomon system (1).

The judiciary enjoys a markedly better profile amongst Solomon Islanders than either the executive or legislature (27). In contrast to widespread perception of ineptitude and corruption regarding Cabinet ministers, Parliamentarians and their provincial equivalents, judges and magistrates are generally perceived as being ethical and professionally impartial. The independence of appointments stipulated by the constitution appears to be applied in

practice, and study interviewees have identified this as one possible basis for the real or perceived integrity of the judicial system (28).

However, the judiciary represents a downstream step in anti-corruption processes; allegations need to be surfaced, investigations conducted, and prosecutions brought before the judiciary can play a significant role in countering corruption. There have been serious gaps in this entire chain. The media and public have not been active in uncovering allegations, responsible agencies unable and unwilling to carry out investigations or develop prosecutions. The majority of possible or probable corruption cases have never come near the judiciary, and as such, the apparent integrity of the judiciary is untested (29). The collapse of the police force and smothering of its criminal investigation division (CID) over the past few years has worsened this situation considerably, effectively insulating the judiciary from many of the potential pressures it may otherwise have faced arising from countering widespread corruption (29).

Potential sources of weakness have been identified by members of the judicial system itself. An important one is the lack of career development options within the judicial system (30). The absence of such a mechanism has led to the loss of magistrates from the system, and a slowdown of new entrants. This has increased workload pressure on existing magistrates, which will increase in the future, with possible implications for morale within the judiciary.

The current integrity of the judiciary is a clear advantage in an otherwise weak and compromised integrity system, and must be safeguarded. Such integrity offers a real opportunity for current and upcoming judicial operations to undergird improvements in public confidence in the integrity system as a whole.

Civil Service

All government employees, or those persons remunerated from the consolidated fund are regarded as members of the civil service. Three commissions are charged with the employment of particular groups; the Public Service Commission, the Teaching Service Commission and the Police and Prisons Service Commission (1).

The mechanisms within the public service for maintaining internal integrity, and proofing against external forces to compromise it, are the public service commission, which is the employer of all public servants, and which is vested with employment, disciplinary and dismissal powers (1), official regulations and standards of conduct, and the extent to which they maintained by members.

A public service with strong internal checks to abuse of power would act as a significant barrier to unbridled executive power. Unfortunately, the erosion of public service education and professional standards has been accompanied by non-engagement in matters of discipline on the part of the Public Service Commission. A weakened public service has seen it develop frequent collusion with the executive.

All public servants, other than teachers, police and prison personnel, are employed by the Public Service Commission. The Public Service Commission is selected by the Prime Minister, and consists of a chairman and four members, none of which may be politicians, members of the public service or members of political organisations. Commissioners are appointed by the Governor General for terms of five years. The Public Service Commission acts as the employer of all public servants. It is empowered to recruit, discipline and if necessary dismiss public servants (1). The Public Service Department serves as secretariat to the Commission, processing employee information, screening candidates and carrying out ongoing operations. The Department is also responsible for screening candidates for those constitutional posts, which require selected by specific constitutional commissions (e.g. magistrates via the Justice and Legal Services Commission) (31). Both the Commission and the Department are part of the portfolio assigned to the Prime Minister, hence are administered as part of the Prime Minister's Office.

Standards and codes of conduct within the public service are stipulated by the General Orders and Financial Instructions, which together provide robust guidelines for financial accountability, transparency in reporting concerns about performance, and standards for professional conduct (32, 33). Although the Public Service Commission has disciplinary powers regarding breaches of these codes, it has delegated disciplinary responsibility to the Permanent Secretary of each ministry.

As the main employer in the country, and the apparatus for implementing policy, the state of integrity of the public service has had far-reaching implications for corruption in the country. Despite comprehensive regulations and the oversight role of the Public Service Commission, the public service has become corrupt. This view is held by ordinary Solomon Islanders, members of the public service itself and members of public service watchdog agencies. It has become an agent and vehicle for corruption emanating from the Cabinet and cronies at the political level, as well as itself becoming a source of corrupt practice (33). Groups of public service officials have been implicated on several occasions in large-scale schemes involving fraud or misappropriation of funds (12). Individual public servants of all seniority levels also face persistent allegations of corruption (33).

A variety of sources within the public service are consistent in their views that (33):

- this slide in standards has been ongoing since the mid- to late-1980s.
- the influx of logging money over that same period put corruptive pressure at both high and low level points in the public service – high level civil servants pressured by cabinet ministers acting on behalf of logging interests and low ranking ‘front-line officers’ pressured to overlook malpractice at their place of work by the companies themselves.
- professionalism has been eroded through a lack of public service training at induction or in-service, the loss of experienced personnel without skill transfer or mentoring, and the absence of even basic reference materials on professional standards.
- the shift to politicising the position of permanent secretary (PS) in 1989 was instrumental in opening up the entire public service to political pressure, as well as compromising its professionalism.

The fact that disciplinary powers have been delegated to permanent secretaries, who are themselves political appointees, has meant that internal mechanisms for public service integrity depend exclusively on political interests. This has created an important conduit for political influence throughout the service, and created clear potential for that influence to undermine standards of professionalism free from disciplinary oversight.

The large number of allegations regarding the collusion of public officials with political figures suggests that this potential has been realised, and further, that losses in professionalism have become entrenched in public service culture.

The Public Service Commission has considerable power to engender change in this situation, but has so far failed to do so. It does not effectively exercise its powers to oversee and vet appointments, nor has it responded to the issues and problems regarding its delegation of disciplinary powers to permanent secretaries. The track-record of individuals within the commission itself may be one reason for this under-performance (34). There are also structural factors: the Public Service Commission and Public Service Department are both administered by the Prime Minister’s Office. The influence of that office has been manifest in the Commission but especially the Department, which is responsible in practice for screening of applicants for positions, ranking and conducting pre-employment checks (33,35).

The loss of professionalism has not been accidental; a number of key political figures in the 1980s advocated rejection of procedure and the General Orders (36). This period saw the closure of the public service training school, a factor that has been identified as a contributor

to continued decline in standards. However, there is also a structural flaw, identified by a number of high-ranking and long-serving public servants (36,37). The public service remains colonial in character, emphasising accountability upwards to political masters, rather than outwards to the people and society it is supposed to serve. The weakness of this model is apparent when political representatives are corruptible. The machinery of government is then vulnerable to abuse by a corrupt cadre of individuals and groups within cabinet or the legislature.

Police and Prosecutors

The Solomon Islands Police force is under the command of a Commissioner of Police, who is recommended on the advice of the Prime Minister, after consultation with the Police and Prison Services Commission. Public prosecutions are carried out by the office of the Director of Public Prosecutions (DPP), who is appointed on the advice of the Judicial and Legal Services Commission (1). Corruption cases are treated as any other criminal case and are investigated by the Criminal Investigation Department (CID) of the police, there being no specialist corruption investigation agency or office (32, 38).

The Solomon Islands police force has been severely compromised during and by the events of the past four years. Senior and other police officers throughout the service were complicit or actively involved in a swath of illegal and criminal activities both during the armed conflict and after the signing of the 2000 TPA (39). The induction of ex-militants into the force as *Special Constables* brought additional disrepute to the force. Although the fallout from these activities of the police, and its members will continue to be significant into the future, public perceptions of police corruption are relatively weak. Concerns about island-based favouritism (ie so-called 'Malaitan dominance') remain much stronger than concerns about corruption *per se* (32, 33, 38).

Corruption cases may be brought to prosecution through two routes: through the charge of *official misconduct*, or breach of the Leadership Code, or through the criminal charges or breaches of the Penal Code.

Prior to the passage of the 1999 amendment to the Leadership Code Commission Act, the Director of Public Prosecutions would prosecute cases brought through either mechanism. Under present provisions, only criminal prosecutions of corruption are brought by the DPP; charges of official misconduct are investigated and determinations made by the Leadership Code Commission, or High Court prosecutions brought by the Leadership Code Commission itself (40).

The CID within the police possesses no specialist capacity in conducting corruption investigations. In spite of this, anecdotal evidence from the DPP indicates that CID investigations have had a significantly higher prosecution success rate, than those carried out by the Leadership Code Commission (LCC) (38,41). This has been attributed to the evidence gathering and general criminal investigation skills and capacity possessed by CID, capacity lacking in the LCC (38,42). However, the lack of fraud investigation and prosecution skills, for instance, has been identified by both the DPP and CID as a significant drawback for the fight against corrupt practice both in the public service as well as in the wider community.

The CID has experienced political pressure, directions to desist and even direct threats by investigated individuals during the course of corruption investigations in the past. During the past four years of crisis, the entire department has been subject to constant threat to personal security and life, including being held, *en masse* at gunpoint by militants following the signing of the Townsville Peace Accord, and ordered to cease all investigations into militant criminal activities. In spite of this, indications are that CID has maintained investigative momentum even through the worst of the conflict, and general perceptions amongst community leaders that it may be better placed than many other integrity institutions, to perform its role (33,39).

Allegations of police corruption or allegations of improper official behaviour are now handled by a Professional Standards unit established in early 1998 within the Police itself. This unit is

tasked with investigating such allegations and recommending disciplinary action to be taken by either the Commissioner of Police or for senior officers, the Police and Prison Services Commission.

There remain very significant issues for the future of the force, particularly regarding regional representation and the possibility of Malaitan dominance. RAMSI is making significant inroads into the identification and removal, discipline or prosecution of offending officers. This is an important precondition for renewal and reform of the force.

Like other agencies involved in the maintenance of integrity, the DPP has experienced resource pressure characterised as deliberate, as well as direct threats, particularly over the past few years. The office has been understaffed and under-resourced, and has identified a pooling of investigative and prosecutorial resources as a possible key to not only improving resource efficiency, but also a way to develop more integrated approaches to dealing with the corruption issue. The RAMSI is helping to address this problem.

Although constitutionally protected from arbitrary dismissal, the office of Director of Public Prosecutions is subject to considerable pressure, particularly in a small society such as the Solomons. In such an environment, particular consideration needs to be taken to create conditions protective of the normal functioning of the office and its officers. In the absence of resourcing for, or consideration of this factor, individuals within the Directorate can be exposed to personal pressures from society, which has potentially constrained the operations of the office.

Public Procurement

The regulations governing public procurement processes are set out in Chapter 22 of the Financial Instructions (1994) of the public service. Procurement authority for increasing values of goods and services involves an increasing amount of oversight and procedure. In principle all procurements of greater than \$500 require the submission of at least 3 different quotes or tenders, and those of greater than \$2000 necessitate the decision of a Tender Board. A system of Ministerial Tender Boards and a Central Tender Board are used to bring this about. Ministerial Tender Boards are chaired by the ministerial Chief Accounting Officer and two other senior civil servants appointed by the chair. These boards have authority to make procurement decisions up to the value of \$50,000. Decisions worth greater than this require the final decision of the Central Tender Board, which is chaired by the Permanent Secretary of the Ministry of Finance, and four other senior civil servants as appointed by the Chair. All procurement opportunities worth greater than \$5000 are required to be advertised at least in the Government Gazette, and other media as deemed appropriate for no less than 2 weeks. For procurements requiring the Central Tender Board's decision, individual tenders are opened by the Central Board, scored and assessed by the Ministerial Board concerned, and returned for final oversight and assessment by the Central Board.

In practice, there have been many abuses of this system, particularly at the level of Ministerial Boards, which have the key role of substantively assessing all tenders, whether for their own decision, or on behalf of the Central Board. The best current alleged example is a large educational supplies contract won and now in operation by a contractor with a criminal record and clear history of unsound business practice in the educational supply sector. In such situations, a simple kickback arrangement is the main corruptive practice, involving one or some of the Ministerial Board members concerned. The Central Tender Board can and has played a role in detecting tender assessment anomalies and has authority to return the tenders for reassessment by the relevant Ministerial Board if inconsistencies are detected.

Transparency provisions are such that the assessing Board issues a tender assessment report, including the decision, to all tenderers. This report is not available to third parties or the public. Importantly, there are no provisions for appeal to any of the boards, concerning an unfavourable or any procurement decision, nor are there requirements for the public notification of awarded tenders. The office of the Ombudsman has been the principal route for redress in the past, and a number of complaints about tender awards have been investigated

and reported on by that office. However, the Ombudsman's report holds no binding power over any of the Tender Board decisions. There are no known cases of civil suit being filed over Tender Board decisions.

Ombudsman

The Office of the Ombudsman is provided for under Section 97 of the 1978 Constitution, but was only established in 1981. The Ombudsman acts as the agency to deal with complaints about maladministration on the part of the state and its agents. The Ombudsman is appointed for terms of 5 years, on the recommendation of an appointment committee, chaired by the Chief Justice and comprising the Speaker of Parliament and Chair of the Public Service Commission as well. An Ombudsman can only be removed on grounds of gross misconduct, and on the recommendation of a judicial tribunal. No Solomon Islands Ombudsman has yet been removed from office.

The office accepts, investigates and reports on complaints lodged with it, and is required to draw up an annual report and table it in parliament for legislative consideration. Cases may be referred to parliament for investigation, or the office can issue findings of maladministration, corrupt practice or mismanagement. The office holds considerable powers for the pursuit of inquiries, including magistrate's power of summons and enforcement. However, there are no powers to enforce decisions or recommendations arrived at as a result of these investigations. The results of investigations are available to complainants if they wish to pursue private, civil suits in the courts, and this option has been used in the past.

An estimated 60% of the 8062 cases handled by the Ombudsman's office since establishment in 1981 have been brought by public servants complaining of maladministration in their employment and workplace relations within the public service. This proportion is believed by Office staff to be more an indication of the degree of awareness by public servants than a representative measure of the burden of maladministration in the public service. The investigative powers of the Ombudsman have in many of these cases provided grounds and evidence suitable for the action of responsible disciplinary authorities such as the Public Service Commission. However, such cross-institutional co-ordination has not been practised. Such evidence has significant anti-corruptive importance, since cases of public service employment maladministration (for instance transfer without justification) have often been related to efforts to conceal unprocedural conduct or official misconduct).

Complaints may be put to the office in written or verbal form, are registered and investigated, and a report is made and issued to the two parties – the complainant and the agency or state body concerned. Conclusions and recommendations made are confidential to these entities, but once findings are included in the annual report and tabled in parliament, they become public record.

The Ombudsman's Office, like the Leadership Code Commission, is administered by the Prime Minister's Office. There is currently a massive backlog of cases dating from 1999, which have yet to be cleared. Without even an office, the current Ombudsman has elected to close the office for the remainder of 2003, after repeated calls to the Prime Minister's Office for allocation of office space went unmet.

Clearly the resourcing pressures applied to other cornerstone integrity institutions have been applied to the Ombudsman. In addition to this, the performance of individual Ombudsmen has varied widely, with one failing to produce an annual report for three years in a row. Investigative capacity is clearly lacking relative to the case load experienced. There are currently two investigators, neither with specialist Ombudsman investigative training, and a legal officer in addition to the Ombudsman himself.

The lack of investigative and legal capacity, and a structural barrier to financial independence are two clear issues which the office of the Ombudsman shares with other integrity elements. Like other integrity elements, the office sees greater networking and coordination of activities as a fundamental driver of improvements.

Investigative/Watchdog Agencies

A key watchdog agency in the Solomon Islands NIS is the Leadership Code Commission (LCC). This was provided for in the independence constitution, but the commission and its secretariat were only legislatively enabled respectively, in 1981 and 1983. A much revised and strengthened set of provisions was passed into law in 1999, as the Leadership Code (Further Provisions) Act. This Act, like the original enabling legislation, takes an extremely broad meaning of the term 'leader', defining it to include any member of the public service, or anyone whose salaries are paid from the consolidated fund.

The LCC membership is selected by a selection committee made up of the Prime Minister, leader of opposition and Attorney General. When both sides of the house are as compromised, as is the case now, there is scope for the nomination committee to eliminate potential members who are highly likely to drive the Commission to perform its duties aggressively. There are also no requirements for public advertisement and nominations, nor of publication of the final membership decided. All these can be regulated by the minister responsible, but this has not occurred.

In addition to this very broad ambit, the current legislation provides significant scope for direct action by the Commission, as well as the option of prosecuting cases in the High Court. The Commission is empowered to investigate and make binding findings on the charge of *official misconduct*, which is also extensively defined in the following ways:

- the use of office for personal benefit,
- the neglect of office to the degree of misconduct,
- the acceptance or solicitation of bribery,
- presence of leaders in conflict of interest situations,
- non-disclosure of assets, gifts or business interests,
- the misuse of official information
- the possession by leaders of property or assets *deemed* to be acquired by misconduct (ie property otherwise inaccessible to the leader on the basis of their stated income and interests)

Unlike the Ombudsman, the Commission does not require a complaint to be made in order to initiate investigations. In its pursuit of investigations, the Commission has available the power of a magistrate in requiring the cooperation of persons and provision of material evidence. Specific powers to fine for non-compliance with summons are also held by the Commission.

Findings of official misconduct can be made by the Commission itself, or it may elect to prosecute a case in the High Court. Sanctions available to the Commission include fines of up to \$10,000 and the removal (and the rendering ineligible) of a leader from any political office for a period of 3 years. Perhaps the most significant sanction is a 'two strikes' provision, by which a second conviction of official misconduct prevents the convicted from *ever* holding political office for life. Against long-time and career offenders, the exercise of this option would effectively clear Solomon Islands of many prime movers of corruption. Unfortunately, none of these powers have been exercised since the 1999 passing of the new legislation.

The Leadership Code Commission has also a significant role in monitoring for suspicious activity and preventing or deterring corrupt practice. This is through the stipulation that it maintain records of business and financial dealings of all leaders, as well as of their immediate family, and of any gifts they may receive. Leader non-compliance with requirements to freely and regularly (no less than every 2 years) furnish this information is grounds for the charge of official misconduct. The stipulation that 'possession of assets unattainable through known receipts' may constitute official misconduct, is especially significant for the monitoring of the lifestyles of public officers in high risk positions.

In actual fact, the extensive powers of the office have not been exercised. This has been due to leadership of the Commission itself, as well as deliberate under-resourcing of the Commission for its considerable mission.

As a key agency for the monitoring and enforcement of standards of behaviour amongst leaders, the Commission has a critical role to play in maintaining integrity throughout the government system. The culture of the Commission does not reflect the robustness needed to carry forward such a mission. Even in the post-RAMSI environment, members of the Commission have expressed discomfort at investigating serious, public allegations of corruption at the highest level. Given such stances, the Commission is not in a position to exercise any of its broad powers.

The definition of leader under which it operates makes the Commission potentially responsible for monitoring the affairs and behaviour of over 10,000 individuals throughout the geographical range of the country. With a staff of only secretary, legal officer and investigator in addition to the Chair of the Commission, the staffing of the office is manifestly insufficient for such a task. Furthermore, without any telephone, photocopying or computer facilities, even simple record keeping has become so difficult as to become demoralising to the staff of office.

The Act defines all paid from the public purse or established positions within statutory bodies (SICHE, SIEA, SIWA, ICSI) to be leaders. This has the advantage of applying standards to all public servants, but because of the administrative burden of applying these across the board, in practice this may act to dilute resources and attention away from political and high level public service figures, who are at the highest risk for corrupt activity, and who are more generally considered by the public to be leaders which need to be closely monitored.

This latter weakness is something that has been raised as something requiring amendment. Possibilities raised include:

- a restriction of the definition of leader, or
- the restriction of definition of leader (to which the current provisions would apply), together with the definition of another class
- of leader relevant to less senior members of the public service, and an
- associated code.

Another weakness raised regarding the provisions of the Leadership Code Act (1999) is section 23 sub 4, which protects any decision by the Commission, to not investigate, to defer or to discontinue an investigation, from being called into question in a court of law. This effectively constrains independent review of such decisions. This has been raised by some informants, as an unwarranted and dangerous 'backdoor' power by the commission to 'grant absolution' for certain wrongs, if and when it sees fit.

Media

Freedom of expression is constitutionally guaranteed in Solomon Islands, and there are very few legal strictures on the media. Media outlets are not required to submit to any media regulation or licensing bodies; a broadcast service for instance, need only receive permission to use a particular part of the spectrum.

However, the media has been compliant in the country, to the point that it has supported permissiveness rather than combating it. That the media is 'not doing enough' is freely admitted by key actors in the sector. One major reason for this is the narrow base of media ownership in the Solomons. There is only one regular national newspaper, the Solomon Star, and one national radio station, the state owned Solomon Islands Broadcasting Corporation (SIBC). Although the Solomon Star is wholly privately owned, its ownership has strong, long term ties to the national political establishment, a situation which precludes its coverage or consideration of many issues and stories, perceived as sensitive for the political establishment. The state-owned SIBC has succeeded in maintaining a very impressive degree of

independence from political direction. This has not come without significant pressure from the government and politicians, and the continued relevance of the SIBC appears to be a fortuitous consequence of a strong General Manager who is also a longtime journalist, and a corporate Board willing to maintain institutional and media independence.

There are occasionally other contributors to the media sector. A number of newspapers such as the Solomon Express and the NGO magazine LINK are published on a monthly or bimonthly basis, and a number of weekly newspapers have been published for a number of years at a time. These tend to be more outspoken than the Star.

The prevailing media culture of self-censorship, in which important questions of government accountability are avoided by the media, in part has been said to reflect the difficulties of objective criticism in small societies made up of extensive personal and family networks.

The past years of armed threat have masked the underlying unwillingness on the part of the media to 'rock the boat' in any consistent manner. In this way, the considerable degree of structural freedom inherent to the Solomon situation has not been translated to effective media involvement in supporting accountability and integrity.

Civil Society

Civil society in Solomon Islands over the past few years has developed a sense of self and an awareness of its identity and role within the country. In 2002, representatives of civil society in the Solomons defined it as:

The world of people distinct from power, authority and government. As the national communal fabric from whom governments and organisations derive their power, authority and legitimacy.

The focal point for civil society has been the Civil Society Network, now the Honiara Civil Society Network. This came into being in August 2000, following the June 2000 coup, and quickly established itself as an independent voice, and source of alternative thinking on issues of topical national importance. It continues now as a formal secretariat to link and coordinate activities between existing civil society organisations such as the churches and NGOs.

The anchors of the civil society sector are the five main churches – Anglican, Catholic, South Sea Evangelical, United and Adventists, which together account for over 90% of Solomon Islander population. As institutions with country-wide presence, intimately connected networks and real connections with and within communities, the churches are unmatched in Solomon Islands as national institutions. Importantly, churches enjoy steady engagement with their members, engendering a sense of ownership and involvement markedly devoid from people's interactions with the state and state agents.

Civil society also consists of these important NGO members, such as SIDT (Solomon Islands Development Trust), Women for Peace, and the Economic Association of Solomon Islands. The NGO members have less extensive scope than the churches, but often greater specialist capacity, for instance in governance education or environmental and community advocacy.

A defining moment for the effectiveness of civil society in its maintenance of integrity occurred when the Honiara Civil Society Network was instrumental in mobilising public pressure for elections to be held at the end of 2001. In doing so it prevented the then Sogovare government from pursuing a constitutional amendment to allow parliaments term to be extended to 5 years. This was a landmark instance of a public opinion forming around a substantive (and grave) policy position. That it was articulated and made a difference to the government's decision was of great significance.

A number of factors in civil society offer possibilities for the establishment of ongoing processes for engagement of ordinary Solomon Islanders in demanding responsible leadership from the government and elected representatives. The high standard of leadership within civil

society has resulted from a shared vision of and for the Solomons. That these leaders are united by ideals and values but do not depend on their civil society leadership for employment, sets them apart from politicians, often whose only source of livelihood is political office or appointments. In the words of one informant "Political office attracts those with nothing to lose".

The ecumenical nature of inter-church relations is also a critical factor in the success and development of the civil society sector to date. Standards of public leadership, political ethics and even morality have fallen far enough that Christian principles can be brought to bear on improving the situation, almost regardless of particular denominational theologies. The joint conviction that matters should and could be better acts as important cement for the efforts of the different churches, their clergies and their adherents.

Civil society activities and stances in the past few years provide the most promise for hopes that new and better societal dynamics can take place in the Solomons, and that these might enable the invisible majority of people to make the necessary engagements required for good governance.

Traditional Organisations

With over 70 and even more cultural groups, Solomon Islands cultural diversity means that cultural organisations operate within individual cultural-language groups, and rarely act on a wider scale. The effectiveness and activities of specific cultural organisation also vary from place to place.

Traditional culture plays a major role in everyday life, in institutions and in regional, provincial and national politics, but not in a highly institutionalised fashion. Traditional organisations in this sense are not significantly active in affairs of governance and politics. However, there have been and continue to be repeated calls for the recognition of cultural traditions by the state and in law. This has been especially so in the case of land law, where numerous cultural groups have made calls over the years for the recognition of the authority of *kastom* and chiefs. SI constitution in its preamble refers to "traditions of the forefathers", and this has often been seized on by different traditional groups in an attempt to win state and legislative recognition of their customs and structures. As this has not met with success, the role of traditional organisations in preventing corruption has been relatively limited.

Private Sector and NGOs

The Solomon Islands private sector is dominated by large foreign resource extraction and large domestic importing and wholesaling concerns. There is also a large group of sole-traders and small enterprise, concentrating on retailing and locally-marketed agricultural production. Although there is a Chamber of Commerce advocating improvements to business legislation, there remain serious and widespread concerns about the level of corruption which is enjoined by major players in the local and foreign business community.

The majority of these larger firms which are not foreign owned, are owned and operated by expatriates or members of the Chinese community. Solomon Islanders are increasingly involved in other sectors, most notably retailing, trade services, shipping and construction. The Solomon Islands Chamber of Commerce and Employers is a non-profit association of companies, representing companies and employers and charging membership dues on the basis of employee numbers. It has made a number of submissions to the government over the past years, regarding improvements to business registration regulations, in an attempt to reduce the opportunities for establishment of 'front' or 'paper' companies within the country.

Elements within the forestry sector have been foundational to the development of a culture of corruption in the country. Logging companies have played an important role in the development of corrupt practice in Solomon Islands. There is a clear consensus of opinion throughout the public, NGO and public service, that the arrival of Asian industrial logging operations in the mid- to late- 1980s exposed legislators, ministers, public servants and

community leaders to unprecedented levels of bribery. In 1994 a case was brought against two ministers under the Leadership Code, in which it was alleged that they were bribed by a Malaysian logging company to withdraw support from the government. They were acquitted due to a lack of direct evidence of intent, but there is considerable belief that such instances abound both historically and in the present period. The constancy of such elevated corruptive pressure has been identified as an important cause for the spread of bribery and collusive behaviour through all levels of the public service. Bribery continues to be applied by logging firms at the level of individual junior forestry or customs officers, to permit the contravention of regulations or under-reporting of export volumes, and at higher departmental or ministerial levels to secure relief from taxation and duties.

Land, labour and import duties are other areas where prominent member of the private sector are widely identified as having engaged in questionable or corrupt dealings. Significant tracts of prime Honiara land are alleged to have been acquired by local business-people via unprocedural means. Similar situations exist in the granting of labour permits for foreign workers, the granting of duty remissions, and the non-inspection of imported cargoes. Strong allegations persist regarding schemes by large local businesses and the gambling industry, to avoid the currency exchange regulations in place through transfer pricing of exports, and even the smuggling out of locally panned gold.

Although there are undoubtedly honest operators, the long-standing laissez-faire attitude towards regulation and monitoring, has allowed some entrenchment of dishonest practice and served as an attraction for undesirable and highly corruptive international businesses.

Regional and Local Government

Local government in Solomon Islands operates through nine provinces and one Honiara city council. Each of these are administered by a provincial or council legislative assembly, elected to four year terms in local area elections using first-past-the-post balloting. Executive leadership in each province consists of a premier by the assembly from amongst its members. The Minister for Provincial Government appoints an executive, on the recommendation of the premier.

Under the 1981 Provincial Government Act, provinces are vested with devolved functions for provincial area service delivery in sectors such as health, agriculture, education, tourism and forestry. The provincial assemblies also have legislative powers over the regulation of activities within the province such as forestry, fisheries, liquor licensing and provincial shipping. Finance may be raised through limited means, namely head taxes, property taxes and service fees, although the scope of these may be expanded by the minister of Provincial Government within the limits of consistency with other provisions.

Provincial government authorities, staff and operations are subject to the oversight of national integrity bodies such as the Auditor General, Ombudsman and Leadership Code Commission. There are no specific province-level mechanisms to parallel these national bodies, but specific powers of evidence gathering, investigation and powers of sanction held by these national integrity institutions, extend to provincial matters.

In practice, the scope of corruption in provincial government has been limited to the extent to which those bodies have been accessible to corruptive influences and opportunities for abuse of their powers. In those areas where official permissions are needed, such as for logging permits, fishing permits and the allocation of government land in provincial capitals, there have been strong suggestions of abuse of power in the various provinces; Makira (fishing, waste dumping, logging); Guadalcanal (logging); Western (logging, fishing, tourism); Central and Malaita (land allocations, logging). The consensus from interviews has been that because powers are reduced at the provincial levels, and because of restricted opportunity, corruption has been reduced in those administrations relative to national government.

At the same time, the oversight of national accountability bodies has been extremely limited in the provinces, owing to their lack of capacity and operational resourcing. According to all

national accountability agencies, the extent of reporting and complaints to these bodies with regards provincial matters is markedly reduced compared to that for the national administration. The consensus from these agencies was that this was a function both of their reduced visibility in the provinces as well as their reduced ability to operate outside of the capital.

Progress with Government Strategy

To date, there have been no government strategies explicitly directed at reducing or countering corruption. However, there has been an increasing amount of awareness by administrations and the public service, of the significance of the concepts of accountability and transparency.

This has escalated particularly over the last five years, in response to the emergence of the governance agenda in international development thinking and aid donor insistence on these principles. Although the importance of these concepts has become apparent to successive governments, little concrete action has been evident.

In spite of the increasing severity and frequency of corruption allegations, there has been no escalation in investigations or prosecutions. According to their own testimony, the decline in support to key integrity bodies such as the Ombudsman, Leadership Code Commission and Auditor General, has continued unabated since independence, and hostility to them by political administrations has actually increased in recent years.

The SIAC administration, led by Prime Minister Ulufa'alu from 1997, and perhaps the most reform minded government, was implementing reforms that would have included some elements of increased accountability. Known as the Policy and Structural Reform Program (PSRP), it was aimed at reforms in the area of Public Finance and Budget, Public Service, State-Owned Enterprises and Private Sector Development. Unfortunately, this initiative was stalled by the onset of the civil conflict which began in late 1998.

Donor Anti-Corruption Activities

In the absence of Solomon Islands government strategies to fight corruption, there have been no explicit donor activities in the area of anti-corruption. There has however, been significant ad hoc involvement in various defining events that support the development of anti-corruption capacity and programming. Major donors provided budgetary support for the conduct of the 2001 national elections, and the Commonwealth Secretariat has continued in its involvement with the electoral commission.

AusAID, through its Law and Justice Sector programme (SILAJISP) has contributed to gradual improvements in the police force, and prisons. AusAID and NZAID both supported technical assistance in the Ministry of Finance, with the aim of improving accounting and financial reporting systems.

However, the currently unfolding RAMSI programme has been the key intervention in Solomon Islands. Through the arrest and dismissal of compromised police, the arrest and charging of prominent militants and the restoration of law and order in Honiara, RAMSI has supplied some of the preconditions for sustained change to the corruption environment, and to the underlying drivers of it, in the country. While significant inroads have been made into investigating and prosecuting heinous criminal activity of the past few years, the real test for RAMSI effectiveness in fighting corruption will be whether senior and central figures in Solomon Islands corruption networks will receive the same attention and treatment.

Almost all interviewees for this study expressed the explicit wish to see 'big fish' go before the courts for their corrupt dealings, wrongdoing and criminal behaviour. A series of aggressive prosecutions would represent a historic first in terms of both exposing both power elites and the ordinary Solomon Islander to the notion of real and drastic consequences for the abuse of

power. Without an appreciation of such consequences, integrity agencies may be forced to continue to operate with and within an environment of anomie, and permissiveness of gross official misconduct.

Future Research and Donor Support

There is wide variation in the performance and effectiveness of different elements of the NIS. It is imperative that both proximate and fundamental factors driving this variation are understood, if a more effective and comprehensive system is to be. Research will need to target both levels of analysis, and integrate them so that key dynamics which link long term fundamentals with more immediate causes, can be identified. How the research is conducted, and by whom will have significant bearing on its impact and uptake.

There is a strategic need for understanding around questions of the deep dynamics driving attitudes towards public institutions and leadership performance in them. To be addressed are questions of what models, precedents and processes for accountability in communities, and how these have responded to changing socio-cultural conditions, including attempts to utilise them for larger scale governance situations. An examination of 'best practices' amongst existing community organisations would be an important part of this study.

More immediate planning and policy development require an analysis of operational factors in cornerstone formal NIS institutions such as the LCC, DPP, Ombudsman, Auditor General and CID of the police. Many of these institutions have expressed a strong wish to work in closer coordination, and there are compelling possibilities that consequent operational synergies and efficiencies could support dramatically improved outcomes. Assessing these possibilities will require a close analysis of past operations and of the factors relating effectiveness to institutional, environmental and personnel factors.

Ideally, such research as above would take place within an interdisciplinary group comprising a strong if not exclusive, Solomon Islander component working in close collaboration with key institutions and individuals within donor countries. Solomon Islander execution of the research is critical to being able to access local perspectives and understandings, with disciplinary and comparative perspectives provided through collaborative linkages.

Finally, there is urgent need for the stimulation of ongoing, open-ended Solomon Islands research and public discourse on integrity issues. Currently, there are no common information resources on past allegations of corruption (for instance in the media), past prosecutions and convictions. Although this information is in the public domain, there is no place to access it, even for watchdog institutions. Development of such a resource for institutional and public access and use would be a relatively low cost undertaking which would bring significant benefits. By providing answers to what, when, who questions, this would support the widening of the base of informed and inquiring Solomon Islanders.

Donor support in this regard would in effect provide a basis for ongoing and continuous public interest research activities by Solomon Islanders, for and of the Solomon Islands situation, a key element for the evolution of sustainable integrity systems.

Anti-Corruption Activities

Overview of Government's Reforms

No anti-corruption reforms have been initiated by the Solomon government in the last decade, and there is little evidence of any prior policy for the reduction of corruption. The most significant recent government policy with respect to anti-corruption has been the Kemakeza administration's decision in 2003 to invite the Regional Assistance Mission, Solomon Islands (RAMSI) to intervene in restoring law and order in the country. This invitation, although not conceived as an anti-corruption initiative, has enabled a series of actions which have begun restoring law and order and the professionalism of the police force. These actions have enabled an environment of stability which may permit the development of government anti-corruption policies, although significant barriers remain to the development of such directions.

The reform-oriented SIAC (Solomon Islands Alliance for Change) coalition that took office after the 1997 elections, embarked on a comprehensive set of economic reforms, which involved plans for considerable public service restructuring. However, these plans were motivated more by fiscal concerns than with improving public accountability or transparency. Even these processes were derailed by the outbreaks of violence on Guadalcanal beginning in 1998 and were ended by the coup of 2000, which effectively overthrew the SIAC administration.

Subsequent governments since SIAC, have not shown interest in, nor have been in a position to develop anti-corruption policy. When the SIAC administration was overthrown by the June 2000 coup, the Sogovare-led government which replaced it operated under the shadow of militant (primarily Malaita Eagle Force) groups, a militant co-opted police force and their joint leadership. The thoroughly compromised nature of the police force and sections of the executive and legislature, together with the crisis in law and order, all combined to moot normal governance and policy functions. This created an environment where corruption became so widespread as to approach acceptability. It was during this period; for instance that extortion was practised on a near-daily basis as a method to access treasury funds.

The current Kemakeza government, while elected in 2001 elections recognised as generally free and fair, has been subject to allegations of association with militants and individuals with a history of alleged involvement in past cases of corruption.

Assessment of Progress

The national integrity system in Solomon Islands has been comprehensively ineffective in maintaining standards of public propriety and accountability. This failure has occurred in spite of a significant apparatus established and empowered to ensure integrity.

Two sets of elements may be identified in Solomon Islands' national integrity system. The first set consists of the formal institutions, those which exercise specific functions to ensure that standards of accountability, equity and lawfulness are maintained. In this set are the three arms of the state (legislature, executive and judiciary), the police and Department of Public Prosecution (DPP), the offices of the Auditor General and Ombudsman and the Leadership Code Commission. The second set consists of what can be characterised as environmental or informal elements. These are those which are responsible in a less formal way, for providing conditions supportive of the maintenance of integrity, and of the proper performance of the formal set of elements. The informal elements comprise civil society, NGOs, traditional organisations and the media. These act to provide a basis for much of the relevance and societal legitimacy of the formal, 'executing' elements.

In Solomon Islands, the weakness of these environmental elements has undermined the effectiveness of formal elements and impacted significantly on the operation of the national integrity system as a whole. Furthermore, the historic ineffectiveness of formal integrity organisations – for instance in the prosecution of corrupt actors – has actively lowered the expectations of the public, for good governance, responsible leadership and accountability.

This has ushered in a certain degree of societal apathy about the problem of corruption and poor leadership. In the extreme, the apparent permission (or even reward) of wrongdoing during the last few years has acted as an incentive for ordinary people to participate in wrongdoing that was previously only the province of the 'corrupt few'.

Solomon Islands possesses several notable features in its integrity system; a Leadership Code Commission with a broad ambit and independent prosecutorial powers, a history of free and relatively 'clean' elections, a judiciary recognised as impartial and sound, and a marked absence of potential or actual control of the media. In spite of these apparent institutional advantages, there is considerable under- and non-performance of individual integrity elements.

It needs to be noted that conceptions of corruption and the abuse of power rest on a particular understanding of the role of the state and its powers and of their demarcation from private identity and roles. Although there is an increasing appreciation of these conceptions and distinctions, it is shared by a relatively small group of people, mainly in Honiara and other urban areas. Beyond this there is little shared understanding of the state in Solomon Islands, the definitions of official powers and the roles of different governance institutions.

Although the SIAC reform agenda was never completed, during their term in power, Parliament did pass, in 1999, the Leadership Code (Further Provisions) Act. The amendment of this legislation considerably expanded the powers and potential role of the Leadership Code Commission in monitoring and enforcing responsible behaviour amongst political and public service leaders. Unfortunately, while Gazetted, the changes were not implemented by the body before SIAC was overthrown. Since 1999, the evolution of the conflict into national crisis effectively paralysed government, including those cornerstone accountability institutions such as the Leadership Code Commission.

Two sets of factors have prevented the Sogovare and Kemakeza governments from consolidating the SIAC progress on the leadership code, or on developing other anti-corruption directions. Firstly, the crisis conditions which engulfed the country, particularly Honiara and Guadalcanal, meant that policy attention to matters other than immediate crisis management, was unavailable. Secondly and more importantly, both administrations were deeply compromised by their relationships with corruptive elements in the Solomons. The combination of poor security environment, comprehensive weakness of leadership and the degree to which major players in the political establishment are reliant on corruption, has made pursuing anti-corruption reforms politically impossible.

The most significant anti-corruption policy to date has been the Kemakeza government's invitation of a regional intervention mission, now known as RAMSI (Regional Assistance Mission, Solomon Islands). Since its arrival in July 2003, RAMSI has successfully restored public order and the rule of law, through an unprecedented wave of militant-criminal arrests, weapons destruction, investigations and prosecutions.

Although not conceived by the Kemakeza administration as an anti-corruption measure, this turnaround in the security environment has removed some of the more pressing demands of conflict management from the government, and provided an opportunity to develop anti-corruption policy directions. Unfortunately, progress against corruption has already taken a toll on the Kemakeza government, in the form of the arrest of a Cabinet minister for trial on a variety of criminal offences, all clear breaches of the Leadership Code. It is possible that further prosecutions may extend further into senior levels of the executive, legislature and public service.

Overview of Donor Anti-Corruption Initiatives

While implicit in any notion of 'good governance', the donor community has not had specific programming over the past few years, in the area of anti-corruption. Australian funded institutional strengthening has been evident in the areas of the police, prisons and the justice sector, particularly through the work of the SILAJISP (Solomon Islands Law and Justice Institutional Strengthening Project). This programming has supported some rehabilitation of police organisational structure, and provided technical assistance to address management issues. There has also been Australian and New Zealand involvement in the provision of technical assistance to support the improvement of financial reporting and accounting systems within the government system.

Most dramatic donor input in the anti-corruption arena has been the deployment of RAMSI since July 2003. Over the initial few months, RAMSI has been effective in changing the security environment drastically, by restoring effective policing, arresting, prosecuting and convicting key militants, criminals and collusive police officers. Ongoing investigations of current detainees and other individuals are foreseen to continue. By restoring many aspects of law enforcement, RAMSI activities have shifted some of the environmental conditions favouring corrupt practice and its acceptability. It is unclear to what extent this shift is a response to overwhelming presence, or to a change in governing dynamics of the situation.

Assessment of Priority Areas, Activities and Issues

Both government and donor strategies need to contend with two fundamental challenges: a leadership gap and the difficulties of institutionalisation in a nation with only a public in its infancy.

Firstly, there has been a profound lack of leadership and political will within government and cornerstone integrity agencies such as the Ombudsman's Office and Leadership Code Commission. Without domestic leadership, there is little hope of a genuine drive for anti-corruption reform, or for sustainable ways forward to be found. Without legitimate leadership there will be a concomitant dearth of willing and capable partners to carry forward reforms and ensure lasting, 'real' results. In such a situation, external programming will not be assistance but imposed, *ad hoc* policy.

Secondly, there are complex problems involved in developing authentic, grounded and workable public institutions in the country. The lack of adequate societal consensus on the role and necessity of state bodies prevent them from becoming effective or relevant institutions. There is so little basis for building public concerns that NIS institutions remain in danger of remaining bureaucratic artefacts rather than authentic and recognised pillars, and existing purely as a result of externally driven programming. To the avoid the risk of building structures without societal roots, and are therefore ineffective institutions, there needs to be serious and wide-ranging attention to issues of institutional grounding, particularly drawing from the perspectives and experiences of Solomon Islands institution builders and practitioners.

Both these challenges are linked by the issue of leadership; without it external programming no matter how well planned, will remain at best a prop, and at worst an externally imposed regime. Critical, immediate attention needs to be paid to identifying and supporting leadership on anti-corruption within different sectors within the Solomons. Similar efforts need to be exercised in the area of developing opportunities and structures supportive of partnership. Serious attention needs to be paid to developing understanding about possibilities, prerequisites and implications of an independent anti-corruption commission, a coalition against corruption or another independent institution.

The reasons for a lack of government leadership on this matter will persist through the life of this government as well as this legislature, but at the same time, significant progress cannot wait for a new Parliament. Leadership which does exist within official agencies, society and

societal groups needs to be given the opportunity to emerge and to coordinate anti-corruption efforts. Donors need to be committed to recognising and supporting such leadership and adopt the fostering of partnership as a guiding principle.

Key Issues

The National Integrity System

Integrity systems are a problematic concept in the Solomons, because they are predicated on assumptions about the public and public institutions, assumptions are accurate for only a narrow cross-section of the Solomon Islands, and with a relatively short history even there.

The overall trend in the NIS has been one of decreasing effectiveness over time, with particularly dramatic failings in political institutions leading to other pillars being compromised. Since independence in 1978, the consensus opinion amongst observers is that formal inherited institutions and NIS effectiveness have been eroded without replacement by viable alternative mechanisms. The legislature and executive have become increasingly corrupt and corruptive towards other elements, particularly the public service. There has been decreasing professionalism and integrity in the public service over time which has made it increasingly vulnerable to political interference. Over time, this has resulted in a marked reduction in the independence of the public service. Paralleling this loss of independence has been specific erosion of integrity agencies, both as part of the trend across the public service as well as because of targeted resourcing pressures. This situation has been normalised through public ignorance, as well as a lack of institutional leadership within the agencies.

While key formal anti-corruption institutions have been increasingly moribund, many informal NIS elements have remained static in their inability or unwillingness to establish accountability links between the public sector and the population of the country. This has recently begun to shift, driven by a nucleus of non-state actors and civil society leaders responding to the gravity of the national crisis over the past five years. The media sector has been one of the latest participants in this shift, with the effective reactivation of MASI (Media Association of Solomon Islands) only in 2003. While NGOs and their leadership have long been involved in raising awareness of corruption through the NGO media, this has not been the case with commercial media. The commercial media, long dominated by a single outlet, has generally avoided delving deeply into issues of corruption and official misconduct. This has been attributed by media observers to the proximity of the outlet's ownership to the political establishment.

Although elements of the NGO community have been involved in issues of corruption, a wider engagement by civil society groups and the churches has only emerged in recent years. The formation of the HCSN (Honiara Civil Society Network) in 2000, and its pioneering linkage between the churches, private sector, NGOs and ordinary citizens was a pivotal development for the NIS. It has been responsible for one of the most outstanding instances in the Solomons, of public mobilisation for governmental accountability, when it organised in 2001, a successful public campaign to ensure that constitutionally required general elections were held on time.

Unfortunately, major elements of the private sector have had an escalating effect on corruption. Observers and analysts have characterised the logging industry as an incubator for corruption, and its involvement in corrupt practice appears to be undiminished. Ominously, corrupt practice has been adopted by local operators and perpetuated in other resource sectors such as fisheries. The casino trade is also alleged to be involved in a range of corrupt activities, often involving other sectors.

A primary victim of NIS non-performance over the years has been the expectation level of ordinary Solomon Islanders. It is widely expressed that the consistent poor performance by leaders has decreased expectations of ethical or responsible behaviour by the public sector and power elites. This appears to have led to a gradual emergence of cynicism about leadership performance; something credited for dampening demands for improved governance.

The collapse of state functionality and social upheaval of the past few years has crystallised awareness within some leaders, principally outside of the state sector and stimulated a resultant increase in organisation and effectiveness of civil society groups, including those specifically interested in ensuring accountability and public integrity. This evolution of increasingly effective informal NIS elements is the most significant departure from an overall trend of decline, and can be seen as a response to the systemic collapse of state governance, together with the apparent inability of formal institutions to perform effectively.

The weakest components of the NIS are the political elements, the executive and the legislature, and the influence of these elements is propagated throughout the formal NIS components, because of a failure of most interactions to check negative dynamics between elements. The electoral system and extensive media freedoms together fail to act effectively to prevent highly corrupt individuals from gaining office during elections. The presence of such individuals in elected office in turn maintains an institutional culture emphasising individual and crony gain.

The corruptibility of the legislature and executive arises from internal factors, such as a self-perpetuating culture of entitlement, weak parties and weak individuals; as well as external factors such as the extent of corrupt influence from the private sector, constituency pressures to distribute resources, a lack of media scrutiny and no enforcement from cornerstone agencies.

Because of the character of individuals elected, and the prevailing culture, the legislature and executive act in a coordinated manner to ensure that opportunities for individual gain are exploited, for instance through the distribution of cabinet portfolios and 'task force' positions with lucrative sitting allowances. In this way, these two powerful arms of the NIS mutually reinforce a corruptive stance. The executive has also been instrumental in compromising the integrity of the civil service, through the selection and appointment of political associates to top civil service positions (Permanent Secretary positions), who have disciplinary power over ministries, and oversight only by the political executive.

There is a major capacity gap in terms of capacity for investigation and prosecution across all cornerstone integrity agencies such as the Leadership Code and Public Service Commissions, the Ombudsman's Office and the Department of Public Prosecutions. This is related to a lack of coordination and communication amongst these agencies, and between them and such major risk sectors as immigration, customs, forestry and fisheries. This capacity gap has undermined what watchdog and enforcement role these agencies might play in ensuring accountable and responsible behaviour from the political leadership as well as the public service. This capacity gap amongst official monitoring and enforcement agencies is encouraged by consistent, politically motivated under-resourcing, and by the underlying morale and effectiveness malaise the agencies' share as parts of the public service.

These interactions have driven a civil service culture with low standards of professionalism, and an increasing tendency to model behaviour on that of the political executive. Supportive elements have been weakened through a combination of political decisions (for instance, to shut down the public service induction training institute), and internal corruption (for example to conceal copies of the General Orders and Financial Instructions). Cornerstone integrity agencies have been unable to check these systematic flaws largely because, as parts of the public service, they have developed an ethos of powerlessness and are disinclined to confront political leadership.

The police force, which was being reformed in the mid to late 1990s, was entirely compromised as a national institution during the national conflict that erupted in 1998. Its activities in investigating corruption prior to the conflict were limited by corruption-specific capacity and the extent to which cases were brought to its attention, for instance by watchdog agencies. This lack of linkage has effectively denied the NIS a considerable investigative tool. Because the police are not invested with the corruption 'surveillance' functions of the LCC and Ombudsman, the ineffectiveness of those agencies is perpetuated through the police. A

consequence of such a gap in the surveillance-investigation-prosecution chain has been that the judiciary has played a relatively minor role in anti-corruption activities.

Amongst the informal elements, the print media especially, has suffered from narrow ownership, and a limited willingness to act contrary to 'establishment' interests. These weaknesses, together with a lack of investigative journalism capacity, have prevented it from providing Solomon Islanders with adequate information about corruption, or with investigation and interpretation of the context and costs of corruption.

The internal strength of the civil society arises from its basis thus far in informal personal and action-oriented connections, and a robust base of shared values and understandings amongst the leadership. This has been reinforced by shared experiences after the collapse of most official institutions over the past half-decade. A key common theme in the genesis and ongoing effectiveness of the civil society movement is ecumenical Christian faith. The HCSN grew out of the SICA Peace Office (SICAPO), a specialist arm of the national inter-church organisation, SICA, and continues to be based around leaders with active church affiliations. This theme is also common to a number of outspoken women's organisation, such as Women for Peace. This organisation arose from church-based women's associations and explicitly grounds its basis for unity on Christianity.

Effectiveness of Government and Donor-Supported Activities

While the SI government has not had an anti-corruption strategy, there are strong indications that it has acted to actively suppress anti-corruption measures through the under-resourcing of key watchdog agencies. Governments have also been involved in pressuring the media, through the actions of high level political advisers, as well as members of executive.

Although some initial legislative progress was made by the SIAC administration in 1999, anti-corruption policy has not been advanced since. Successive governments have been ineffective in this area because they have been internally compromised, and because external pressure by the Solomon population, has not been brought to bear on this lack of progress. Corruption in terms of specific actions, policies and programmes has not become a public issue, and without concerted efforts at making it so, the political process as well as watchdog agencies will lack the motivations to perform in this way.

There are structural factors that may hamper future plans for anti-corruption policy and programming by the government. The same instability of the standard Solomon legislature which has made it vulnerable on an individual-member and collective basis also prevents it from mobilising sufficient political will to mount the sort of comprehensive strategies that will be needed to tackle the national corruption situation. Any lasting improvements to this situation will hinge on those reform processes that address both the general issues of democratic representation and governance stability at the same time as specific anti-corruption measures.

Among donor programmes, RAMSI, beginning in July 2003 has been the most comprehensive, with direct and indirect effects on particular types of corruption. As such, it will be the focus of this section.

Up to the time of writing, the law-enforcement and order restoration approaches of RAMSI have been outstandingly successful. The entry of a neutral police and military presence to the situation has halted the slide towards further disorder, particularly in the capital. Early arrests of high-profile militants and criminals, combined with the ongoing series of investigations, prosecutions and incarcerations, appear to have engendered a sense of order and the rule of law. As such, RAMSI has been effective in halting the decline in overall standards of behaviour which was becoming apparent over the years of conflict.

The national police force has received special attention in this respect, with a strong crackdown on those officers involved in the civil conflict and with links to militant organisations. While a part of the restoration of law and order, this process is also likely to

leave a lasting impact on corruption within the police force, by removing and prosecuting compromised leadership within the institution in a comprehensive manner. Unfortunately, the extent of corruption in Solomon Islands is such that an institutional 'cleaning' and reform process of similar scope to that carried out in the police, is required across the public sector as a whole.

A key factor in the relative success of RAMSI's restoration of law and order has been the overwhelming support of ordinary Solomon Islanders for their presence and their programme of work. The investigation, arrest and prosecution of public malefactors and destruction of their weapons, has been a welcome relief both for their victims and for the many Solomon Islanders suffering from the atmosphere which they maintained.

Without general goodwill and support from the many Solomon Islands communities in which RAMSI has operated, the scale of success, and certainly the extent to which it has been bloodless, would have been impossible. This goodwill was largely due to the clear connection between such actions and the common good. After almost five years of civil conflict, the effects of thuggery and intimidation were very clear and undesirable. Furthermore, the direct costs, such as arrest, incarceration and public humiliation, were clear. Importantly, these costs were borne by the militants and their immediate cliques, who were a small minority of the community. A foundation for RAMSI effectiveness to this point, then, has been the community goodwill arising a combination of clear benefits to most communities, and clear costs to specific individuals and small groups.

Maintaining such broad-based support in ensuing anti-corruption programming will be extremely challenging. The benefits of reduced corruption may be less obvious to many communities, particularly rural villages, for which effective service delivery may be less credible and attractive than the redistribution brokered by a corrupt leader. The costs - ranging from dismissal to fines and incarceration - will also be less distinct and will be borne by a broad swath of communities. This will complicate justification for such actions, particularly those which are punishments for apparently 'victimless' crimes. There needs to be an ongoing basis for support by the RAMSI mission, to counter potential future distrust.

Although the basis for RAMSI support in early months was the abject state of affairs in the Solomons, its own success in improving the situation demands that other foundations for goodwill are developed. A commitment to greater transparency of operation and purpose will be central to developing such foundations, as would be a commitment to ongoing open dialogue with credible and broadly legitimate national partners.

What has not yet become apparent is the extent to which these prosecutions and investigations are seen in the light of nation-building and the enforcement of standards public accountability. There are indications (from interviews) that RAMSI is perceived almost exclusively as an external enforcement presence and imported substitute for national capacity, rather than a partner presence for the development of national capacity.

Priorities and Recommendations

There are a number of pressing priorities for undertaking action to improve accountability and to decrease corrupt practices within the Solomon Islands. These include:

- **Leadership**

The most pressing issue facing the NIS is the lack of Solomon Islands leadership in anticorruption issues. This is of grave concern for at least two reasons. Firstly, the lack of leadership against corruption is not neutral, but has a compounding effect on the extent of corruption. Secondly, this leadership gap exists in spite of significant donor activity on corruption. This introduces considerable potential for wasteful or even counterproductive outcomes through donor approaches that lack Solomon ownership and leadership.

- **Permissiveness**

Another, related priority issue for the NIS regards the mutually supportive and permissive elite and popular attitudes towards corruption and the abuse of public power. These attitudes and the reinforcement 'loop' connecting them need to be disrupted so as to allow the development of a culture of responsibility and accountability. The effectiveness of reforms and the NIS itself relies on the existence of a common understanding and emphasis on the importance of responsible official behaviour, and the existence of widely held norms supporting such.

- **Effective Institutionalisation**

Arising from both foregoing concerns of leadership and attitudes is the issues of effective institutionalisation of integrity concerns and functions. Many existing NIS elements suffer in their effectiveness because of an inadequate basis in societal consensus. Effective institutionalisation will need to be framed in terms of sustained performance, and the capacity for those institutions, individually or as a collective entity to respond to change and mediate their own adaptation and readjustment.

- **Structural Issues**

Finally, there persist many enabling factors within the extant NIS which are structural concerns. Among these are:

- the lack of public sector and watchdog agency independence from political actors,
- the absence of co-ordination between accountability institutions and key bureaucratic decision points in different sectors,
- the narrow range of actors able to litigate in the public interest, the poor provisions for public service accountability to the population at large,
- the absence of transparency requirements in the public sector.

Responding to these inadequacies may offer a more immediate route to improved performance in the NIS, than the reorientation of foundational issues discussed previously. Improved interim performance will not however, substitute for the fundamental shifts that are necessary. Furthermore, such an emphasis on organisation matters need not detract from reform of the fundamental basis of the NIS. Instead, short term improvements in NIS functionality should be conceived in such a way as to provide the stimulus for attitudinal shifts and the formation of a broad support base for integrity concerns.

In terms of recommendations, then, it is suggested that the following be developed:

- **Focal Point**

Action is needed to develop a national focal point or coordinating body, which is capable of providing direction and focusing leadership in anti-corruption reforms. While governmental recognition is crucial, the formation of such a body should arise from the initiative of Solomon leadership, which remains untainted by allegations of such a body.

- **Prosecutions and Publicity**

The current processes of legal prosecution being carried out by the Solomon Island Police and RAMSI need to be coordinated with a public information campaign, highlighting the issues being surfaced during the process. The immediacy of ongoing prosecutions, and existing public interest provides a valuable opportunity to connect with the population, on issues of civic and official responsibility, codes of conduct and the underlying issues of corruption.

- **Societal engagement**

Solomon society needs to be actively engaged in the facts and issues of corruption. Constructive conversations need to be developed within communities and between communities. This will necessitate community information and awareness building, as well as considerable investment in the facilitation of the discussions and capacity to respond to the inevitable information demands arising from communities that engage.

- **Interim Measures in Formal Agencies**

Although structural improvements are needed in the formal NIS agencies, significant gains in effectiveness are accessible in the very near future, with interim arrangements. Interagency coordination and increased transparency in procedure are all possible without legislative changes. Information shared with an activated general population is a route to increased surveillance definition and investigative capability without significant increases in resourcing.

Although there have been radical improvements in the law and order situation, and although some steps have been taken towards functional governance, the most pressing issue in Solomon Islands remains leadership. The pattern of poor decision-making, indecisiveness and collective weakness demonstrated by political leaders during the recent years of conflict and crisis, continues to haunt the current situation. Such weakness is both a result of and compounds the ineffectiveness of the NIS, and breaking this vicious circle should be the first concern of any NIS reforms.

Further, the themes of weakness identified in this study, together with the indications of future political development, suggest a number of future emphases.

- Integrity systems development needs to be 'mainstreamed' into political and governance reform approaches. Integrity concerns need to be integrated with processes of evolution of government and governance. Considerations of representation, democratic processes, public sector reform and decentralisation need to be considered in light of integrity concerns.
- As part of this mainstreaming, there needs to be concerted emphasis on popular participation, via a range of distinct mechanisms, in order to reduce the dependence on a small set of particular individual groups to provide a critical voice.
- A distinct knowledge orientation needs to be developed for the NIS and governance agenda. Such an orientation is necessary to found the capacity for the critical assessment of trends, processes and issues that arise from concerns about integrity. In the absence of an explicit commitment to such critical capacity, lasting leadership and direction will be continue to face considerable difficulty.

Appendix 1 - Questionnaire

Executive

Can citizens sue government for infringement of their civil rights?

Yes.

There have been no known cases of such suits, most likely due to a lack of awareness of nature, significance and defensibility of such rights. The expense and complications involved are also deterrents to such action.

Are there procedures for the monitoring of assets, including disclosure provisions:

- For cabinet and other government ministers?
- For high level officials?

Yes, the Leadership Code (Further Provisions) Act 1999, Sections 8-9 sets out the requirements for the disclosure of assets and financial affairs, by all leaders, defined as members of the legislature, executive, constitutional commissions, public service and even employees of statutory authorities. No distinction is made in the legislation, between these different types. The Leadership Code Commission is established for the purpose of administering the Act, including monitoring leaders' assets and maintaining registers of disclosure statements.

Although the Leadership Code Commission is established to implement these provisions, it has never been resourced with the necessary people, skills, equipment or finances to do so. This under-resourcing has grown worse over time, to an extreme level. Provisions for monitoring have never been fully exercised, and are currently at an extremely low level.

Are there any differences in procedures and disclosure provisions between elected ministers appointed ministers and high level officials?

No.

The Leadership Code Commission tends to make parliamentarians a priority in its monitoring activities. It does not maintain gift, income and declaration registers of officials as a matter of course.

Are there conflict of interest rules:

- For ministers?
- For high level officials?

Yes, the Leadership Code (Further provisions) Act 1999, Section 14 and 16 stipulates the strictures on conflict of interest situations for leaders.

The observation of these rules is not actively enforced by the Leadership Code Commission.

Are there rules and registers concerning gifts and hospitality:

- For ministers?
- For high level officials?

Yes, the Leadership Code (Further Provisions) Act 1999 Sections 8-10 set out rules for leaders acceptance of gifts and hospitality, and establish the requirement for maintenance of registers

of such. Section 9 subsection 4, specifies a \$100 limit for gifts and hospitality as may reasonably be expected.

These rules and registers are not maintained, nor are leaders' activities and affairs scrutinised to any reasonable extent with respect to the requirements of the law. Reliable accounts abound of Ministers, Parliament members and officials freely and repeatedly availing themselves of free goods (particularly liquor) provided by large companies and powerful businessmen. There is no pressure by the Leadership Code Commission to require the reporting of such.

If so, are these registers kept up to date? By whom?

These registers are to be made up and maintained by the Leadership Code Commission.

The Commission does not keep such registers.

Have they legal powers to enforce disclosure?

Yes, the Commission may impose a fine of \$100 if disclosure does not occur within the specified time period (section 8), and failure to disclose at all is considered misconduct in office (section 10), and is subject to the regulations for investigation and penalties for misconduct in office, which may include High Court prosecution and removal from office.

These powers have not been exercised, and seem unlikely to be exercised, even though for instance, more than 80% of the present parliament is in breach of these provisions, and liable to Commission investigation and proceedings for official misconduct.

Have they staff to investigate allegations?

Yes.

The Commission has one investigator, but without training in the investigative skills needed for the office. A single person for this task is wholly inadequate for the extensive task of delving into the records and affairs of many officials, elected representatives and cabinet ministers requiring investigation.

What powers of sanction are in place against ministers who are also parliamentarians? Have they ever been invoked?

All ministers in the Solomons are also parliamentarians. The Leadership Code legislation makes no distinction between any persons included in the definition of leader. All leaders defined in the legislation are subject to the same powers of sanction. The only place there is distinction in the Act is where assessing conflict of interest, this is dependent on the amount of influence the leader is question has, and the esteem of the office held (Section 16).

Ministers have been prosecuted for breach of the Leadership Code, but never convicted. Some convictions have been successful against individuals prior, or subsequent to their Minister status, including when individuals have been members of Parliament.

What powers of sanction are in place against ministers who are not parliamentarians? Have they ever been invoked?

There is no such thing as ministers who are not MPs: all Cabinet is drawn from Parliament.

Yes, at least one member of Parliament has been convicted of official misconduct and fined. The offence was of non-declaration of assets worth \$500,000, and the fine was \$50.

What powers of sanction are in place against high level officials? Have they ever been invoked?

See above regarding the uniformity of treatment of all leaders under the Leadership Code Legislation.

No high level official has been successfully prosecuted by the Commission.

Are there restrictions on post ministerial office employment?

- **By ministers?**
- **By high level officials?**

Not in the case of ministers. Only the Ombudsman is proscribed from employment in the Public Service for a period of five years following departure from the Ombudsman position.

Ministers and high level officials sometimes enter the employ or become shareholders in companies that may have benefited from them, during their term in office.

Are members of the executive obliged by law to give reasons for their decisions?

No

Public pressure, especially by political rivals or critics in the media, sometimes results in executive members (Cabinet or the Prime Minister) attempting to provide justification for government decisions or policy.

Do Ministers or equivalent high level officials have and exercise the power to make the final decision in ordinary contract award and licensing cases? Is this power limited to special circumstances?

Yes, in the case of certain permissions, such as in logging licenses and labour permits high level officials have the power to make final decisions. Ordinary contracts worth less than \$5,000 are at the discretion of the Permanent Secretaries of the ministry concerned. These powers are to be exercised in accordance with the regulations and rules associated with such permissions.

The issuance and maintenance of logging license and work permits for foreigners are regarded to be among the most compromised official activities in the government system. The regulations and procedure that are required for such permissions are commonly overlooked, as are subsequent breaches of standard conditions that might warrant suspension of such permissions. Such powers represent decision 'nodes' in the system, which have proved vulnerable to corruptive influence. There is less widespread concern for the implications of small contracts awarded by individual ministries, possibly because the extent of improper practice in this regard is not clear as clear as in the cases of official permissions.

Are there administrative checks and balances on decisions of individual members of the executive?

Yes, but these are ad hoc rather than systematic.

Administrative practice, particularly in the area of checks and balances, is one of the worst areas of governmental performance. Ministerial directives have been shown to be unlawful in at least one past case of duty remissions, and continue to be issued contrary to the intention of regulations and legislation.

Legislature

Is the legislature required to approve the budget?

Yes, the budget must be passed by Parliament.

Although the budget has always been passed by Parliament, over-expenditure is the norm, and supplementary appropriation bills are passed by successive parliaments in order to meet such deficits.

Are there significant categories of public expenditure that do not require legislative approval? (which departments does this involve, what is their expenditure and what percent does this represent of the government's annual expenditure?)

No.

Although there are no significant categories of expenditure independent of the need for legislative approval, the lack of financial discipline and fiscal restraint has meant that over-spending often include spending on non-approved items. Supplementary appropriation bills in such circumstances have been used irresponsibly as post-facto legislative legitimization of over-expenditure, mismanagement and possibly, corruption.

Are there conflict of interest rules for parliamentarians?

Yes, as part of the Leadership Code Legislation.

There is little regard for any of the stipulations of the Leadership Code amongst parliamentarians, including the rules regarding conflict of interest. The Leadership Code Commission has not policed such rules, nor investigated the many likely breaches. Its capacity to do so remains very limited.

Are there rules and registers concerning gifts and hospitality for parliamentarians?

Yes, these are the same as required of members of the executive, are governed by the Leadership Code (Further Provision) Act 1999.

If so, are these registers kept up to date? By whom?

The Leadership Code Commission is responsible for collecting, maintaining and verifying such information.

The Commission has not been keeping complete records for the present Parliament, and has similarly patchy records for previous ones.

Have they legal powers to enforce disclosure?

Yes, the Commission has the powers of a magistrate in summoning persons, and requiring the production of documentation. Fines of up to \$10,000 may be laid for non-compliance, as well as the charge of official misconduct.

These powers are not used, even though the overwhelming majority of present Parliamentarians have been in violation of disclosure requirement for almost two years.

Have they staff to investigate allegations?

Yes.

The Commission has one investigator, but without training in the investigative skills needed for the office. A single person for this task is wholly inadequate for the extensive task of delving into the records and affairs of many officials, elected representatives and cabinet ministers requiring investigation.

What powers of sanction are in place against parliamentarians?

Parliamentarians are subject to the same sanctions under the Leadership Code Act, as any other leaders. Upon determination of guilt of the charge of official misconduct, they may be removed from office, fined up to \$5000, and prosecuted under any criminal charges as appropriate. In addition, if any parliamentarian is sentenced to a prison term exceeding 9 months, then that person's seat is considered vacant.

Have they ever been invoked?

No parliamentarian has ever been removed from office under the auspices of the Leadership Code. There is currently a member of parliament and cabinet minister, who has already been sentenced to a 6 months suspended sentence, and is facing several more criminal charges, which, if convicted of, would force him to vacate his seat. The fact that he remains a member of parliament and cabinet minister despite a criminal conviction demonstrates both the [largely self-imposed] impotence of the Leadership Code Commission and a blatant disregard for even the appearance of leadership ethics.

Are there restrictions on post legislature employment?

No.

As in the case of ministers and high level officials, some parliamentarians are employed after terms in office by companies that may have benefited from their official powers during that term.

Elections

Is there an independent Electoral Commission (if not, are the arrangements for elections in the hands of agencies who are widely regarded as being non-partisan)?

Yes, there is an Electoral Commission appointed by the Governor General on the advice of the Judicial and Legal Services Commission. The Electoral Commission comprises the Speaker of Parliament and two other members of the public, which may not be politicians.

The Judicial and Legal Services Commission, which chooses the two additional members of the Electoral Commission, is generally regarded as politically impartial, and does not contain any

politicians. Although it also should not contain any members who have political affiliations, it is not clear to what extent this is true. The Judicial and Legal Services Commission suffers from the same vulnerability as all such constitutionally established commissions: it relies on the Public Service Department for the screening of candidates and there is no established method for calling for candidates or nominees from the public. Because the Public Service Department is run by the Prime Minister's Office, and headed by the Permanent Secretary to that department, such processes are very vulnerable to political interference.

Who appoints the Head of the Commission?

The Speaker of Parliament is automatically the head of the Electoral Commission.

In practice, the last two Speakers of Parliament have been former politicians, although not regarded as partisan in terms of the current parliamentary composition.

Political Party Funding

Are there rules on political party funding?

No.

Political parties have limited relevance in parliament, and even less in elections. However, by financing the parties that do exist and especially, the key candidates thereof, funders are able to gain significant proximity to an administration headed by such individuals. There are well-known business backers of parties such as the People's Alliance Party, and these businessmen are now publicly associated with a government headed by the party, in the form of positions as 'Special Advisers'. It is strongly believed that this has significant benefits for the backers.

Are substantial donations and their sources made public?

No, there are no provisions requiring this.

In practice, large donations to individual and group campaigns are actively kept confidential.

Are there rules on political party expenditures?

No.

Political parties do publish reports, but do not submit statements of expenditure.

Are political party accounts published?

Accounts are not required to be published.

In practice they are not.

Are accounts checked by an independent institution, are they published and are they submitted to parliament?

Accounts are not expected or required to be checked by any institution, nor published, nor submitted to any scrutiny by parliament of the public.

Does that institution start investigations on its own initiative?

Not applicable.

Who appoints the head of the institution?

Not applicable.

Supreme Audit Institution

Is the national auditor general independent?

i.e. Is the appointment of the general auditor required to be based on professional criteria/merit?

Yes.

Successive Auditors General have been generally recognised as being appointed independently.

Is the appointee protected from removal without relevant justification?

Yes, the appointee is protected from unjustified removal as well as from direction from any authority, office or person.

The current Auditor General has been subject to direct and indirect pressure in performance of his duties, but there have been no instances of attempts to remove any Auditor General.

Is the office of Auditor General adequately resourced?

No.

The office of the Auditor General has become increasingly under-resourced since Independence, to a current state of incapacity. There is a lack of staff both professional and in support, as well as basic office equipment and the tools for auditing practice.

Are all public expenditures audited annually?

Public finances, including those of provincial and local governments are to be audited annually.

The audit process is extremely limited due the massive gap between required and existing capacity within the office. Exacerbating this is the overall failure of financial reporting and expenditure accounting throughout the government system. As a result, the annual reports issued by the office lack the resolution and data necessary to make meaningful analysis or the detection of financial maladministration possible.

Is reporting up to date?

Yes.

Although annual reports have been issued as required, the content has not been satisfactory from the perspective of the office itself.

Are reports submitted to a Public Accounts Committee and/or debated by the legislature?

Are they acted on by the government?

Annual reports are tabled in Parliament. In addition the office is required to submit a report on the annual budget, to the Public Accounts Committee for the Committee's consideration, prior to the tabling of the budget in Parliament. There is no requirement for the government to act on the reports.

Annual reports tabled by the Auditor General's office have not been matters for serious attention by the legislature. The required comment by the office, on proposed budgets has been treated by governments as a mere formality, with insufficient time allowed for the process.

Are all public expenditures declared in the official budget?

Yes.

Owing to the breakdown of financial order within the government system, declaration of planned expenditures often has little relation to actual expenditure.

Judiciary

Have the courts the jurisdiction to review the actions of the executive (i.e. Presidency, the Prime Minister or other ministers and their officials)?

Yes.

The courts have made rulings on the actions of ministers, including a determination that ruled unlawful the granting of duty remissions by the Minister of Finance. Courts and the judiciary have demonstrated a willingness to consider and make rulings regarding decisions of the executive.

**Are judges/investigative magistrates independent?
i.e. Are appointments required to be based on merit?**

Yes, appointments are required to be made on the basis of merit by the Judicial and Legal Services Commission.

Judicial appointments have been substantively independent of legislative or executive influence, and selections are recognised as being based on merit.

Are the appointees protected from removal without relevant justification?

Yes, judges and justices can only be removed on a finding of serious misconduct, by an independent tribunal of retired Commonwealth judges.

No members of the judiciary have been removed without justification, nor have there been attempts to do so.

Are recruitment and career development based on merit?

Yes, recruitment and advancement are required to be on the basis of merit.

It has been increasingly difficult to retain and attract new magistrates, because of the poor conditions of employment. Many suitable candidates find other career options more desirable than one in the judiciary.

Have there been instances of successful prosecutions of corrupt senior officials in the past 3 years?

No

The past three years in Solomon Islands have seen the collapse of law and order in the country following a civil conflict. There have been no prosecutions of corruption in this period and very few active investigations.

Civil Service

Are there laws establishing criminal and administrative sanctions for bribery?

Yes. Bribery is a criminal offence under the Penal Code, and is also grounds for guilt of the charge of official misconduct under the Leadership Code, which applies to all public servants. Under the criminal law, conviction of bribery may result in fines or prison terms, while under the Leadership Code, it may result in suspension, dismissal or fines.

There has never been a conviction of bribery under the Penal Code, nor has there been a determination of official misconduct under the Leadership Code, due to bribery. There have been some prosecutions, most notably of 3 ex-Cabinet Ministers in 1997, accused to resigning from their government as a result of bribery by a Chinese businessman. All were acquitted.

Are there rules requiring political independence of the civil service?

No. However, there is a Public Service Commission independently appointed, which is the employer of all public servants (except for teachers and police and prison personnel, employed by the Teaching Service and Police and Prison Services Commissions respectively). The independent commission are also responsible for discipline and performance monitoring of their respective body of employees.

The public service has become very exposed to political influence, via three principal mechanisms:

- *the political appointment of Permanent Secretaries (the highest civil service positions),*
- *the delegation of disciplinary powers by the Public Service Commission, to these political appointees,*
- *the administration of the Public Service Department by the Prime Minister's Office.*

By permitting political appointees to lead the public service, and vest in them disciplinary powers, such appointees are in a position to exert considerable influence over the individual and corporate performance and behaviour of public servants. Although the Public Service Commission is independent, its executive arm the Public Service Department is administratively part of the Prime Minister's Office and directed by the Secretary to the Prime Minister, a highly politicised position. This exposes applicant screening, advancement, and disciplinary bureaucratic processes to close scrutiny and possibly direction by the Prime Minister's Office itself. The result of this has been a high degree of collusion between senior officials and the executive, as well as pressures throughout the public service organisation to adopt such a stance to interaction with political elements.

Are recruitment /career development rules based on merit?

Yes.

The weakness of the Public Service Commission and highly non-transparent processes of the Public Service Department both militate against strong and consistent merit based career development rules.

Are there specific rules to prevent nepotism? Cronyism? (note: rules discriminating positively in favour of marginalised or minority groups are not included in this description)

Yes.

Although the Public Service General Orders and the Leadership Code both contain rules to prevent nepotism and cronyism, both are quite common in the service. The mechanism for political appointments to the Public Service has lent itself very well to the formalisation (and payrolling) of crony relationships at a senior level.

Are there rules and registers concerning acceptance of gifts and hospitality?

Yes.

These registers and rules have almost never been kept.

If so, are these registers kept up to date? By whom?

The Leadership Code Commission is responsible for maintaining these registers.

They do not maintain these, nor is there a systematic procedure in place to gather this information throughout the public service. There is little awareness of the obligations of public employment, including rules of conduct, and little incentive to submit information to such registers as the Commission has been unable to initiate investigations or audits of public servants.

Have they legal powers to enforce disclosure?

Yes. The Leadership Code Commission has the powers of a magistrate in terms of being able to summon persons or require production of documentation. Sanctions for contempt may be applied by the Commission for non-compliance.

These powers are not employed.

Have they staff to investigate allegations?

Yes.

There is one investigator, one legal officer and one secretary. Staff are insufficient in number and in training, and are totally inadequately resourced to monitor and audit the statements and lifestyles of several thousand public servants, some of whom are highly experienced in corruption.

What powers of sanction are in place against public officials? Have they ever been invoked?

Disciplinary action, including suspension or termination with prejudice, as well as fines, are the available sanctions against officials.

Only very rarely have administrative sanctions such as termination been applied.

Are there restrictions on post public service employment?

No.

On ending public employment, officials can and do enter employment or business relationships with entities that may have benefited from their powers or position when officials.

Are procedures and criteria for administrative decisions published (e.g. for granting permits, licences, bank loans, building plots, tax assessments, etc)?

No.

Some of this information may be granted to third persons or the media on request, other information is regarded as confidential to the parties concerned only. This information represents a key to detection of corrupt practice and relationships in the Solomons, as it is perceived that such administrative decisions form the bulk of public service relationships with corrupting influences and entities. Labour permits, land allocations, duty exemptions and logging licenses are all administrative outputs that are generally perceived as involving high risk of corruption in the Solomons.

Are there complaint mechanisms for public servants and whistleblower protection measures?

Yes, very transparent complaint mechanisms are established within the Public Service General Orders. There are no provisions for whistleblower protection, or the anonymous reporting of suspicious activity.

In the Solomon Islands social environment, transparent and open complaint mechanisms make be very difficult to use, because of the multitude of close family and societal relationships that interplay with professional ones. The complaint mechanisms in the General Orders, like most of the General Orders, are not widely followed, and the widespread nature of corrupt practice means that such mechanisms have often been subverted along the reporting chain. There are occasional whistleblowers, but they do so without any protection save perhaps for civil law recourses if unfairly dismissed.

Are there means for complaints by members of the public?

Yes, through the Ombudsman's office.

Public complaints through the Ombudsman are frequent, especially from Honiara dwellers.

Are there administrative checks and balances on decisions of individual public officials?

Yes. Comprehensive administrative guidelines exist within the General Orders of the Public Service.

Conformity with the rules of the General Orders is quite limited and ad hoc in all areas of administration.

Police and Prosecutors

Is the commissioner of police independent? i.e. Are appointments required to be based on merit?

Yes. The Commissioner of Police is selected by the independent Police and Prison Services Commission, on merit.

Police Commissioners have been chosen in an independent manner, and have been regarded as appropriate by the public.

Is the appointee protected from removal without relevant justification?

Yes.

No Police Commissioner has faced unjustified removal.

Are public prosecutors independent?

Yes. The Director of Public Prosecutions is independently selected by the Judicial and Legal Services Commission

The Director of Public Prosecutions acts with independence and has continued to do so in spite of significant harassment at times.

Are there special units for investigating and prosecuting corruption crimes?

No. The Criminal Investigation Department (CID) of the police is responsible for investigating all criminal allegations including corruption. The Leadership Code Commission is responsible for investigating and prosecuting corruption within its remit (i.e. perpetrated or participated in by leaders).

Neither mechanism possesses the skill base or resources to handle corruption investigations and prosecutions – something borne out by many of the High Court acquittals on charges of high level corruption. Although CID has better evidence gathering capacity than the Leadership Code Commission, it lacks the specialist resources for fraud, financial and bribery investigations.

Is there an independent mechanism to handle complaints of corruption against the police?

No.

Allegations or complaints of misconduct by police are handled by a Professional Standards Unit within the Police. This unit specialises in internal investigations, and is separate from the CID. It has only recently been reactivated and is handling a number of police investigations.

Does civil society have a role in such a mechanism?

No.

The investigation of complaints against police remains an internal matter, with little involvement of other bodies.

In the last five years, have police officers suspected of corruption been prosecuted (or seriously disciplined or dismissed)?

Only very recently have actions been taken against police officers suspected of corruption.

The regional intervention force, RAMSI, has been extremely active in removing from the police suspected militants or those consorting with militants over the last few years of civil unrest.

Are there any cases of corruption within the prosecuting agencies?

No.

There have been no cases of corruption reported within the office of the Director of Public Prosecutions, nor is there has been significant suspicion of such.

Which legislative instruments can be used by the police and public prosecutors for the investigation and prosecution of cases of corruption/bribery?

The Penal Code, sections 91 to 101, set out the different offences identified as corruption or the abuse of office. These include bribery, extortion by public officers, false claims, abuse of office, issuance of false certificates or the unauthorised administration of oaths.

Most of the few prosecutions for corruption have been pursued through the Leadership Code, which, prior to 1999, was prosecuted by the Department of Public Prosecutions.

Is the law applied?

Yes.

Although cases of corruption have been brought, the degree of success has been low, largely due to weaknesses in investigative and prosecutorial capability and will.

Is private-to private corruption punishable by law?

Sections 373-377 also provide basis for the investigation and prosecution of private corruption, that is corrupt practice not involving the state or official powers.

Although a criminal offense, private corruption has not been pursued in the courts.

Is the law applied?

No.

Although there is considerable awareness of fraud within the private sector, the collusive aspects of it that might be pursued as corruption, are not focused on.

How many cases of prosecution have been undertaken in the past years? How many have been successful? If the number is low, are there other effective measures or other good reasons why the number is low?

There are no good records of prosecution numbers and rates of success, even in the office of the Director of Public Prosecutions. The office estimates less than 20 cases of corruption have been brought, and a very low –less than 20%- success rate.

Interviews with different individuals were required to identify even two successful prosecutions of corruption. The lack of record keeping in the agency with primary responsibility, the Leadership Code Commission, and the lack of specific offices within the police and prosecutors, dedicated to corruption, compounds this. If corrupt activities, such as financial fraud and conversion are included as prosecutions of corruption, then the success rate is considerably higher – 50%- and the number of cases prosecuted amongst officers and leaders also higher.

Public Procurement (Central Tender Board, Secretary to the Tender Board)

Do rules for public procurement require competitive bidding for all major procurements with limited exceptions?

Yes. The Financial Instructions require competitive bidding with a minimum of 3 bidders for all procurements of greater than \$10,000.

Competitive bidding is practiced for all large (>\$10,000) contracts, but with significant suspicions and allegations of collusion and kickbacks in many cases.

Are the rules laid down in documents publicly accessible?

Yes. Large contracts are required to be publicly advertised in the print media.

Large contracts are advertised in the local media.

Are there strict formal requirements that limit the extent of sole sourcing?

No. Sole sourcing may be practiced only for contracts of less than \$5000, but may at the discretion of the Permanent Secretary of the Ministry concerned.

There has been little reported abuse of this prerogative.

Are all major public procurements widely advertised to the private sector?

Yes.

Major public procurements are largely funded through aid donors, who have tendering requirements in addition to those set out by the Solomon Islands Government's Financial Instructions.

Are procurement decisions made public?

No.

Decisions, including a detailed assessment of the bids, are summarised in a report issued to all bidders, but which is not made public.

Is there a procedure to request review of procurement decisions?

No.

Complaints have been pursued through the Ombudsman's Office, but this does not allow a reconsideration of the decision.

Can an unfavourable decision be reviewed in a court of law?

Yes.

Civil cases can be brought against the government on the basis of an unfavourable decision.

Are there provisions for blacklisting of companies proved to have bribed in a procurement process?

No.

There are no companies or individuals convicted of bribery in the tendering process.

Are there rules and procedures to prevent nepotism/conflict of interest in public procurement?

Yes, but only indirectly, through the Leadership Code.

Considerable scope exists for nepotism owing to the extended family and wantok systems in the country. Numerous allegations exist regarding favouritism, which are more long-standing than more recent concerns about bribery.

Are assets, incomes and life styles of public procurement officers monitored?

Yes, by the Leadership Code Commission.

As with other functions, the Commission is incapable of this, even though it is empowered to find on misconduct simply on the basis of lifestyle and possessions relative to known income.

Ombudsman

Is there an ombudsman or its equivalent (i.e. an independent body to which citizens can make complaints about maladministration)?

Yes, the Office of the Ombudsman is provided for by the Constitution.

The office of the Ombudsman, while established since 1981 is currently closed, due to lack of office space and severe under-resourcing.

**Is the ombudsman independent?
i.e. Are appointments required to be based on merit?**

Yes. An independent committee consisting of the Speaker, Chief Justice and Chair of the Public Service Commission selects the Ombudsman.

Ombudsman appointments have largely been made free from political influence.

Is the appointee protected from removal without relevant justification?

Yes, the recommendation for removal requires a finding by an independent judicial commission.

Is the office of ombudsman adequately resourced?

No.

The office is officially closed because it has not even office space within which to operate. Staff, equipment and running costs are all insufficient for its operations, and its office space has recently been reassigned to another government office, without an alternative space being made available.

Has an ombudsman been removed without relevant justification in the last five years?

No.

There have been no attempts to remove Ombudsmen, but there has been a steady denial of adequate resourcing to the office.

Can petitioners complain anonymously if they fear possible reprisals?

No, complainants and their object departments are made known to each other during the investigative process.

Reprisals due to complaints have not been identified as a concern by the office, or by past complainants.

Are reports of the ombudsman published?

Individual case reports are released only to parties concerned. An annual report is tabled in Parliament.

One Ombudsman failed to make an annual report for three years in a row, but was not removed. Parliamentary consideration of reports is not comprehensive.

Does the government act on the ombudsman's recommendations?

No.

A number of recommendations of past Ombudsmen have called for review of the office itself, and its powers. This is particularly since repeated findings of structural and institutional problems in government go unheeded.

Investigative/Watchdog Agencies

Are there special investigative or watchdog agencies?

Yes, the Leadership Code Commission, which consists of three persons and which is supported by an office.

Although the Leadership Code Commission exists, it has never entirely fulfilled its responsibilities, due to institutional weakness, and lack of strong leadership.

What are their main responsibilities:

- **Investigation;**
- **Prevention;**
- **Education and Awareness;**
- **Prosecution?**

The Leadership Code (Further Provisions) Act 1999 states that the Commission is responsible for monitoring the behaviour and affairs of leaders, investigating possible breaches of that code, and prosecuting such breaches as appropriate. Education and awareness is not specifically stipulated, but is a stated aim of the Commission. 'Leaders' for the purpose of the Commission include all elected representatives at national, provincial and local government, all public servants, police and teachers and even employees of statutory bodies such as the National Provident Fund (NPF) and Solomon Islands College of Higher Education.

Some rudimentary monitoring work is carried out, but there is very little follow-up and almost no investigation. These few activities are only being carried out for a small fraction of the 'leaders' defined by the legislation- the members of Parliament.

Most importantly, there is an unwillingness by the Commission to engage in serious investigation of the many grave allegations against high profile political and public service figures.

Are they independent?

i.e. Are appointments required to be based on merit? Are appointments generally based on merit?

Appointments are to be based on merit, and are selected by a panel of three including the Attorney General, PM and Leader of Opposition.

Until recently, there was no job description for Commissioners, nor any procedure for public advertising for candidates. Candidates for appointments are screened by the Public Service Department, which is part of the Prime Ministers Office, against unknown criteria. The selection committee only makes a selection from amongst those candidates passing the non-transparent screening process. In current and past parliaments, neither side has/had reason to appoint aggressive commissioners, hence the inclusion of both 'sides' of the house doesn't guarantee anything except commissioners acceptable to the biggest parliamentary blocs.

Are the appointees protected from removal without relevant justification?

Yes.

No commissioners have ever been removed from the Commission.

Are they adequately resourced?

No

The office of the Commission lacks almost all the elements required to begin its task:

- *clerical staff and facilities for maintaining records,*
- *personnel skilled in investigation, prosecution and the administration of such,*
- *communications facilities such a telephone and email,*
- *resourcing (travel budget, supplementary personnel, field offices) to enable it to fulfil its duties on a national basis.*

Are their reports published (other than when criminal charges are pending)? Are they acted on by the government?

No, no.

Unlike the Ombudsman, there are no requirements for an annual report, nor of governmental scrutiny of the Commission's findings.

Do they report publicly to the legislature on the general scope of their work?

No.

No.

Can people complain to the agency without fear of recrimination?

Yes.

Not in the past, but now more so as law and order have been restored. There is very little public awareness of the office and the scope of its powers, responsibilities and importance.

Media

Is there a law guaranteeing freedom of speech and of the press?

Yes. Article 12 of the Constitution guarantees the freedom of expression.

Freedom of speech and press is largely untrammelled by authority. There have been occasional threats from politicians, but the most serious threats have been from militias during the recent period of conflict. In practice, societal and personal concerns limit use of this freedom by the media itself, through the practice of self-censorship.

Is there censorship of the media?

Not at present, although there have been government attempts to impose media 'blackouts' on controversial topics.

More recent attempts have been rebuffed by the state owned Solomon Islands Broadcasting Corporation (SIBC). There is however, a strong element of self-censorship and unwillingness to range into controversy amongst print media ownership. Occasional threats and intimidation by individuals during lawless period have now been removed, yet inertia remains.

Is there a spread of media ownership?

There is insufficient spread of media ownership.

Two main media sources dominate the scene: the national government-owned broadcaster, SIBC (the only one with national reach). The dominant, locally owned newspaper (the Solomon Star) also owns an FM station which broadcasts within the capital. The print media is dominated by this outlet, with occasional publications by competitors, which are not sustained. A number of churches and NGOs also produce print media publications, but these do not have the readership of the Star.

Does any publicly-owned media regularly cover the views of government critics?

Yes.

SIBC is quite liberal in inclusion of critics of government in radio, interview, talkback, and its website.

Have journalists investigating cases of corruption been physically harmed in the last five years?

No.

Allegations of threats to life, and of unfair dismissal have been made by one journalist. The General Manager of the SIBC has also been threatened with firearms regarding the SIBC's coverage of a militant-related story, but no physical violence ensued.

Does the media carry articles on corruption?

Yes.

This has increasingly been the case as RAMSI has restored confidence in public order. The majority of such articles are not written by journalists for the paper, rather they are private views of an individual, submitted for publication. Most notable of these was the recent 2-part account alleging that the Prime Minister's had solicited kickbacks for authorising the disbursement of fraudulent compensation claims – an allegation that has not been tested in court.

Do media licensing authorities use transparent, independent and competitive criteria and procedures?

There is no media licensing required for radio, TV or print. Only normal business licenses are required, as well as a spectrum use license for broadcast media.

There are no transparent processes or independent criteria for the granting of business or spectrum use licenses, but there is also no suggestion of political pressure or favouritism in the issue of such permissions.

Are libel laws or other sanctions (e.g. withdrawing of state advertising) used to restrict reporting of corruption?

Yes.

Legal action has been consistently threatened by individual politicians, and senior civil servants. Business advertising by companies has been used as a threat against print media to prevent reporting of wrongdoing by companies or their associates holding office.

Civil Society

Does the public have access to information and documents from public authorities?

There is no blanket legislation preventing public access to information from public authorities, but there is no freedom of information legislation guaranteeing access either.

Except for some items (eg Parliamentary Hansard, Gazette) official information is not consistently available. Convention and institutional culture generally favours confidentiality, but document and information leakages are common.

Do the public authorities generally co-operate with civil society groups?

Authorities do make frequent allusions to intersectoral (government/non-government/civil society) cooperation, and policy statements do state the need for engagement with civil society and NGOs.

Are there citizen's groups or business groups campaigning against corruption?

Yes.

Transparency Solomon Islands has been established to work towards the elimination of corruption in the Solomons. It is closely aligned with the Honiara Civil Society Network (HCSN), which is active in promoting greater responsibility in governance matters. These organisations are lead by committed individuals, but are largely restricted to Honiara at present.

Are there citizen's groups monitoring the government's performance in areas of service delivery, etc?

Yes.

The HCSN has been informally involved in this. The national NGO Solomon Island Development Trust has been the only consistent monitor of people's feelings of service delivery and government performance. It has carried out nationwide surveys on government performance for four different administrations over the past 10 years.

Do citizen's groups regularly make submissions to the legislature on proposed legislation?

No.

Although not regular, citizen involvement in the submission of proposals for legislation is increasing. A civil society led initiative to create a Truth and Reconciliation Commission to deal with the events and circumstances of the civil conflict 1998-2002, has recently resulted in a submission to Cabinet for legislation supporting such a body.

**Does the education system pay attention to integrity issues and corruption/bribery?
Is it expected to?**

No, no.

Tertiary education has been more attuned to these matters, with some student and discussion groups actively considering matters in these areas. There is significant interest from citizens, NGOS and watchdog agencies to introduce such issues into curriculum at primary education level.

Traditional Organisations

To what extent are traditional organisations, such as councils of chiefs, subject to the National Integrity System? And to what extent are they part of the National Integrity System?

There are no national tradition fora, and none of them have any formal linkages with the National Integrity System. The nature of society in the Solomons is such that traditional organisations have action and relevance to a limited territory and relatively small social groups.

There are many regional differences in the nature and operation of Councils of Chiefs and like traditional organisation. Relations between these and the formal state institutions, including NIS ones, are variable. Isabel Province has strong linkages between Anglican Church, the Isabel House of Chiefs and the Provincial Government, but this is a unique situation. There are emerging a range of different Community Based Organisations (CBOs), demonstrating a variety of traditional elements which have emerged with more explicit connecting role in mind: Luru Land Council, Marau Leaders Council, Malaita Maasina Forum.

Is their funding and staffing subject to external review and audit?

No.

Public scrutiny of traditional organisations is largely limited to the questioning of their substrate societal groupings, with occasional public debates in the media. Judgements of propriety and equity are dominated by local cultural and social considerations. Financial scrutiny may also come from aid donors as funders of programming that may be .

To what extent are they part of the part of the NIS controlling corruption in other bodies?

They are not recognised as any part of the corruption fighting apparatus.

With the possible singular exception of Isabel Council of Chiefs, they are not involved in controlling corruption. In occasional cases, such organisations are involved in the scrutiny of electoral candidates, but not on a continuous basis.

What anti corruption measures, formal or informal, do they apply to their own members?

No known measures.

To what extent are their deliberations and decisions open to the public, and the media?

In practice this is variable; most traditional fora are open to members of their cultural area, with traditional strictures often observed. Certainly observation and participation in their deliberations by the general Solomon public or national media would be regarded as highly inappropriate, intrusive and even offensive.

Private Sector and NGOs

What measures have private companies adopted to reduce corruption within their own activities?

Some large companies operating in the country submit to annual external audits.

Private indications are that corporate corruption is concentrated in fraud and embezzlement. Few prosecutions are pursued, even when the sums are very significant (greater the SBD1 million in one case).

What measures have private companies, or Chambers of Commerce, adopted to discourage their members from corrupting public officials?

No such stances have been made by companies or the Chamber of Commerce.

Corruption of officials is believed to be extremely widespread by large businesses, particularly in the importing, logging and fishing industries. The Chamber of Commerce is strongly representative of large businesses, and is silent regarding the role of powerful business in the Solomon Islands corruption scene.

What has the impact of privatisation and outsourcing and increased use of NGOs in service delivery been on opportunities for corruption, and the control of corruption?

There has been no official recognition of the opportunities and potential for corruption arising from outsourcing of service delivery.

There are plentiful examples of suspected corrupt practice in a variety of outsourcing fields. Serious allegations of unfair contract awards and kickbacks surround the multi-million dollar supply of educational materials in the 1980s; the same businessman faces similar accusations at present. Roading contracts both in the provinces and in Honiara have faced similar claims, including at present. There are also a number of instances of obvious favouritism in the award of smaller contracts, for works and services. NGO involvement in outsourcing has been more limited, with no known instances of similar concerns to those expressed regarding local businesses.

What measures have NGOs or peak bodies adopted to reduce opportunities for corruption in their own activities?

Some large NGOs submit to annual external audits.

There have been cases of embezzlement and fraud within NGOs, often, but not always resulting in termination of the employee involved. Annual external audits have helped reduce such practices, and opportunities are reduced because programme or project funding is also often tightly monitored by donors.

What measures have Churches adopted to reduce opportunities for corruption in their own activities?

No public positions have been adopted by the Churches, either individually or collectively.

Matters of financial or procedural misconduct within Church organisations and administrations are approached with increasingly vigour, by church members and structures themselves. There is also some increase in willingness to air concerns about such occurrences in public.

Regional and Local Government

Are there, at regional and local level, rules and disclosure provisions similar to those operating at national level on nepotism, conflict of interest, gifts and hospitality, and post public office employment?

All the standards, requirements and penalties set out in the Leadership Code Act (Further Provisions) 1999 apply equally to elected officials, officers and employees at regional and local government levels.

The degree of enforcement of such regulations in local and provincial government settings is very low, probably significantly lower than at the national level.

What public offices at regional and local level are appointed by the national government?

At local government level, the Minister responsible may appoint members to a Local Council, provided the number of such members does not exceed one-quarter of the number of elected members in that council (Local Government Act section 6). The Minister is also empowered (Local Government Act sections 47 and 48) to declare a Council in default of its functions and suspend or dissolve the council, transferring any or all of its functions to any other entity or entities regarded as fit.

In practice, Honiara City (formerly Town) Council was dissolved by the Minister responsible on more than one occasion in the past twenty years, due to intractable infighting and non-performance. Honiara community representatives were appointed to carry out its functions, prior to the reformation of the council by fresh elections.

Is there a legal requirement that meetings of city/ town councils be open to the press and public?

Yes. Section 23 of the Local Government Act states that full Council Meetings be open to the public to the extent practicable. Committee or partial Council meetings may be held without the public present, as well as any full Council meetings as determine by Council resolution. At the Provincial Government level, each Provincial Assembly is empowered to make specific Standing Orders to regulate conduct of its business. These must include provisions for Assembly meetings to be held in public, subject to specific exclusions as determined.

Full Honiara City Council and Provincial Assembly meetings are held in public. Sub-committee and executive meetings are very commonly not held in public.

Are there clear criteria restricting the circumstances in that city/town councils can exclude the press and public?

No.

Section 23 of the Local Government Act allows any matter 'prejudicial to the public interest' or 'special circumstances' to be sufficient grounds for closing meetings off from the public. Much of the acrimony and politicking experienced by Honiara City Council, for instance, has taken place during such sessions.

Do national agencies with a remit to deal with corruption (anti-corruption agencies, ombudsmen, supreme audit institutions, and so on) work at regional or local levels and are there specific agencies with regional and local responsibilities?

Yes, the Leadership Code Commission, Ombudsman's Office and Auditor General all have remit to operate at local and provincial levels. There are no specific agencies responsible for ensuring integrity and local and provincial levels.

The activity and effectiveness of the afore-mentioned national agencies is even more reduced at local and provincial settings, than at the national level. This is due to both a lack of awareness of the agencies in provinces, as well as the limitations on agency operations outside of Honiara. The Ombudsman's Office has a sizable number of cases submitted from public servants employed in the provinces, reflective of the elevated awareness of such agencies amongst public servants.

Progress with Government Anti-Corruption Strategy

Has the government announced an anti-corruption strategy and a timetable for implementation?

No

No government has yet announced such a strategy, and none has expressed any explicit desire to systematically tackle corruption as a priority.

How much of the strategy has been implemented?

See above.

Is the strategy at national level or regional/local level?

No provinces nor the Honiara City Council have announced any such strategy.

Is the government meeting its own timetable?

See above.

Donor Anti-Corruption Initiatives

Which bilateral and multilateral donor agencies are based in the country?

The United Nations family of organisations is represented in the Solomons by a UNDP country sub-office, UNICEF and UNHCHR (UN High Commissioner for Human Rights). The European

Union, Australian Aid (AusAID), New Zealand aid (NZ Aid) and Japanese and Taiwanese donor agencies are also based in the country.

What types of anti-corruption initiatives have they supported?

Long standing emphasis on good governance in donor rhetoric in Solomon Islands has included the importance of stemming corruption.

At most, support for anti-corruption initiatives by donors have been indirect. Since the arrival of RAMSI, there has been direct emphasis on police force reform, and a stated target of corruption in 2004. A number of high level police and militant arrests indicate some progress on addressing those parts of the government-militant-business complex.

Prior to RAMSI, AusAID was very indirectly involved in anti-corruption work as part of law and justice sector reform programme (SILAJISIP) NZAID and EU were involved through their support to NGOs in public civic education and voter awareness.

Taiwan's unconditional budgetary support to SIG during the post Townsville Peace Agreement period from 2001 onwards, created opportunities for extortion from the Treasury and embezzlement by official and politicians.

Are there any examples of donors cooperating or coordinating their programmes?

The European Union, Australia, NZ and the United Nations- and international banking-multilaterals have all expressed interest in coordinating all their assistance.

Past anti-corruption programming has not been evident, so coordination has not been an issue. However, RAMSI is a joint regional operation, and all investigations, arrests and prosecutions, carried out and supported by Australian, NZ and Pacific regional police in cooperation with SI police, are coordinated via a Special Coordinator located in Honiara.

Future Research and Donor Support

Can key areas or issues be identified in terms of corrupt activity that the research for the report has demonstrated as requiring immediate attention, and which are they?

The extent and severity of corruption in the Solomon is critical, but there are two related types of corrupt activity which require immediate attention: corrupt practice within the resource sector and corrupt relationships amongst political and business power elites.

The activities of the first area have drastic ongoing effects on state finances, and on the resource base of the country. This includes wide ranging corruption in the forestry, fisheries and customs arenas. Corruption in these includes bribery and collusive relationships between companies and government officials which drastically reduce the flow of government revenue and in the case of resource sectors, distort any resource monitoring activities through underreporting of exploitation rates and the suppression of reports of unsound practice. The net effect of these activities is to constrict the proper revenue streams of government, disguise the environmental and opportunity costs of mismanagement, and further entrench corruptive institutional cultures in the sectors involved.

The second set of activities have a structural and attitudinal effect on the state sector and the broader national society. These perpetuate influential corruption complexes - associations of individuals, behaviours and structures which initiate, sustain and protect corruptive activity itself. At the centre of these activities are members of the executive and legislature, senior

members of the civil service, and a variable clique of powerful businessmen and other non-governmental associates. This set of activities involve ongoing relationships of collusion and bribery between the senior holders of official powers and the bearers of economic clout.

Is there a particular aspect of corrupt activity either particular to the country concerned, or significant in terms of effect or impact, that would require more in-depth research?

A study of the evolution of corruption in the Solomon state sector would yield important insights into the most important risk factors, pressure points and loopholes leading to the compromise of institutions in the country. Such an investigation should also assess the relative significance of different processes that have had a role in the erosion of public accountability, such as public service politicisation, direct corruptive pressures, and the transferrance of established behaviour such as 'wantokism' to new spheres such a crony-cliques.

Related research is also needed to assess the dynamics underlying the obvious vulnerability of legislative and executive positions to corruptive influence.

Most significantly, there needs to be an ongoing emphasis on the facilitation of Solomon Islands research programmes monitoring and analysing the relationship between people's attitudes to nation, state and corporate responsibilities, and the standards or ideals they apply to official behaviour.

Is there a particular approach or initiative to combating corruption that may be considered for further research or study as an example of best practice?

A few recent success stories regarding the formation of public opinion and application of its pressure to policy, deserve thorough analysis. Questions would centre on how public opinions are formed in the Solomons and how they engender accountable behaviour from institutions.

In 2001, organised civil society action led to the government holding national elections as required by the Constitution. Executive branch ambitions to postpone the required elections and amend the constitution to legitimise such an action, were thwarted by an unprecedented confluence of organisation, public opinion and donor support. A careful study of this episode, is needed to identify valid generalities and any critical features there are of emerging public dynamics.

There have been numerous Community Based Organisations (CBOs) emergent over the years since independence, with varying degrees of success and sustainability. A comparative analysis is needed to explore the societal and organisational basis for the more successful and sustained instances. CBOs are normally developed along implicitly recognised sociocultural and socio-economic boundaries, and sometimes cross [Christian] denominational lines. The extent to which these corporate bodies are responsive to their constituencies, as well as the nature of responsiveness may serve as useful comparator for more formal and recognised structures.

Can key areas or issues relating to possible anti-corruption initiatives be identified as requiring donor support?

Three areas of anticorruption programming will require donor engagement:

Engendering attitudinal change through vigorous RAMSI prosecutions

Through the intervention programme, RAMSI, donors are already involved in the rehabilitation of the police force and the prosecution of serious crimes during the period of civil conflict 1998-2002. The extent and vigour of investigation and prosecution of key corruptive figures within the political and business elite will be very

influential on attitudes and expectations amongst both the power elites and amongst ordinary Solomon Islanders. A vigorous programme that is wide-ranging will serve to shift perceptions of what constitutes acceptable and unacceptable behaviour by leaders and leadership positions, while a more restricted and selective approach, focusing for instance on violent criminals of the 'tension' period, will serve to reinforce conventional perceptions of the 'harmlessness' of much corrupt practice.

Integrated reactivation of cornerstone institutions.

Long term under-resourcing of cornerstone integrity agencies such as the Ombudsman's office, the Leadership Code Commission and the Auditor General's office has eroded not only capacity, but also any institutional stance towards pro-active engagement in fighting corruption. A history of isolation has also denied these agencies the advantage of synergy and cooperation. Comprehensive donor engagement will be required to rehabilitate these institutions in three ways:

- in terms of their capacity to fulfil individual roles*
- in terms of their joint capacity to act in an integrated manner towards a governance environment of integrity*
- in their engagement with broader Solomon society, evolving attitudes, mores and institutions supportive of responsible national governance.*

Support for initiatives addressing the gap between Solomon Islanders and institutions of governance.

Undergirding the dysfunction of various state bodies and governance processes is a lack of understanding and connectivity between the people and social structures of the Solomons, and the bodies tasked with their governance. This gap is apparent in the area of integrity institutions, and from their apparent lack of effectiveness. The long-term sustainability of any integrity and governance reforms, depends on the degree to which leadership and initiative from Solomon Islands itself, can emerge and persist. Donor preparedness to identify, recognise and support such initiatives will determine the extent to which early gains in reform are translated to lasting improvement.

Can key areas or issues relating to anti-corruption initiatives be identified in terms of forming the basis for potential donor prioritisation, sequencing, cooperation and coordination?

Donor coordination and cooperation is best achieved by the country itself, but in the absence of a Solomon Islands anti-corruption strategy, it is important that there is donor agreement on the principle of supporting long-term, locally driven change.

Some risks of what might be called 'recolonisation' or 'lack of ownership' are already being realised, with many ordinary Solomon Islanders (and senior officials) drawing explicit contrast between what they do because of expectations and standards imposed by RAMSI, and what they would do in its absence. The risks of such separation in anti-corruption initiatives are considerable, as apparent rapid procedural and structural improvements may be quite divorced from the institutional cultures, and societal mores needed to sustain them.

Without multi-donor support for such a principal, there is potential that conflicting initiatives act to undermine substantive and meaningful change. Commitments to coordination may be best served by the development, and support of a Solomon Islands interface body or process, to serve as a focal point for anti-corruption programming.

Although the creation or facilitation of such coordination mechanisms may important over the medium term, there needs to be an early emphasis on facilitation of public engagement in the anti-corruption process. Many of the environmental factors capable of sustaining or retarding integrity system improvements lie outside of the bureaucratic and administrative systems of government, and cannot be engendered simply through organisational change. Civil society organisations and networks exist with considerable capacity and vision, and an immediate emphasis on engagement with them would offer early gains that are not transitory.

Appendix 2 References

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