



ANNUAL REPORT 2017-2018

Adam Smith International

Strongim Bisnis works with the private sector to increase economic prosperity in Solomon Islands.

Tackling the nation's trade and investment challenges, Strongim Bisnis focuses on providing solutions at an industry and sector level.

The program targets the business enabling environment, as well as the coconut, cocoa, and tourism industries. Working with each sector to identify the most pressing problems and practical solutions, Strongim Bisnis will make a positive, inclusive and lasting impact. It will enable businesses to grow, while empowering women and youth.

ANNUAL REPORT

2017 - 2018

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STRONGIM BISNIS

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Acronyms and Abbreviations

AHC Australian High Commission
ASI Adam Smith International

BPD Business Partnerships Director

CBSI Central Bank Solomon Islands

C4D Communications for Development

CEMA Commodities Export Marketing Authority

CRB Coconut Rhinoceros Beetle

DCED Donor Committee for Enterprise Development

EOPO End of Program Outcome

FAO Food and Agricultural Organisation of the United Nations

MCILI Ministry of Commerce, Industry, Labour and Immigration

MSA Market Systems Analyses

MoC Ministry of Commerce

MOU Memorandum of Understanding

MRM Monitoring and Results Management

MSD Market Systems Development

MSME Micro, Small and Medium Enterprises

NGO Non-Government Organisation

OPM Operations and Procurement Manager

PbR Payment by Results

PIC Pacific Island Countries

PLWD People Living with Disabilities

RMRM Research, Monitoring and Results Measurement

R&D Research and Development

RTC Rural Training Centres

SICCI Solomon Islands Chamber of Commerce and Industry

SAP Strategic Advisory Panel

SIG Solomon Islands Government

SIGP Solomon Islands Growth Program

SINU Solomon Islands National University

SIVB Solomon Islands Visitors Bureau

SIWIBA Solomon Islands Women in Business Association

TVET Technical and Vocational Education Training

WARA West AreAre Rokotanikeni Association

WEE Women's Economic Empowerment

Executive Summary

Strongim Bisnis, funded by the Australian Government and delivered by Adam Smith International (ASI) as the Managing contractor, commenced in July 2017 as a market systems development (MSD) program in Solomon Islands. It works with businesses to increase their productivity, access more income earning opportunities and higher value markets, and become more resilient. Our vision is to be a program which is innovative, catalytic, and responsive to market and social-political dynamics, demonstrating scalable and sustainable development intrinsic to the MSD approach. A key focus of Strongim Bisnis is to ensure Solomon Islands' women and youth have increased economic opportunities.

Strongim Bisnis addresses root causes of dysfunction in market systems/sectors by intervening, in collaboration with market actors, to facilitate change. This is an iterative and progressive approach that may start with a small activity – such as piloting new technology or training – the results from which may lead to scaling up or further interventions or investments.

2018 - the first full year of operation for Strongim Bisnis - was a year of establishment focused on commencing implementation of sector development plans, several small, medium, and large-scale activities, and mobilising our internal resources and operational processes. In line with MSD programs around the globe, the program's opening charge has largely consisted of piloting, experimenting, and partnering with a wide range of organizations to quickly learn and adapt over this period. Fast changing complex systems require a "fail fast and iterate" mentality allows the program to identify the most transformative and sustainable opportunities in the market.

To that end, 2018 demonstrates that Strongim Bisnis is on track with this approach. Progress towards agreed outcomes is largely on track, the program has learned and adapted to be responsive to context, and a solid foundation has been established for the program to build on going forwards. Project timelines and associated impact for MSD projects follow different trajectories than direct-delivery programs – regardless of this, Strongim Bisnis adequately achieved its intended 2018 Annual Plan targets for generating business, establishing partnerships and carrying out key research (as illustrated below).



The first half of 2018 was the last stage of Strongim Bisnis' inception period. This was an intensive period of setting up a fully functioning office and fleet of two vehicles. All documentation to run the program – operations and finance manuals, as well as guidelines for managing the flexible fund and industry partnerships – were established and instituted over this period. A total of 15 LTA and LES staff were employed. A number of positions proved challenging to recruit in 2018, and the ability to attract high quality human resources internationally

and domestically will remain an ongoing challenge.

Substantial progress towards outcomes was achieved across each of our key sectors, the foundation for which was laid after the completion and dissemination of market system assessments across the Strongim Bisnis portfolio. In **Tourism** the program commenced a number of exciting partnerships with prominent organisations in Solomon Islands (including – but not limited to - the Western Province Tourism

Association, Tourism Solomons and Solomon Islands Discovery Expeditions) totalling AUD646,000. This represents 50% of the 2018 flexible fund portfolio. Of primary importance was the establishment of a strong relationship with the Permanent Secretary and Director for Tourism within the Ministry of Culture and Tourism over the course of the year.

In **Cocoa**, we initiated and/or completed 7 activities/partnerships in the cocoa sector with a total anticipated value of around AUD \$335,000. Strongim Bisnis became the first program in Solomon Islands to build a working relationship with Holland Commodities, exporter of around 80% of the country's cocoa beans, with a partnership to commence in early 2019. A major feature of

2018 Summary of Major Program Achievements

- Started-up brand new program and introduced the MSD approach in Solomon Islands
- Contributed to Australian Government's visibility in Solomon Islands in a significant manner
- Made substantial progress in building the program's credibility
- Signed several high-profile partnerships and implemented 31 activities/partnerships
- Built strong working relationship with several key public/private sector stakeholders
- Tested new business models and innovations and used results to revise strategy.

the year was the successful coordination of the 2018 SolChoc Cocoa and Chocolate Festival in partnership with MAL, RDP, PHAMA, ADRA, SICCI, and CEMA.

In **Coconut**, a mainstay of our approach is has been supporting the Ministry of Agriculture and livestock and Biosecurity Solomon Islands with the behaviour change campaign against the coconut rhinoceros beetle, while a high-profile cooperation agreement with Kokonut Pacific Solomon Islands was also signed. Roughly 21% of the 2018 flexible fund portfolio was devoted to our coconut portfolio.

Our emerging focus areas in the **business enabling environment (BEE)** has produced early progress. Borne out of the Reflection Workshop in September 2018, three (3) activities/partnerships in the BEE (finance) sector commenced totalling AUD39,000 (around 3% of the 2018 flexible fund budget). Early effort has been placed into access to finance and shipping services initiatives.

Women's economic empowerment and social inclusion remains a mainstay of our activities and has been successfully embedded across our entire partnership and research portfolio. Strongim Bisnis started a total of 10 initiatives for WEE / Youth Inclusion in 2018 at AUD \$127,000, representing 10% of the flexible fund, in addition to WEE mainstreamed across a wide range of activities from Gender Norms Study (in partnership with Oxfam) through to raising awareness about gender-based violence through the DreamCast Theatre roadshow and a large number of training support events attached to the SolChoc Festival event.

The quality of our programming and impacts depend of the quality and breadth of information the program has to hand. To that end Strongim Bisnis' **research program** funded a total of 13 separate market, consumer behaviour and feasibility studies across each of the key sectors. A large degree of focus was also placed on ensuring the change we facilitate is **sustainable and scalable** – this occurred through a number of initiatives centred on harmonisation and alignment with SIG objectives, deepening our understanding of market actors interests, and ensuring all partnerships are predicated on achieving and maintaining profitability. In line with Australian aid policy, Strongim Bisnis consistently considers the environmental impact of every initiative at the design stage.

Grasping lessons learned - and adapting the program in response to these - remains a key pillar of our Monitoring and Results Measurement (MRM) approach as an MSD program. In 2018, MRM activities were focused mostly on setting up the system, tools and plans, enhancing staff's capacity to design and implement activity level MRM plans, conducting the pre-audit of the MRM system, preparation for the baseline surveys and regular review meeting with the technical team. The Reflection Workshop in September 2018 became a focal point for revisiting assumptions about the initial market systems analyses across each of the sectors, and become a lynchpin for Strongim Bisnis to realign its sector priorities and activities –including focusing on BEE issues as previously outlined.

Our **communications agenda** became well established by the end of 2018. In its inception phase, the program developed branding, signage and material to profile and distinguish the program. By Q4, the program setup online platforms (website and social media) and was driving news stories in national media, while a distinct brand platform with strong design elements was established that further maximised Strongim Bisnis' (and DFAT's) visibility. At a higher level the program's communication efforts moved beyond a 'publicity' function and realised the importance of applying communication as a program intervention. Communication is now a key feature in business cases and as a stand-alone project addressing development outcomes (e.g. CRB behaviour change campaign), and Strongim Bisnis judges the effectiveness of its communication agenda though its influence on policy and behavioural change.

Adam Smith International staff have worked closely with the Strongim Bisnis team to build a **program** management capability that is strong and fit for purpose. This was tested early in 2018 due to the difficulty of finding suitable candidates for a number of nominated roles; since then the team been able to build a strong foundation for success having filled most executive and support positions, noting some senior roles (incl. the CEO) were vacated at the end of 2018. All managing contractor and operations procedures have otherwise been well embedded across the team and program.

1. Context

While Solomon Islands has made significant economic gains since the Regional Assistance Mission to Solomon Islands (RAMSI) commenced in 2003, it remains one of the poorest countries in the Pacific. Economic growth remains barely above population growth and financial prospects for the country are bearish given the anticipated slow-down of logging activity due to unsustainable logging practices. The UN's Human Development Index has remained virtually static. While Solomon Islands is trending favourably in the World Bank's Doing Business Index, businesses, especially micro, small and medium-sized enterprises (MSMEs) are still facing big hurdles on both the supply and demand side. Solomon Islands is largely a price taker on commodity exports in markets that have wildly fluctuating prices. This coupled with high operating costs, high transportation costs, low export volumes as compared to the region/world, land rights issues, small population representing a small domestic market opportunity, and low human resource capacity, hampers Solomon Islands' bid to promote domestic and international investment. This modest growth outlook has not provided adequate opportunities for women, who have a much lower rate of participation in the formal labour force than men and face multiple barriers to employment and business enterprise beyond informal trading. It also has done little to relieve the social pressure from widespread youth unemployment.

Within this urgent context the Australian Government initiated the Solomon Islands Growth Program (SIGP), of which Strongim Bisnis represents the flagship position to "work in selected markets, primarily the private sector and also with government... on business practice, market development, risks and resilience, and women's participation in the economy", in order to "increase private sector investment in a more inclusive economy"1.

As a highly anticipated component of the SIGP, Strongim Bisnis was signed into existence in July 2017 with a three-year horizon, including a three-year extension clause, and a budget of AUD 14 million.

As per the head contract, Strongim Bisnis end of program outcomes to June 2020 are:

- Business is demonstrating potential for increased productivity, greater resilience, better
 risk management, more income earning opportunities and access to high value markets,
 measured by higher agricultural yields, more efficient use of assets and labour, and new
 business models that favour employment, incomes or trade.
- The private sector and government work together to increase opportunities for trade and investment, and form external partnerships that accelerate business growth, measured by a more favourable investment climate and external partnerships that accelerate changing business practice; and
- Women and youth have increased economic opportunity, measured by women's and youth participation in the above outcomes, and specific measures for women's and youth economic empowerment.

¹ SIGP Design Document, January 2017

Strongim Bisnis fundamentally leads the SIGP based on the following principles, as spelled out in the head contract:

- a) Locally led solutions. Strongim Bisnis acts as a facilitator for exploiting opportunities that are of interest to businesses or other organisations. Strongim Bisnis aims to influence through information, dialogue and encouragement, and will not lead change or work to prescribed solutions in the delivery of activities.
- b) Market-led, sustainable solutions. Strongim Bisnis works to decrease dependency on donor or Government funded handouts. Strongim Bisnis' support for any business or organisation will be time bound and lead, where possible, to market-based sustainability (through cost recovery, increased revenue or changes in incentives).
- c) Consistency with SIGP investment criteria. Strongim Bisnis will apply the investment criteria effectively across all interventions.
- d) **Private sector focus.** Strongim Bisnis works directly with the private sector and with those parts of Government and statutory agencies identified by the private sector as important to their operations.
- e) Focus on women. Strongim Bisnis will develop opportunities for women in focus sectors, to encourage women in non-traditional roles and women entrepreneurs. It will use and extend the evidence base on barriers to women's participation in the economy and take into account the risks to women of violence and increased drudgery.
- f) Experimentation, risk and innovation. Strongim Bisnis will encourage business to adopt new practices and collaborate for mutual benefit. It will introduce good practice from other market development programs and develop a balanced approach to risk, accepting that some interventions will fail. Strongim Bisnis activities will embrace the risk of failure and maximise the benefits of each failure by examining the causes and sharing case studies within DFAT and with other donors.
- g) **Understanding the political environment.** Strongim Bisnis will operate sensitively within the political environment of Solomon Islands.
- h) Strongim Bisnis will operate with coherence and cooperation with the Australian growth portfolio in Solomon Islands. It will coordinate and align activities with others in the growth portfolio and personnel will contribute to results measurement and reflection across the portfolio. Strongim Bisnis will lead internal coordination of Australian investments in the tourism, cocoa and coconut sectors.

Strongim Bisnis follows the Market Systems Development (MSD) approach. DFAT summarized in its November 2017 Guidance Note that the MSD approach aims to "reduce poverty by enhancing the ways that the poor interact with markets".² This note references the Springfield Center's definition of MSD stating that it seeks to "develop market systems so that they function more effectively, sustainably and beneficially for poor people, building their capacities and offering them the opportunity to enhance their lives³". The note also highlights the fact that "MSD is not a mechanism or a modality of aid delivery. It is an international body of knowledge, guidance, good practices and lessons learned from the experience of delivering aid activities (including DFAT's own aid activities)". The unique aspects of the MSD approach, applied for the first time in the Solomon Islands context, presented Strongim Bisnis a number of opportunities and challenges in its full first year of operation in 2018.

² https://dfat.gov.au/about-us/publications/Documents/operational-guidance-note-market-systems-development.pdf

³ The Springfield Centre. (2009). A Synthesis of the Making Markets Work for the Poor (M4P) Approach. Funded by DFID and SDC.

1.1 2018 Overview

1.1.1 What we planned to do

Operations:	Communications:	Technical:
 Finalise set up of office and purchase of assets Recruit team and build capacity/training Set up internal systems / processes Report on progress 	 Develop strategy Develop branding guidelines Develop communications assets Set up website / social media Communicate successes (visibility for Strongim Bisnis and Australian Government) 	 Finalise market analyses, strategies and gender action plan Develop and implement Monitoring and Results Measurement System Submit 2018 Annual Plan Build credibility in the market place Pilot initial set of partnerships and activities Conduct reflection, leading to learning and adaptation Submit 2019 Annual Plan

1.1.2 What actually happened

Operations: By early 2018 Strongim Bisnis had set up a fully functioning office and a fleet of two vehicles. Staffing was a challenge throughout 2018, including the ability to attract high quality human resources internationally and domestically. While Strongim Bisnis saw the resignation of the CEO, the dismissal of the communications director and finance manager, resignation of the MRM Advisor, and resignations of two business advisors, by the end of 2018 Strongim Bisnis had a fully-staffed and equipped operations team, business advisor team, and Women's Economic Empowerment team. Difficulty in finding local MRM and Senior Business Advisor talent resulted in regional recruitment and engagement of two staff members that will begin their assignment early 2019. Program staff received a high level of training and mentoring in 2018 and the team is in a good position to grow our activity pipeline and succeed in 2019.

Set up of internal systems and processes took longer than expected to embed; by the end of 2018, however, the program found its feet and functions effectively, guided by documents such as the operations manual (covering contract management, procurement, asset management, IT management, etc.), finance manual, and HR manual, as well as a comprehensive Flexible Fund Manual. Monthly highlight reports, quarterly reports, Payment by Results (PbR) indicators and results, and budget information were submitted to the donor in a satisfactory manner.

Communications: while initial communications efforts were slowed by staffing challenges, by the end of 2018 Strongim Bisnis had not only developed its communication strategy, guidelines, assets, website and social media profiles, but had flooded the market with highly visible coverage of Strongim Bisnis and the Australian Government through newspaper articles, social media posts, events, and radio broadcasts. In the period between October to December 2018 alone a total of nineteen articles were printed in local newspapers on the project's activities.

Technical: all three sectors' market assessments, the gender assessment, the gender action plan, and sector strategies were finalised on time with the submission of the 2018 Annual Plan in January 2018. In

terms of piloting an initial set of activities, the program's expectation was exceeded with 31 activities initiated, 15 of which are ongoing and 16 completed, 6 partnership agreements, 2 cooperation agreements, 3 Letters of Support, 1 MoU; a value of activities/partnerships completed and in implementations stage of AUD 1,290,174; and partners committed to more than 50% average cost-share in partnerships, a total of around AUD 400,000. The MRM system was set up and a DCED "systems-in-place" audit found Strongim Bisnis to be in good standing in regard to its MRM plans. A reflection workshop in September 2018 resulted in adaptation of the program strategy with a more focused set of intervention areas in the three sectors (tourism, cocoa, coconut) and increased emphasis on activities in the Business Enabling Environment sector mostly in tandem with Women's Economic Empowerment activities.

Building credibility in the market was a major challenge with Strongim Bisnis entering a quite hostile environment in early 2018, but since then the program has built its credibility and found major influential supporters such as MCILI, MWYCFA, MCT, CBSI, Tourism Solomons, and the IFC. Some detractors remain and a vital relationship with SICCI has been hampered by forces outside of Strongim Bisnis' control. Feedback on the program from some stakeholders still includes a lack of understanding of what the program does, which is not surprising given the complexity of MSD and its recent introduction to Solomon Islands.

1.1.3 2018 Summary of Major Program Achievements

- · Started-up brand new program and introduced the MSD approach in Solomon Islands
- Contributed to Australian Government's visibility in Solomon Islands in a significant manner
- Made substantial progress in building the program's credibility
- Signed several high-profile partnerships and implemented 31 activities/partnerships
- Built strong working relationship with several key public/private sector stakeholders
- Tested new business models and innovations and used results to revise strategy.

1.1.4 2017-18 Annual Plan Targets vs. Actuals

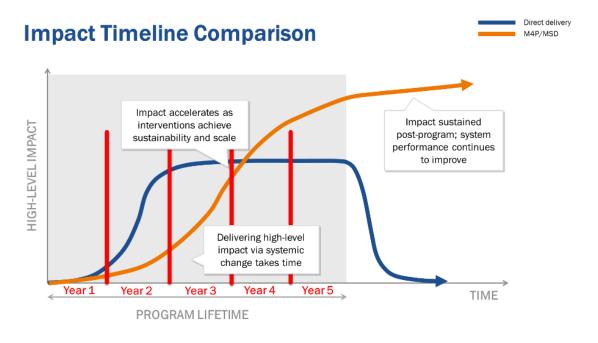
As Strongim Bisnis' MRM approach is built "from the ground up", meaning by aggregating indicators and targets developed for each activity/partnership rather than a "top-down" approach, the 2018 Annual Plan did not include activity-level output/outcome targets. While detailed output and outcome targets are included in the 2019 Annual Plan, the 2018 Annual Plan chose program-level output targets outlined in the two charts below. Strongim Bisnis adequately achieved its intended 2018 Annual Plan targets.

Sectortargets	Tourism actual	Cocoa actual	Coconut actual	WEE/Youth10 business cases	Business enabling - cross cutting
10 business cases	8	8	7	10	4
5 partnerships/ activities	5	5 (all SolChoc)	3	2	2
2 research efforts	1	0	1	1	1

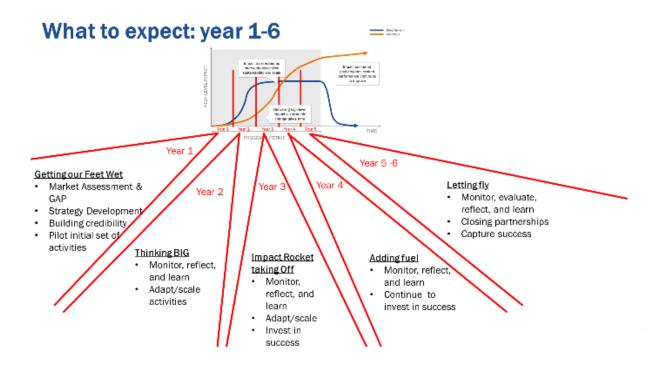


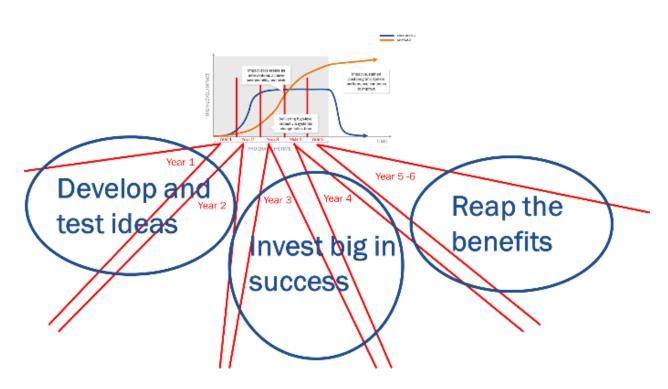
1.1.5 How this fits into the larger picture: comparison with MSD expectations

Progress towards outcomes is largely on track, the program has learned and adapted to be responsive to context, and a solid foundation has been established for the program to build on going forwards. Project timelines and associated impact for MSD projects follow different trajectories than direct-delivery programs (see figure below).



The recent report by Market Development Facility (MDF), a DFAT-funded MSD program in Fiji operating since 2013, titled "Promoting Systemic Change in Shallow Markets", reiterates this point and details expectations in the South Pacific context. Strongim Bisnis is glad to confirm that already in year one of implementation we are approaching our work in line with the recommendations outlined in the MDF report on shallow markets. We are, given the context, ahead of the curve in terms of our approach and progress towards impact (see diagrams, next page).





1.1.6 Continuing Risks/Challenges

While Strongim Bisnis is well on-track by the end of 2018, the program continues to face some challenges and risks. Most MSD programs are funded for a minimum of 5 years, while Strongim Bisnis' contract is three years with the option for AHC to grant an additional three-year extension based on program performance. Given the impact profiles of MSD programs preliminary results and indication for large-scale success will be clear by Year 3, but impact in terms of incomes and jobs will take longer. The project continues to be challenged by the local economic, political, and social environment but with the solid foundation established for the program in 2018 Strongim Bisnis is ready to build on early successes going forwards.

In the following sections we will discuss in detail the 2018 program activities, achievements and progress toward outcomes, key lessons learned, and program adaptations. We also discuss our MRM and communication efforts, as well as the overall management of Strongim Bisnis.

2. Progress Towards Outcomes



31 activities initiated (15 ongoing, 16 completed)



6 partnership agreements, 2 cooperation agreements, 3 letters of support, 1 MOU



Value of activities/partnerships completed and in implementation stage AUD \$1,290,174



6 partners committed to >50% average cost share (around AUD \$402,000)

2.1 Overview

In 2018, Strongim Bisnis collaborated with public and private sectors, and civil society partners to implement wide-ranging activities in priority sectors, to increase incomes and create jobs for poor households in Solomon Islands. These activities strengthen the underlying constraints in the respective sectors, and empower women and youth to improve their social and economic conditions.

Strongim Bisnis has delivered on its technical objectives and implementation goals. Since its inception in 2017, the program has introduced a unique approach to the Solomon Islands, invested in local staff training, signed partnerships with several high-profile local businesses, built strong working relationships with several key public and private stakeholders, and tested new business models and used the results to revise the program strategy for 2019. Against typical MSD program process and outcome timelines, our program is ahead of the curve in terms of approach and progress towards impact.

The Solomon Islands Growth Program (SIGP) mid-term review reinforced this progress in a complex market:

"...initial progress during the start-up of the activity was slow, reflecting to a substantial degree the challenge in establishing a new, large and complex activity. Progress was challenged by more onerous working processes than anticipated and known business operating constraints in Solomon Islands."

"While initial progress during start-up to the program was slow, it now has 28 partnerships and activities approved and initiated. Strongim Bisnis cumulatively delivered on activities in 17 out of 23 interventions prioritised for 2018. In addition to the partnerships that were established, it trialled early programs and is now beginning to scale up successful activities".

Partnerships and activities are implemented directly by the local partner, aiming to enhance their capacity to provide better market access or deliver quality products and services.

By the end of 2018, Strongim Bisnis had initiated 31 activities/partnerships, 15 of which are ongoing and 16 which were completed. These included 6 partnership agreements, 2 cooperation agreements, 3 Letters of Support, and 1 MoU. The total value of the 2018 activities/partnerships completed and in implementations stage is estimated at AUD 1,290,174. Partners committed to around 55% average cost-share in 6 partnerships, for a total of around AUD 402,000.

Partners	Total	Partner	Strongim Bisnis
Island Enterprises	128,248	84,954	43,294
C-corps	100,300	50,300	50,000
Tourism Solomon	238,297	157,676	80,621
WARA	47,940	-	47,940
Dive Munda, SIDC	143,606	93,606	50,000
Oxfam	72,631	15,825	56,806
Total	731,022	402,361	328,661
		55%	45%

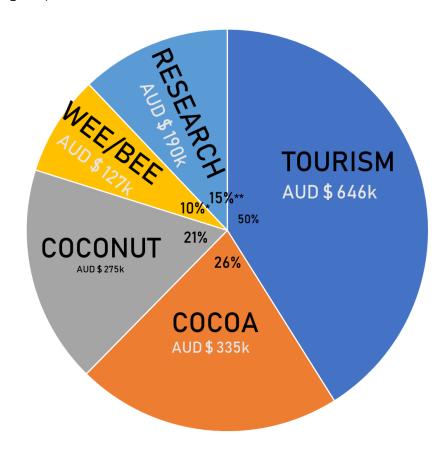
Early quantitative indications of programmatic success is captured in the table below. It should be noted that these are highly conservative estimates based on verifiable numbers. For example, the number of households benefiting certainly is higher than nine households but this has not been verified via our monitoring and results measurement system and is thus not reported yet.

Common Indicators	Program Total	Tourism	BEE/WEE	Cocoa	Coconut
# of households recording positive change in annual incomes	9	-	-	-	9
Net attributable income changes per household (AUD)	36	-	-	-	36
Increased value of production or service provision (AUD)	67,905	10,581	-	57,000	324
# of new jobs created by MSMEs	12	12	-	-	_
# of beneficiaries/MSMEs adopting improved business practice	84	17	58	-	9
# of beneficiaries/MSMEs with improved access to markets or information or products/services	13,905	163	300	100	13,342
# of market actors providing new/improved product/services	10	4	2	2	2
Value of sales of value-added products (AUD)	116,516	-	-	115,258	1,259
Value of exports of value-added products (AUD)	114,000	-	-	114,000	-
# of market actors reporting benefits (financial or non-financial)	1	1	_	_	-
# of market actors expanding business	8	4	2	1	1
# of new foreign/domestic investments in tourism sector	3	3	-	-	-

Value of credit disbursed to beneficiaries (AUD)	284,483	284,483	_	_	-
# of recipients of capacity building support	506	176	330	_	-
# of market actors supported by Strongim					
Bisnis	13	5	2	3	3

Funding obligated per sector (completed/in implementation stage) is outlined below and provides a good indication of Strongim Bisnis priorities. However, it must be noted that the WEE/BEE sector and Research figures do not accurately describe the sector expenditure as both BEE/WEE and Research is cross-cutting and most activities were mainstreamed within the tourism, cocoa, and coconut sectors.

Funding obligated per sector:



- * Most WEE activities were mainstreamed as part of activities in tourism, cocoa, coconut and BEE sectors.
- ** All research efforts are also counted in the sectors above, expect for the Political Economy Analysis

3. Tourism

3.1. Key achievements

Sector overview: In 2018, Strongim Bisnis initiated 8 partnerships/initiatives in the Tourism sector, 4 of which have been actively ongoing and well into monitoring and evaluation stages and another 4 in early stages of implementation, altogether totalling up to AUD 646,000. This represents 50% of the 2018 flexible fund portfolio.

Finalization of MSA and tourism strategy development: In January 2018, we finalised the tourism market system assessment which led to the development of our 2018 sector strategy and workplan.

Reflection and revision of strategy in Sept 2018: in September 2018, after 7 months of implementation, the team reflected on the program learning and refined/focused its sector strategy, resulting in the reduction of initial 7 intervention areas, 14 interventions and 31 activities to 4 intervention areas, 6 interventions and 21 activities. See appendix 5 for revised sector results chain.

Relationship building and coordination with key stakeholders: Strongim Bisnis established strong relationships with the Permanent Secretary and Director for Tourism within the Ministry of Culture and Tourism in 2018. This has led to lengthy discussions that has resulted in a Partnership that will be implemented in 2019 onwards. Within the Ministry itself- mainly the training unit and the standards unit and monitoring and evaluating unit- Strongim Bisnis has liaised with the relevant staff throughout 2018 to obtain the relevant support it needed. The relationship with Tourism Solomons has also developed during 2018- although it was quite difficult to establish in early 2018- by the end of 2018- Strongim Bisnis was key in supporting Tourism Solomons with the online rebranding of Solomons Islands. Strongim Bisnis has also successfully established relationships with the Western, Central and Guadalcanal Tourism Associations and provincial divisions, inbound tour operator's association and dive operators. All of these connections and collaboration were instrumental in the successful development and implementation of Strongim Bisnis activities in 2018.

Activities/Partnerships: Tourism partnerships that were signed in 2018 with Strongim Bisnis included the Western Province Tourism Association partnership- supporting the association to increase memberships and various trainings in preparation for the anticipated international flights, Tourism Solomons Partnership- supporting the rebranding efforts and ongoing marketing initiatives, Solomon Islands Discovery Expeditions- supporting with marketing of a new product to the market of domestic cruises in the Solomon Islands and Solomon Islands Infrastructure Development Tourism Fund- Supporting Ioan applicants with technical advisors to assist in completing applications for flexible Ioans initiated by Solomon Airlines and the New Zealand government. Four further partnerships in progress to be finalised in early 2019 are with the Ministry of Culture and Tourism- supporting the rollout of the minimum accommodation standards, SunPower with Western Province Tourism Association and Central Province Tourist Operators Association to increase access to affordable solar products, Solomon Travel Portal-supporting a digital campaign to increase awareness online of the Solomon Islands in international markets and Solomon Islands Dive Operators- supporting increased sector collaboration.

2019 results projections:

Key Indicators	2019 Projections
# of households/MSMEs recording positive change in annual incomes	260
Net attributable income changes per household (AUD)	1,510
# of women owned or led businesses with improved access to higher economic opportunities	80
# of women reporting improvement in their access and control over productive resources in the household and community	60
Increased value of service provision (AUD)	408,250
# of new jobs	110
# of beneficiaries/MSMEs adopting improved business practice	460
# of beneficiaries/MSMEs with improved access to markets or information or products/services	900
# of domestic investments in tourism sector	390
# of visitor arrivals into Solomon Islands increased	1,670
Value of credit disbursed to beneficiaries (AUD)	171,920
# of recipients of capacity building support	800

3.2 Progress towards outcomes

Intervention Area 1 - Improving the development and availability of tourism market research and intelligence (gender disaggregated)

1.1. Expand on Visitor survey efforts and supports the dissemination and use of research by tourism MSMEs

- ✓ Determine market intelligence needs of tourism businesses (type of information, frequency, the way it presented, how to access etc): based on the data collected in the MSA, as well as multiple stakeholder engagements and secondary research to collect all market intelligence available, the team identified that market actors did not have sufficient access to market intelligence to make informed decisions on new products/services or investments. The team found that while research reports had been conducted in the past, most people were not able to access these reports and were not aware of them. Several research efforts, such as the Honiara Expat Market Survey, were outdated, having been conducted in 2006. Thus Strongim Bisnis identified the need for several pieces of market intelligence, including: expat market survey, Australia-Solomon Islands Benchmark survey, Solomon Islands web audit, as well as a St. Gallen Visitor Flow analysis. In addition, the team identified the need to have these reports available on an online platform from MOCT of Tourism Solomons.
- Expand on the existing visitor survey efforts and facilitate partnership with local research entity if not already happening: industry feedback confirmed the demand for a domestic expatriate market survey. The team approached Tourism Solomons as partner to support them in commissioning

this research, but given Tourism Solomons' strategy and objectives they were not interested in including this in the partnership with Strongim Bisnis. Local research institutions such as SINU were contacted but were found lacking in capacity for the level of quality expected for this research. Given Tourism Solomons' existing partnership with NZTRI, funded by NZH to conduct the international visitor survey, Strongim Bisnis decided to commission the research directly. The survey was carried out in October-November 2018 with around 160 respondents. The report findings included: how many days expats were spending out in the provinces, what activities they did, which provinces were most popular as a holiday destination and how much money they spent. It also revealed what the most appealing aspects about their holidays and the least appealing aspects about their holidays. The research report will be launched in 2019.

- ✓ Support the contextualizing of existing relevant tourism research for local use: we found long research reports are difficult for some tourism stakeholders to digest and thus we included a PPT summary in our commission for the domestic expatriate tourism survey.
- ✓ Support the dissemination of market research (i.e. MoTC website, SIVB, Provincial tourism officers, WPTA etc.): while initially the team met with MOCT and agreed to support them with a website that would include a resources page with research, they will have an AVI work on this website. Instead, Strongim Bisnis supported Tourism Solomons with a corporate website that includes links to research reports for downloading. This website was launched in 2018.

Intervention Area 2 - Improving marketing and promotion of Solomon Islands as Tourism Destination (especially online)

2.1 Increasing the online presence of SI as a tourism destination

- ✓ Better understanding digital tourism activities e.g. TripAdvisor and PTI Digital Tourism program:

 The team conducted additional assessments into the sector stakeholders' digital tourism activities, including SIVB's partnership with TripAdvsior, PTI Digital Tourism program, ITO's website and online efforts, among others. With this understanding, Strongim Bisnis designed several activities and signed several partnerships to increase the online footprint of the Solomon Islands.
- ✓ Facilitate partnership for SIVB & TripAdvisor for web audit baseline: While initially the team planned to facilitate a partnership between SIVB and TripAdvisor for a web-audit, additional consultation with SIVB resulted in two separate activities under the partnership between Strongim Bisnis and SIVB (signed in September 2018): 1) support by Strongim Bisnis for the extension of an existing partnership between SIVB and TripAdvisor for online destination marketing/promotion, and 2) support to SIVB for a destination web-audit potentially conducted by the New Zealand Tourism Institute (linkage created). The contract with TripAdvisor was signed in 2018 while the web-audit will begin in 2019 and be repeated annually for three years to gauge the effectiveness of the SIVB brand roll-out.
- ✓ Facilitate workshop for digital tourism in Western Province (and or Guadalcanal and Central) to increase businesses online presence and improve their digital capacities: As part of the partnership between Strongim Bisnis and SIVB, the program facilitated digital marketing training in Honiara and Gizo by Pacific Trade Invest and World Hotel Link (WHL). This workshop aimed to increase online presence of local operators. Training in July 2018 was attended by 28 individuals representing 24 businesses, followed by in-depth meeting with 13 tour operators. 9 operators are

getting new websites or upgrades for free by agreeing to pay 6-months of web-hosting fees to WHL.

- ✓ Explore the presence of digital tools in existing/new tourism certificate/diploma programs and support development of expansion of digital training: Discussions were initiated with the Solomon Islands National University (SINU) to provide the learning platform for digital marketing. SINU has written a bachelor course which has been approved by the university senate to begin in 2020. The university is open to options to create a unit called social media and marketing to cater for the digital training. This idea will be explored further in 2019.
- ✓ Assess existing local digital service provider & potentially build their capacities in digital marketing: The program has identified that there is a lack of digital marketing companies in the Solomon Islands. The program will continue to monitor the digital space for new developments in 2019 onwards.

✓ Unanticipated activities/results:

✓ Solomon Islands Discovery Cruises (SIDC): As part of Strongim Bisnis' efforts to support product development, the team signed a partnership with SIDC to support the pilot of their new cruise product. The partnership mainly aims at increasing visitor numbers, jobs, and rural incomes, but also supports Strongim Bisnis' efforts to catalyse online marketing in Solomon Islands. Two familiarisation trips were supported, sharing 50% of the cost of 20 bloggers, photographers, wholesalers, local surfing expert and local cultural expert to market the cruise online. After these trips, response on Instagram, Facebook, Twitter and Website has increased dramatically, for SIDC as well as for Solomon Islands as a destination. The trips have been able to attract immense media coverage in-county and internationally. An article was published in Island Sun newspaper, an interview was on-aired from ABC radio, and the SIDC package was mentioned in the January 2019 edition of Travel+Leisure Magazine, one of the top two travel magazines in the US. For the marketing purpose, an epic promotional video was developed which has over 20K views to date, library of remarkable photos and videos has been put out on the website and TripAdvisor page was created.

In addition, the SIDC is covered in following platforms,

- o Posts on Get Lost Magazine on Instagram and Facebook, magazine editorial to follow
- Kylie Travers blogger posts in Instagram and Facebook, article to follow
- Maketimetoseetheworld Vicky Garside did a range of Instagram posts, an article and more features to come
- o An article in DiveLog, Pacific Living, Solomon Airlines and Virgin Inflight due in next edition
- Travel writer Fiona Harper has made several Instagram and Facebook posts on her own social media as well as Travel Boating Lifestyle
- o Featured on Gerald Rambert, international photographer websites.
- ✓ Supported the online destination rebranding of the Solomon Islands: Under the Tourism Solomons partnership, Strongim Bisnis supported two rebranded websites one of which is a visitor website and one which is a corporate website. The new destination slogan "Solomon Is." was adapted as a result of the online rebranding.

- ✓ In addition, several activities/partnerships were progressed in 2018 and will come to fruition in early 2019. These include: support to Solomon Travel Portal with a digital marketing campaign to increase their online visibility; support to Jasons.com to increase digital content and promotion of Solomon Islands; and support to ITOs with digital marketing campaigns.
- Strongim Bisnis contributed to an increased emphasis on online visibility and marketing in the tourism sector in Solomon Islands in 2018. At the end of 2017, Tourism Solomons, did not see much benefit from a digital strategy, but their 2019 plan has a major focus on digital marketing and they are recruiting for a digital marketing position. In addition, WPTA and WP Tourism Office requested digital marketing volunteers from VSA and WP provincial government announced their aims for increased online presence of their operators- and will be investing in a website and booking engine and also a marketing officer. While it is not possible to attribute this trend of increasing interest in the sector in digital marketing, we are confident that we made a strong contribution toward this trend.

2.2 Improve SIVB Capacity a) Digital tourism capabilities

- ✓ Evaluate SIVB's online capacities and identify and prioritise gaps: Strongim Bisnis found that SIVB did not have strong digital marketing capacity in-house. Many operators complained about the website and SIVB engaged a digital marketing company from Fiji, WebMedia to design a new destination brand as well as online collateral. SIVB approached Strongim Bisnis for support in the roll-out of the new destination brand. In terms of the digital space this included two websites (one corporate) with booking function, redesigned social media accounts, and online marketing/promotion assets.
- Facilitate partnership/s with digital tourism providers to conduct analysis of SI's competitor's in digital marketing activities and online presence: This activity was dropped based on dsicussions with SIVB.
- ✓ Technical support to develop a strategic digital tourism action plan (2018 2020): As part of the partnership agreement between Strongim Bisnis and Tourism Solomons, Strongim Bisnis agreed to provide support to travel costs for a volunteer (AVI or VSA) to provide digital marketing capacity building to operators in the provinces if SIVB hosted the volunteer. The volunteer, embedded with the team, would also develop a strategic digital tourism action plan for SIVB. SIVB did not source a volunteer in 2018.
- ✓ Technical support for capacity building of SIVB (training or embedded): In 2018, SIVB advertised for a digital marketing position, however have found that it was impossible to recruit skilled people in the area. After discussions with Tourism Solomons, they were open to the option of an Australian Volunteer, but have however received training from Web-media. It is anticipated that SIVB will source a volunteer in 2019.
- ✓ Facilitate new and strengthening of existing online partnership with key digital companies: Supporting the extension of the trip- advisor with Tourism Solomons partnership means that Solomon Islands as a destination will be advertised on-line into 2019. This aims to increase quantity of visitors to the country.
- ✓ Unanticipated activities/results:

- ✓ Website upgrade: Strongim Bisnis shared the cost of two new websites (consumer and corporate) with the new "Solomon Is." Brand and the websites were launched in late 2018. The rebranding of the Tourism Solomons website produced great quality of travel information for the online space. Accommodation, tours and packages from accommodation operators and local inbound tour operators that met the minimum standards are given priority to be advertised on the new website. The corporate website also produces quality information for possible investors in the Solomons Islands as well as an online training called "Hapi Isles Specialist Program" to help international retailers and whole sellers learn more about the Solomon Islands as possible.
- ✓ Blogger program: Under the partnership agreement between Strongim Bisnis (SB) and Tourism Solomons (TS or SIVB), SB agreed to expand the online visiting blogger program to bring an additional 5 bloggers to Solomon Islands to promote the destination. These will be visiting in 2019.

2.3 Improve SIVB Capacity b) Strategic Marketing Capabilities

- ✓ Assess SIVB with potential gaps in overall branding process: This activity was dropped as SIVB was not interested in support and was going ahead with efforts on their own.
- ✓ Potentially provide technical support for branding brief for selected branding company: This
 activity was dropped as SIVB was not interested in support and was going ahead with efforts on
 their own.
- ✓ Potentially support / scale up comprehensive consumer and trade research of branding concepts (i.e. user-testing): This activity was dropped as SIVB was not interested in support and was going ahead with efforts on their own.
- ✓ Potentially support/scale up workshop(s) with tourism stakeholders to ensure they support & own the branding process: This activity was dropped as SIVB was not interested in support and was going ahead with efforts on their own.
- ✓ Support/scale up strategic approach of destination brand rollout so that businesses can capitalise on the branding: Due to funding shortages from the SIG, SIVB approached Strongim Bisnis to support the roll-out of the new brand, "Solomon Is.". As part of the partnership agreement between Strongim Bisnis and SIVB, Strongim Bisnis agreed to provide the following support: two new websites (consumer and corporate) as well as re-branded social media accounts. Re-branded marketing collateral to improve sales/promotion of destination including brochures, guides, sales presentations, trade show displays, e-Newsletter, videos, and a mobile app. These will be finalised in 2019. The partnership agreement also provides support for a wholesale marketing campaign that will be implemented in 2019.

✓ Unanticipated activities/results:

✓ South Pacific Tourism Exchange: The program supported Tourism Solomons to set up a booth in SPTE program, held in April 2018 at the Adelaide Convention Centre, Australia. SPTE offers exotic, under discovered and distinct cultures and traditions of 17 beautiful Pacific Island destinations, all under one roof.

2.4 Improve SIVB Capacity c) Revenue generation capabilities

- ✓ Assess SIVB's priority revenue generating opportunities: The two main revenue generating sources of revenue for Tourism Solomons are 1) allocations in the Ministry of Culture and Tourism national budget on which varies from year to year and the organisation has very little control over and 2) 10% bed levies collected from accommodation providers. Through discussions, the team identified two additional sources of income: 1) increase in bed levies via a booking function on the Tourism Solomons website, and 2) increase in bed levies through uptake of RoomMaster software by medium-size accommodation providers in Solomon Islands. Both of these opportunities were include in the partnership between Strongim Bisnis and Tourism Solomons (i.e. SIVB) and the website was launched in late 2018. Income information will be made available in 2019.
- ✓ Potentially support business plan for B2B revenue generating results including market research for appropriate solutions: This activity was dropped due to lack of interest by SIVB.
- ✓ Building capacity of SIVB staff for B2B revenue generating solutions. Identify partner/s to play this role: This activity was dropped due to lack of interest by SIVB.
- ✓ **Support scaling up revenue generating activities:** This will be supported in 2019 onwards as a number of requirements need to be met before scaling up efforts can be considered.

2.5 Improve performance of ITO

✓ See section 3.2 and 3.3 in next section.

Intervention Area 3 - Improve quantity and quality of travel planning information on Solomon Islands

3.1 Improve quantity and quality of travel planning information on Solomon Islands

- Assessing information gaps & needs on key market segments and travel trade (Stollznow, NZTI research): The team identified information gaps and needs for market intelligence. The team found that SIVB had commissioned research in the past called the Australia/Solomon Islands Benchmark Survey that captures awareness and opinions of Australians in Brisbane, Melbourne, and Sydney. This information was very useful but SIVB had no plans for 2018/9 to replicate the survey given their budget situation. The team also found a need to analyse the Solomon Islands expat market segment. This had not been done since 2016 and ITOs and other tour operators could use this information for creating and/or fine-tuning their products/services offer. Lastly, given Tourism Solomons' re-branding and online efforts, a web audit to identify gaps and progress in the online space was needed.
- ✓ Scale up existing visiting journalist / blogger / YouTube program (include Guide Books such as Lonely Planet) with a focus on editorial & information that targets Flashpackers (Australian and NZ's): Strongim Bisnis signed a partnership with Tourism Solomons which includes support for an additional five bloggers in 2018/9. Strongim Bisnis also signed a partnership with SIDC which included support for 20 familiarization trip participants in late 2018 on two separate trips, including bloggers, journalists, wholesalers, photographers and other influencers. Lastly, The partnership with Tourism Solomons also includes support for a Lonely Planet update. The last Lonely Planet guide was update in 2015. Solomon Islands does not have its own guide but the destination is included in the "South Pacific" and "Papa New Guinea" guides. There are

information gaps and several provinces are not mentioned at all. The team found the travel writer of the last version and after many months also identified the responsible editorial manager based in London, UK. The team was informed that Lonely Planet planned on sending a travel writer for an update in early summer 2019. Strongim Bisnis plans to work with Tourism Solomons to prepare for the travel writer visit in 2019.

✓ Unanticipated Activity/results:

- ✓ Under the Tourism Solomons Partnership, the program supported the:
 - Domestic Expatriate Visitors Survey conducted by the New Zealand Tourism Institute of Research in 2018. The results/report will be launched in early 2019.
 - Two Australia/Solomon Islands Benchmark Surveys to be conducted in 2019 and 2020.
 - Three web-audits to be conducted in 2019, 2020, and 2021.
- ✓ Western Trail and WW2 Trail: The team identified the need for travel information, especially for the Flashpacker segment, and identified the opportunity to develop a Western Trail. This idea is already part of the 2015-2019 MoCT Tourism Strategy but had not been addressed. As such, Strongim Bisnis contracted a expert in the St. Gallen model for destination management, which focuses on demand-driven visitor flows to improve visitor's experiences and to identify potential trail itineraries. The consultant conducted two workshops, one in Honiara and one in Gizo, and a report with recommendations on potential trails was drafted. This report will be finalised and launched in early 2019.

3.2 Improving performance of existing ITO. Option 1). Capacity building of existing ITOs.

- ✓ Facilitate workshop led by successful regional ITO (PNG, Fiji, Vanuatu): Initially the idea was to invite an established ITO from either PNG, Fiji or Vanuatu for a mentoring workshop. However, after discussions with ITO's, the team found that there was not much interest in this activity and it was dropped.
- ✓ Identify potential existing ITOs with capacity to innovate business model: The program engaged with all 10 Inbound Tour Operators and had in depth discussions around business operations and expansions plans to explore those who are keen to innovate business models to create new products and services. Out of the 10, four of them are open to innovate their business models.
- ✓ Identify specialized regional ITOs to host SI ITOs on exposure trip (cost sharing): The program has identified potential regional ITO's for an exposure trip-however, local ITO's have not expressed much interest to be part of an exposure trip but rather are interested in cost sharing in B2B or B2C trip. The program is in the process of information gathering on the types of B2B and B2C trips that local ITO's are interested to partake in, in order to expand their networks and markets.
- ✓ **Facilitate the exposure trip (cost sharing):** Dropped as explained above.
- ✓ Provide technical assistance to support existing ITOs to innovate following exposure trip: Dropped as explained above.
- ✓ Website & online media development trainings: From consultations with existing ITO's in Honiarawe have identified that half of them have websites created with Pacific Trade Invest (PTI) and another half do not have any website. Guadalcanal Travel Solomons is the only inbound to have

launched a website with booking function whilst Travel Solomons and Destination Solomon have websites. All the other ITO's are emerging businesses and are yet to develop websites. In 2018 Strongim Bisnis in partnership with Tourism Solomons commissioned PTI and World Hotel Link to conduct website development training in which 2 ITO's attended and are in the development stage of their websites. The program envisage that websites will be more useful if they are equipped with booking functions- therefore the program is looking at options subsidizing booking platforms to be embedded within existing websites. For those ITO's without websites- the program will examine case by case how to effectively they can introduce a website to their current operations in 2019.

✓ Unanticipated activity/results:

- ✓ As a result of the in-depth discussions around business operations and expansions plans of local ITOs, Strongim Bisnis identified that there was a common need for support in attending international trade shows, to create/update websites including booking functions, digital marketing, financial submissions to commercial banks, and excursion insurance. Thea team sent out support requests to all ITOs in 2018 and once received will develop a detailed support program in 2019.
- ✓ As part of the 2018 SolChoc Festival, Strongim Bisnis invited several ITOs to join a cocoa farm field visit that results in the development of a tour product that is currently being offered.

3.3 Improving performance of existing ITO. Option 2) Facilitate partnership between existing and specialized regional ITO

- Identify potential existing ITOs interested in partnership with regional partner/investor to grow their businesses: Following discussions with existing ITO's, they have expressed hardships to collaborate with regional ITO's due to the challenging business environment. While initial indication was given by GTS around a potential regional partnership with a trekking company, GTS decide to focus its efforts in other areas. In 2018, the program had discussions with South Seas horizons, a PNG based ITO interested in bringing in tours to the Western Solomons. The team made linkages for South Sea Horizons and plans to explore opportunities for collaboration in 2019. In 2019, the program also plans to speak with Rosie Tours to expand on the idea of facilitating a dive pass with existing Dive operators.
- ✓ Identify potential specialized regional ITOs to expand their business to the Solomon Islands: South Sea Horizons- a PNG-based ITO are currently working on bringing a trial trip to the Western Solomons through the Munda International Airport. Their tours will be initially focused on Tetepare Head Hunters Trail and activities surrounding Munda area before including other parts of the Western Solomons. Discussion are ongoing to explore potential areas of collaboration.
- ✓ Provide technical support for investment proposals for existing ITOs: The program team is currently collecting information from ITO's to build a business case which includes investment proposals following discussions in 2018.
- ✓ Provide technical support to regional ITO on business case for investing in SI: The program team will be scoping out regional ITO's following discussions with Ministry of Culture and Tourism and Tourism Solomons on their markets for expansion in 2019. Potential ITO's are South Sea Horizons, Rosie Tours, Awesome Adventure, Pacific Destination and Blue Lagoon Cruisers.

✓ Facilitate process of bringing together existing ITO and potential investors: In efforts to work together with existing ITO's- the program has been in discussions with ITO's and Dive operators. To facilitate collaboration locally in 2018, the Honiara Inbound Tours Association was formed in efforts to collaborate and receive more support from the program. The Dive Operators were also consulted and will be having a meeting in March 2019.

✓ Unanticipated activities/results:

✓ Discussions with Tourism Solomons has led to identifying the Mi Save Solo Trade Mart 2019 as a possible event to linking local and potential regional investors.



Photo 1: Mapping visitor flows at St Gallen workshops.

Intervention Area 4 - Developing demand driven, sustainable inclusive products and services

4.1 Development of explorer cruisers in Solomon Islands

- ✓ Facilitate research that supports the business case e.g. thorough demand analysis: Solomon Islands Discovery Cruises conducted its own research and this activity was therefore dropped by Strongim Bisnis.
- ✓ Provide technical support to develop comprehensive business plan: As part of the partnership agreement between Strongim Bisnis and SIDC, the team met with SIDC owner, Belinda Botha, several times to develop detailed financial pro-forma, which SIDC used as a basis for their business plan.

✓ Unanticipated activity/result:

✓ Strongim Bisnis sign a partnership with Solomon Islands Discovery Cruises to support with the marketing efforts during the pilot phase of the business. The cruise is a new product that caters to a new market segment for Solomon Islands, families, in addition to existing market segments. The cruise will generate income at the local communities in several provinces, create jobs, and add to

destination marketing efforts, especially online. Two familiarization trips with different itinerary packages were commenced, one in August (4 nights 5 days - 13 PAX, 3 VIP) and another in December (7 nights 8 days - 17 VIP). The first trip covered two villages, Roderick Bay and Karomolun with activities at Mane Bay, Havasini Island and Maravagi whereas the second trip covered five villages Roderick Bay, Olevuga, Maraluon, Karamulon, Mane with activities at Mane Bay, Karamolun, Baby Cakes, Tulaagi, Mbakui, Havasini Island and Maravagi. There was a collaboration and partnership with Western Solomons Surfing Association for hiring guide and Western Province Tourism Association for guide hire and Kastom stories and traditions. Likewise, SIDC also partnered with Central Province Tourism Association and MOCT to offer guided WWII Tour in Tulagi. A total of \$61,370 SBD (\$16,370 in the first trip and \$45,000 in second trip) was spent in the communities for village visit, activity, tour guide, purchase of fresh produce and sea food. The SIDC also earned additional income from paying guests (5 adults and 4 kids). The trip is run by 12 crew members, which includes trip director, skipper, boat crew, wait staff and chefs. After these trips, response on Instagram, Facebook, Twitter and Website has increased dramatically. The trips have been able to attract immense media coverage in-county and internationally. An article was published in Island Sun newspaper, an interview was on-aired from ABC radio, and the SIDC package was mentioned in the January 2019 edition of Travel+Leisure Magazine, one of the top two travel magazines in the US. For the marketing purpose, an epic promotional video was developed which has over 20K views to date, library of remarkable photos and videos has been put out on the website and TripAdvisor page was created. Dive Adventures is taking SIDC as a new product to sell within the adventure and leisure part of their business. In addition, the SIDC is covered in following platforms:

- Posts on Get Lost Magazine on Instagram and Facebook, magazine editorial to follow
- o Kylie Travers blogger posts in Instagram and Facebook, article to follow
- Maketimetoseetheworld Vicky Garside did a range of Instagram posts, an article and more features to come
- o An article in DiveLog, Pacific Living, Solomon Airlines and Virgin Inflight due in next edition
- Travel writer Fiona Harper has made several Instagram and Facebook posts on her own social media as well as Travel Boating Lifestyle
- o Featured on Gerald Rambert, international photographer websites.

The familiarization trips were highly successful and additional commercial trips have already been added to the 2019 schedule, two of which are fully booked.

- ✓ Captain Cook Cruises: The team had several discussions with Captain Cook Cruises from Fiji around their interest in setting up a cruise product in Solomon Islands. While their main counterparts are the MoCT, Strongim Bisnis remains in discussions to explore opportunities to collaborate in 2019.
- ✓ The team also met with Australian investors working on introducing a cruise product in Western province centred around surfing. But the venture was dropped by the Australian investors.

4.2 Increasing the quality (VfM) and quantity of accommodation

- ✓ **Provide technical support for Solomon Airlines investment plan/strategy:** The partner was not interested in this support and the activity was dropped.
- ✓ Cost sharing for a 'ground truthing' workshop (led by Sol Air) to bring all stakeholders together and on the same page: Solomon Airlines shared information during a WPTA meeting independently and were not interested in a broader effort to align all stakeholders.
- Facilitate evaluation and make recommendation of accommodation providers incentives, needs, capacities etc: As part of this effort, Strongim Bisnis facilitated a trip to Munda for MoCT's assessment team. Strongim Bisnis efforts resulted in free air fares from Solomon Islands and free accommodation by Agnes Lodge. The assessment resulted in 18 operators surveyed with a total of 130 rooms. Only 9 met standards and identified as suitable to cater to tourists needs. The MoCT then requested support from Strongim Bisnis for the national roll-out of the minimum accommodation standards. The business case was approved by AHC in late 2018 and the partnership will be signed in early 2019. This effort will lead to increased quality of rooms available in Solomon Islands.
- Explore the potential of building on the existing IFC pre-feasibility study: After reviewing the IFC pre-feasibility study which was finalised in late 2018, the program will be working with IFC representative, Bjorn Svensson, on areas that are within the program framework. A stakeholders meeting is scheduled to take place with stakeholders in the Western Province in early 2019.
- ✓ Support training workshop on pricing for accommodation providers if not already covered by Sol Air: This workshop will be facilitated in 2019 in priority provinces who have been audited by the Ministry of Culture and Tourism for compliance to the Minimum Standards for Accommodation.
- ✓ Conduct workshop with WPTA to identify priorities and constraints: The team conducted a workshop with WPTA and identified several areas of support resulting in a partnership in early 2018. The program supported a series of trainings throughout 2018 namely Culinary, Tour Guide, Customer Service, Digital Training in order to improve the quality of accommodation including food, tours, customer service and online marketing for members of the WPTA. See details below:
 - Culinary Training: 5-days long chef training, one in Honiara and other in Munda held in April 2018. Total 37 participants (31 F) representing hotel, lodges and café from Honiara and Western Province received the training. The training focused on practical methods and techniques to prepare contemporary dishes out of local produce as possible, which included visits to farms to see the different varieties of vegetables being grown and observe the different ways to grow them from controlled patches, total organics to hydroponics.
 - Tour Guide Training: 2-days tour guide training, each in Munda, Gizo and Seghe were conducted in May 2018. Altogether, 48 participants (12 F) received the training. All of the participants appreciated the training and opined that it imparted new ideas to provide effective services.
 - Customer Service Training: 2-days customer service training, with a total of 32 participants were trained (28 F). The training was held in 2 locations- in Munda on the 6th and 7th of August 2018 and in Gizo on the 9th and 10th of August 2018. The training covered customer relation skills in front desk, and reception, housekeeping, waitressing and porter skills. Trainees satisfaction was very high, they expressed that they learnt a lot and it was also a great refresher for those who have gone through similar trainings in the past.

Lagoon Cook-off Competition: The annual competition in the Western Province of the Solomon Islands aims not only to promote tourism and build its profile as a prime tourist destination, but also to increase ability to provide quality food through shared teaching, learning and awareness sessions. There were five entries for the competition, having 3 chefs in each team. As per the rule, each team had 45 minutes to complete their dish in each category (breakfast, luncheon and dinner). Five criteria were used in the competition, Attractiveness and appeal, Test and texture, Use of local produce, Suitability and sustainability and Creativity. Top three teams were awarded with prize money whereas top three individual chefs received internship opportunity abroad with return ticket and other travel facilities.

✓ Unanticipated activities/results:

✓ Tourism Infrastructure Development Fund (TIDF): Strongim Bisnis was approached by Solomon Airlines and NZHC to support the TIDF. The TIDF was established by Solomon Airlines to offer zero-interest loans to existing accommodation providers in Western Province to upgrade their current facilities in anticipation of the direct flight from Brisbane to Munda. NZHC made available NZD 1 million with the condition that Strongim Bisnis Provide technical support to loan applicants on their loan application, business plan, and financial pro-formas. Three-tourist accommodation businesses (Rekona Lodge, Zipolo Habu Resort and Titiru Eco Lodge) were visited and assessed by consultants. As such, business development recommendations, TIDF loan applications and detailed financial projections were prepared and discussed with the business owners. Broadly, business owners agreed to work on the recommendations put forward by the consultants. The TIDF board offered loans totaling around AUD 280,000 to the three applicants. Strongim Bisnis provided support to WPTA and TIDF in developing loan information flyers and in marketing/promoting the loan to Western Province tour operators. Additional support will be provided by Strongim Bisnis in 2019.

4.3 Improve performance of inbound tour operators

✓ See sections 3.2 and 3.3.

Intervention Area 5 - Promoting positive gender roles conducive to women's empowerment and mitigation of the risk of gender-based violence

Intervention area 5, women's economic empowerment, youth and PLWD inclusion mainstreaming is discussed in detail in its distinct section.

Intervention Area 6 - Improving coordination and collaboration of the sector (tier 2 priority)

6.1 Enhancing Coordination and collaboration

Facilitate a series of St Gallen workshops in Honiara and Western Province: Three workshops were conducted in 2018 with 71 participants to bring together certain reps from the sector to identify Visitor Flows which are intended to be developed into Visitor Trails. Two workshops were conducted in Honiara. The first one was with VIP's and the second one was with Central, Guadalcanal and Honiara tourist operators. As a result of these workshops- the program was able to facilitate collaboration between workshops participants as well as feedback to facilitate a yearly tourism forum as it was valuable for them especially in the Central, Guadalcanal and Honiara workshop. Phase 2 of the visitor flow is in the pipelines for rollout in 2019. The St. Gallen

approach requires stakeholder collaboration as it results in itineraries, or trails, that hit multiple actors and bind them into a chain/trail. The result is that tour operators start seeing themselves as collaborators instead of competitors.

✓ Unanticipated activities/results:

- ✓ Western Province Tourism Association: The WPTA is the Western Province's premier organization in terms of collaboration in the tourism sector. To strengthen its capacity, Strongim Bisnis signed a partnership that included support for training to its members, as well as membership incentives that would encourage WPTA to actively recruit new members. Additional members results in increased membership fees and increased the sustainability of the association. Since the partnership, membership increased by more than 50%, from 18 members to 32.
- ✓ Central Province Tourism Association/WPTA/SunPower: in order to strengthen the WPTA and CPTA, Strongim Bisnis facilitated a partnership between SunPower and the associations to have association members have access to discounted solar products. An MoU was signed with WPTA and CPTA and SunPower are expected to sign in early 2019. Increased membership benefits will act as an incentive for new members to join the associations.

CASE STUDY: Solomon Islands Discovery Cruises

Issue:

While Solomon Islands is a beautiful country with an exciting tourism offer, awareness of Solomon Islands as a tourism destination in key source markets is severely limited. Globally, tourist arrivals grew by 3.9% in 2016 to reach a total of 1.2 billion with the Pacific Island region capturing 3.1 million of these. Solomon Islands, however, failed to capitalise on this global and regional trend, only capturing 2% of visitors in the region, and 1% (around 6000 individuals) of leisure tourists. Contributing to this challenge are a lack of online marketing/promotion, limited number of quality rooms, a low value-formoney offer compared to competitor destinations, among other issues.

Stakeholders:

Ministry of Culture and Tourism, Tourism Solomons, Solomon Islands Discovery Cruises, Dive Munda, Strongim Bisnis Timing: August and December 2018 (familiarization trips), 2019 (commercial trips)

Solution:

Solomon Islands Dive Expeditions (SIDE) developed a new tourism product, the Solomon Islands Discovery Cruises (SIDC), aimed at bringing in more visitors to Solomon Islands. A new market segment, families, was targeted in addition to the existing segment already visiting Solomon Islands. SIDC approached Strongim Bisnis for support and a partnership was signed to expand marketing efforts for the initial pilot phase.

Outcome:

Solomon Islands Discovery Cruise (SIDC) introduced an exciting 7-days cruise as an additional product to the niche markets of Diving and Cultural experience for visitors to the Solomon Islands. Adding a more diverse range of activities to the itinerary- the cruise has stirred up excitement in 2 familiarization trips supported by Strongim Bisnis.

This partnership formed a milestone era in the life of the project as it was one of the key activities to be implemented within the tourism sector. Under the partnership Strongim Bisnis supported marketing of the cruise by subsidizing costs to bring in both local and international photographers, bloggers and writers to market the cruise online.

Such cruises created several avenues of immediate income generation opportunities for the local economy. In the first familiarization trip, SBD\$16,370.00 was spent directly in local communities in terms of anchorage fees, village visits, tour guides and purchase of local fresh produce like vegetables and seafood. Similarly, the second familiarization trip generated SBD\$45,000.00 directly to local communities. For SIDC, this also created jobs and income for locals who were hired as staff on the MV Taka. The program values such activities as financial benefits in the local community is directly realized and spread out in two communities of the Central province. Eventually, when the trips sail from Munda, communities in the Western Province will also reap similar benefits.

Following the 2 familiarization trips, 2 commercial trips have already taken place of a total of projected 6 commercial trips. Chevone Whitaker, the cruise director delightfully said "it was exciting to see that the most recent trip was made of all domestic expats who experience Solomon Islands in a spectacular way- as most thought they have already seen all the Solomon Islands had to offer- were amazed with what they experienced in the cruise." The local tour guides and communities present the local culture from the traditional perspective also leaves a rich unique cultural experience with the visitors.

Images:



4. Cocoa

4.1 Key achievements

Sector overview: In 2018, Strongim Bisnis initiated and/or completed 7 activities/partnerships in the cocoa sector with a total anticipated value of around AUD \$335,000, which represents roughly 26% of the 2018 flexible fund portfolio.

Finalization of MSA and tourism strategy development: In January 2018, the program finalised the market system assessment which led to the development of our 2018 sector strategy and workplan.

Reflection and revision of strategy in Sept 2018: in September 2018, after 7 months of implementation, the team reflected on the program learning and refined/focused its sector strategy, resulting in the reduction of initial 7 intervention areas, 13 interventions and 31 activities to 2 intervention areas, 6 interventions and 20 activities. See appendix 5 for revised sector results chain.

Relationship building and coordination with key stakeholders: Strongim Bisnis built strong relationships with the Permanent Secretary of the Ministry of Agriculture, CEMA, PHAMA, Rural Development Project (RDP), World Vision, ADRA, as well as the cocoa industry working group (managed by SICCI) and its private sector members. We regularly participated in the agriculture working group hosted by the Australian High Commission and shared reports and plans to key stakeholders. Strongim Bisnis is the first donor and/or program to build a working relationship with Holland Commodities, exporter of around 80% of Solomon Islands' cocoa beans, and will commence a partnership in early 2019.

Activities/Partnerships: Strongim Bisnis successfully coordinated the 2018 SolChoc Cocoa and Chocolate Festival in partnership with MAL, RDP, PHAMA, ADRA, SICCI, and CEMA; and signed three partnerships with private businesses, C-Corp Ltd, Island Enterprise, and Makira Gold. Strongim Bisnis also initiated the value-added processing feasibility study which will be finalised early 2019.

2019 projections:

Key Indicators	2019 Projections
# of households/MSMEs recording positive change in annual incomes	460
Net attributable income changes per household (AUD)	440
# of women owned or led businesses with improved access to higher economic opportunities	60
# of women reporting improvement in their access and control over productive resources in the household and community	60
Increased value of production (AUD)	231,760
# of beneficiaries/MSMEs adopting improved business practice	790
# of beneficiaries/MSMEs with improved access to markets or information or products/services	790
Value of exports of value-added products (AUD)	219,280
# of recipients of capacity building support	150



Photo: CEMA gifted 2 roasters from SolChoc fundraising efforts.

4.2 Progress towards outcomes

Intervention Area 1 - Improving productivity through replanting, revitalisation and improved production practices

1.1 Stimulating replanting with commercial nurseries for genetically superior clones

- Creation of supply chain database collating supply map of each exporter's most reliable and
 highest volume suppliers (farmers/dryers gender disaggregated): We initiated this activity
 early in 2018 but were not able to build a robust database as exporters were not willing to share
 the information of their suppliers. We then changed our approach, encouraging CEMA to request
 this information as a trusted and impartial market actor. While CEMA did not move on this
 immediately, by then end of 2018 CEMA signaled that they were ready to start collecting this
 information.
- Analysing existing commercial demand for cocoa clones: The initial approach was to reach out
 to the main cocoa suppliers/farmers directly to gauge their interest for commercial cocoa clones.
 While we did not have a robust database to capture this information fully, we learned in 2018 that
 there is a demand for cocoa seedlings. While farmers do demand seedlings, they are not currently
 requesting any specific genetic varieties, nor are they currently paying for cocoa seedlings.
- Create business model for small-scale commercial village nurseries (including roles for women's groups): the project identified rural savings clubs as the most likely entities to start commercial nurseries, however no current savings club scheme in Solomon Islands focused on income-generating activities. Strongim Bisnis decided to focus on supporting the creation of loan funds for savings clubs via a partnership with WARA, as well as commission a study on the sustainability of savings clubs that will be shared with all savings clubs organizations to recommend income-generating models. Commercial cocoa nurseries will be evaluated as part of this study in early 2019.

- Grant/partnership with existing horticultural organisations to provide training and proof of
 concept trial for production of genetically superior clones: Partnership discussions took place
 with Holland Commodities in 2018 and by the end of 2018 we had agreed on supporting Holland
 Commodities with their existing nursery program run with one of their exporters. This partnership
 will be put into place in early 2019.
- Unanticipated activities contributing to this outcome: SolChoc Festival hosted several field school visits and workshops for over 100 farmers and MAL extension officers on such topics as cocoa grafting and tray fermentation (ACIAR). Strongim Bisnis facilitated the participation of Islands Enterprises at the SolChoc Fair to provide a one-day discount sale of cocoa specific tools with a total sale of SBD7,295.00 at SolChoc Fair. These tools contribute to improved agricultural practices at the farm level, leading to increased yield.

Intervention Area 2 - Improving access and utilisation of drying technology/infrastructure and equipment (Maximising women's participation)

2.1 Research, development and roll-out for improved drying technology.

- Industry consultation and engagement of STA for drier design: consultation with industry was completed and we found that there was significant demand for improvement of the current solar dryer design. As part of the SolChoc Festival Strongim Bisnis established contact with GrainPro, who decided to send a training/sales representative to the festival to conduct a workshop on the GrainPro solar bubble dryer. We purchased two GrainPro solar bubble dryers in order to allow GrainPro to conduct a product showcase in Honiara during SolChoc and to be used for a solar drying trial to compare several solar drying options. During the festival we linked the GrainPro representative with Makira Gold and discussions resulted in Makira Gold being the sole distributor of GrainPro products in Solomon Island. Subsequently we signed a partnership with Makira Gold to facilitate the importation of solar dryers. Makira Gold used our solar bubble dryer for a demonstration for more than 100 farmers and by the end of 2018 is partnering with Honiara Hardware to store the inventory. Four SMEs have placed orders for multiple bubble driers which some of them will be distributed to smaller famers. The engagement of an expert STA for research to compare the efficacy of the GrainPro solar bubble dryer, the current regular solar dryer, and an improved solar dryer with solar-powered fans was initiated in 2018 but will take place in early 2019.
- Conduct a trial on design improvement of existing solar drier design to incorporate solar panel
 powered fan (capacity, 1mt wet bean) target women operated solar dryer: the terms of
 reference for a consultant to conduct the trial was completed and recruitment initiated in 2018.
 Contracting the expert and the actual trial will take place in early 2019.
- Research and pilot trial on med/large scale combination driers (capacity, 5mt wet bean) which could be replicated by interested farmers (eg cost effective): Vanuatu Cocoa Premium (VCP) is trialing an innovative technology suitable for Vanuatu/Pacific island context combining a solar drying system and a system comprising a biomass burner blowing hot air in a container or drying bed. We reached out to VCP to explore the opportunity to conduct a second trial in Solomon Islands. While VCP sent some initial information, their pilot in Vanuatu was still in process and they were not ready to replicate this in Solomon Islands at the time.

- Research and pilot trial on large scale (10mt wet bean capacity) new drying tech such as biofuel boilers;
- Strongim Bisnis signed a partnership agreement with C-Corp, a local Solomon Islands business, in November 2018 to trial a biomass-fuelled cocoa dryer and an innovative supply chain model with financing. This activity aims to provide proof of concept of a new drying technology that could become a workable model for replication across Solomon Islands. It is expected to improve the quality of cocoa beans and therefore improve net economic returns for a large number of Solomon Island cocoa growers by increasing prices realised by up to 30% above the benchmark "Honiara Bulk Price."
- Information dissemination of results: this activity will be conducted in 2019.

2.2 Increasing availability and access to cocoa drying tools to better support the cocoa industry

- SB to conduct market research on the materials needed in the industry that are currently imported and provide fully costed model of potential wholesalers/cost/landed cost/potential domestic demand: The initial plan was to reach out to the main farmers in the database to conduct the demand research, but as stated in the above section the database did not come to fruition for local contextual reasons. Instead, Strongim Bisnis gathered information informally and found anecdotal evidence for demand of UV Plastic for solar dryers. As UV plastic was not available commercially in Solomon Islands, the team ended up signing a partnership agreement with Island Enterprises Limited in November 2018 to import UV Plastic for resale in Honiara and through their agents in all provinces.
- Supporting marketing efforts (SIBC radio announcements, Farmers Corner FB page, newspapers, flyers at exporters/agent's warehouses): The partnership agreement with Island Enterprises Limited includes support for marketing/promotion of the UV Plastic.



Photo: Island Enterprise staff with CEO Phil Bradford.

Intervention Area 3 - Improving R&D in and uptake of existing export technologies and equipment

3.1 Improving industry awareness and uptake of new types of shipping containers.

 After investigating this activity, it was cancelled as containers are very expensive and there was not enough demand potential or impact potential to justify pursuing this idea further.

3.2 Increasing availability and access to cocoa industry export tools to better support cocoa exports

- SB to conduct market research on the materials needed in the industry that are currently imported and provide fully costed model of potential wholesalers/cost/landed cost/potential domestic demand: The initial plan was to reach out to the main farmers in the database to conduct the demand research, but as stated in the above section the database did not come to fruition for local contextual reasons. Instead, Strongim Bisnis gathered information informally and found anecdotal evidence for demand for GrainPro hermetically-sealed storage bags. The 2018 SolChoc Festival included a workshop on "Innovation in Cocoa" focusing on storage and export technologies. A GrainPro representative conducted a demo of their fumigation kit / O2 analyser and GrainPro hermetic storage cocoon bags to over 100 farmers, MAL extension officers, and other sector stakeholders. Feedback from this workshop was also used to identify potential export tools demanded by cocoa stakeholders.
- Supporting marketing efforts (SIBC radio announcements, Farmers Corner FB page, newspapers, flyers at exporters/agent's warehouses): During the 2018 SolChoc Festival, the team invited Makira Gold to the trade fair to showcase and sell the GrainPro bags. They were able to sell 80 bags and generate SBD 2,200 in sales. A subsequent partnership with Makira Gold to distribute GrainPro solar bubble dryers in Solomon Islands also facilitated the availability and promotion of storage cocoon bags.
- Co-funding of marketing campaign: This activity was not deemed necessary.

Intervention Area 4 - Improving visibility, reputation and marketing in the international industry

4.1 Cocoa and Chocolate Festival 2018 to enhance the visibility and reputation of SI chocolate domestically and abroad.

- Coordinate the organization of the festival: Strongim Bisnis successfully led the coordination of the 2018 Cocoa and Chocolate Festival.
- Host Cocoa and Chocolate Festival 2018 (ensure gender balance for farmers participating in competition and trainings) new format will include general public, increased mkt/promotion effort (including visiting bloggers/chocolatiers): Strongim Bisnis successfully hosted the 2018 Cocoa and Chocolate Festival. Solomon Islands' Cocoa and Chocolate Festival showcased a series of events (nine industry and four public events) held between 30 April to 5 May 2018 in Honiara, Solomon Islands, with the aim of promoting the cocoa sector, improving the quality of local cocoa and

chocolate, and improving access to international markets. Strongim Bisnis led the planning and coordination of the Festival in conjunction with five Festival Committee partners (RDP, PHAMA, MAL, CEMA, ADRA, SICCI). Solomon Islands Prime Minister Hon Rick Houenipwela launched the Festival, attracting strong media attention to raise the profile of the cocoa sector, demonstrating the Government's commitment to improving the cocoa sector, and the role of the Australian Government's support through Strongim Bisnis. The national radio station, SIBC, broadcasted three events live. SIBC reaches all 5,000 villages across the country, and 58% of Honiara listeners tune in to SIBC (according to 2018 independent media survey). Throughout the Festival, SIBC posted SolChoc videos and images on facebook resulting in increased 5,000 followers. Radio interviews with Strongim Bisnis cocoa adviser, were broadcast for national and international audiences (Australian and New Zealand). Several stories and paid advertisements also featured in national newspapers - Solomon Star and Island Sun. And prime position billboard was placed on the main road to promote the Festival. The Festival's cocoa competition attracted 158 cocoa bean samples which were submitted by farmers from eight provinces; and more than 100 farmers attended workshops and training events targeted at improving their capacity to produce more and higher quality cocoa. The festival was vital to create/foster important linkages between stakeholders, resulting in purchases and orders of around 22 metric tons of boutique cocoa from international buyers; or around AUD 114K of which approximately AUD 57K was income earned at the farm level. New innovative drying and storage/transport solutions were introduced in the country via GrainPro. New fermentation technologies were presented by ACIAR. A day A day-long chocolate-themed fair included eighteen stalls selling specialty food, handicrafts, subsidised cocoa farming tools and equipment, held at the Heritage Park carpark.



Photo: Chocolate tasting at SolChoc with high-level guests – Prime Minister Solomon Islands, Australian Government Head of Mission, CEO Strongim Bisnis, Australian Government Second Secretary Economic Division.

4.2 Supporting SI entries in international competition.

- Investigate CEMA's role in international cocoa competition: It was found that this function was being covered by PHAMA.
- Facilitate entries into international competitions: As PHAMA was sending entries at their own expense and effort, no incentive existed for another actor, such as CEMA to take up the role. Therefore, this activity was dropped in 2018.

4.3 Increasing awareness and uptake of organic certification (Second priority)

 Investigate exporters and farmers interest for organic certification: The IWG expressed interest in this, but the activity was already being covered by PHAMA and was thus dropped by Strongim Bisnis in 2018.

4.4 Trailing and scaling up the use of block-chain technology to increase transparency.

Trial of blockchain technology: While initial enthusiasm was portrayed by Makira Gold in their
partnership with AgriLedger, Makria Gold decided not to pursue a pilot and thus the activity was
dropped by the team in 2018.

Intervention Area 5 - Increasing the availability and improving the quality of training throughout the whole value chain (accessible and/or targeting women/youth)

5.1 Creating industry-relevant training with local training providers for cocoa export staff and agriculture extension staff.

- Assess potential demand for training and certification: demand for training was assessed and the team identified cocoa extension officer training and quality assessor training as the most demanded training.
- To revise and edit existing APTC cocoa extension worker training from Vanuatu: the team reached
 out to the Vanuatu APTC but they had not yet finalised the curriculum and thus this activity was put on
 hold in 2018.
- Facilitate access to quality assessor training: The IWG requested quality assessor training and conversations took place with PNG cocoa board and CEMA. A concept was drafted by the end of 2018 and it is anticipated that the training will take place in 2019.

Intervention Area 6 - Increasing domestic production of cocoa value-added products

6.1 Support local production of cocoa value-added products.

- Domestic and International demand assessment and feasibility study (with STA) for micro and medium-scale value-added processing (i.e. cocoa powder, cocoa nibs, cocoa butter, etc): The cocoa value-added study took place in November/December 2018. The study was done by an independent cocoa specialist consultant – Grant Vinning. The study aimed at providing investment options on valueadded processing of cocoa in Solomon Islands and will be published in early 2019.
- Proof of concept trial producing products (Small and medium-scale processing) and selling in
 Honiara market: This activity was not undertaken as the study was not completed by the end of 2018.

Unanticipated activities: Strongim Bisnis facilitated specific events as part of the SolChoc Festival
targeting women and youth and value-added processing. Training included preparing chocolate-based
desserts held by 2 international chefs with the participation of around 40 women and youth from the
market vendors association and Youth@Work at the SINU Hospitality School kitchen.

Intervention Area 7 - Improving access to finance for producers and small and medium enterprises (SMEs) (women targeting activities)

Intervention Area 8 - Promoting positive gender roles conducive to women's empowerment and mitigation of the risk of gender-based violence

Intervention Area 9 - Improving domestic transportation services and logistics

Intervention areas (7, 8, and 9) are discussed separately in the following sections. It was decided during the September 2018 reflection workshop to develop a separate results chain for Business Enabling Environment efforts, including access to finance and shipping services. The women's economic empowerment, youth and PLWD inclusion mainstreaming is discussed in detail in its distinct section.

CASE	STUDY: 2018 Cocoa and Chocolate Festival - SolChoc
Issue:	While the Solomon Islands has built a name in the last two years as a new potential origin for boutique cocoa and has gone from 0.0MT of boutique cocoa exports in 2015 to more than 30MT in 2017, the country is battling a poor international reputation in terms of cocoa quality. Some of the quality concerns stem from poor agricultural practices such as fermentation and drying, while additional factors can be found in transportation and storage, as well as the lack of international marketing efforts.
Solution:	To address this problem, the cocoa industry working group (CIWG) organized, with support from several partners such as PHAMA, RDP, ADRA, CEMA, and MAL, cocoa and chocolate festivals in 2016 and 2017. While these festivals were successful in creating linkages with exporters and international buyers and building capacity of farmers on good agricultural practices, the CIWG decided to plan a 2018 Festival that would set the bar higher. In 2018, the event was rebranded as SolChoc and reconfigured as a festival to replace the fixed week period of 'Chocolate Week' from previous years (2016-2017). The overarching goal - 'Build Pride in our Products' - was the festival's tagline to attract a greater participation from tourists and encourage regional and domestic support. The Festival was pitched as a unique opportunity to connect local cocoa growers with international buyers and the general public.

Stakeholders:

Strongim Bisnis led the planning and coordination of the Festival in conjunction with five Festival Committee partners: the Ministry of Agriculture and Livestock (MAL) with the Rural Development Program (RDP); Commodities Export Marketing Authority (CEMA); Solomon Islands Chamber of Commerce and Industry (SICCI) in its capacity as coordinator of the Cocoa Industry Working Group (IWG); Pacific and Horticultural Market Access Program (PHAMA); and Adventist Development and Relief Agency (ADRA).

Timing: 30 April to 5 May 2018

Outcome:

Solomon Islands Prime Minister Hon Rick Houenipwela launched the Festival, attracting strong media attention to raise the profile of the cocoa sector, demonstrating the Government's commitment to improving the cocoa sector, and the role of the Australian Government's support through Strongim Bisnis. The Festival's cocoa competition attracted 158 cocoa bean samples which were submitted by farmers from eight provinces; and more than 100 farmers attended workshops and training events targeted at improving their capacity to produce more and higher quality cocoa. The festival was vital to create/foster important linkages between stakeholders, resulting in purchases and orders of more than 22 metric tons of boutique cocoa from international buyers; or around AUD 114K of which approximately AUD 57K was income earned at the farm level. New innovative drying and storage/transport solutions were introduced in the country via GrainPro. New fermentation technologies were presented by ACIAR. A day A day-long chocolate-themed Fair included stalls selling specialty food, handicrafts, cocoa farming tools and equipment, held at the Heritage Park carpark.

The national radio station, SIBC, broadcasted three events live. SIBC reaches all 5,000 villages across the country, and 58% of Honiara listeners tune in to SIBC (according to 2018 independent media survey). Throughout the Festival, SIBC posted SolChoc videos and images on facebook resulting in increased 5,000 followers. Radio interviews with Strongim Bisnis cocoa adviser, were broadcast for national and international audiences (Australian and New Zealand). Several stories and paid advertisements also featured in national newspapers - Solomon Star and Island Sun. And prime position billboard was placed on the main road to promote the Festival.

Pictures: SolCite S



5. Coconut

5.1 Key achievements

Sector overview: In 2018, Strongim Bisnis initiated and/or completed 7 activities/partnerships in the coconut sector with a total anticipated value of around AUD \$275,000, which represents roughly 21% of the 2018 flexible fund portfolio.

Finalisation of MAS and cocoa strategy development: In January 2018, the program finalised the market system assessment which led to the development of our 2018 sector strategy and workplan.

Reflection and revision of strategy (September 2018): In September 2018, after 7 months of implementation, the team reflected on the program learning and refined/focused its sector strategy, resulting in the reduction of initial 9 intervention areas, 11 interventions and 38 activities to 3 intervention areas, 6 interventions and 20 activities. See appendix 5 for revised sector results chain.

Relationship building and coordination with key stakeholders: Strongim Bisnis built strong relationships with the Permanent Secretary of the Ministry of Agriculture, Biosecurity Solomon Islands, CEMA, the PHAMA project, the Rural Development Project (RDP) as well as the coconut industry working group (managed by SICCI) and its private sector members. We regularly participated in the agriculture working group hosted by AHC and shared reports and plans to key stakeholders.

Activities/Partnerships: Strongim Bisnis supported the Ministry of Agriculture and livestock and Biosecurity Solomon Islands with the behaviour change campaign against the coconut rhinoceros beetle, signed a cooperation agreement with Kokonut Pacific Solomon Islands, supported Kaimaimai coconut syrup and conducted the value-added processing feasibility study for the coconut products.

2019 projections:

Key Indicators	Projections 2019
# of households/MSMEs recording positive change in annual incomes	1,480
Net attributable income changes per household (AUD)	310
# of women owned or led businesses with improved access to higher economic opportunities	570
# of women reporting improvement in their access and control over productive resources in the household and community	430
Increased value of production (AUD)	460,300
# of beneficiaries/MSMEs adopting improved business practice	1,630
# of beneficiaries/MSMEs with improved access to markets or information or products/services	10,440
Value of exports of value-added products (AUD)	206,900

5.2 Progress towards outcomes

Intervention Area 1 - Improving information available for coconut products in export and domestic markets

1.1 Market study for value-added coconut products in the domestic and international market (with MICLI)"

- Conducted market research of the demand of value-added coconut products for domestic and international markets: The coconut value-added research took place between July - November 2018 and was conducted by GravelRoad Consulting. The report highlighted that Solomon Islands' current and potential production of processed high value coconut products cannot match the capability of exporters such as Indonesia, Philippines, Malaysia, and Sri Lanka to supply large volumes to the Solomon Islands' target markets, such as Australia and New Zealand. The study also concludes that the Solomon Islands will struggle to meet market requirements or be competitive on supply for larger markets such as the USA, Europe and Japan. Constraints in matching these competing exports include a lack of certification (Organic, HACCP, Fair Trade), packaging and labelling to an international standard and potentially an inability to meet volume pricing required. The report however identified a number of opportunities to increase coconut product returns for copra, CNO and VCO for which there is significant demand internationally. In addition, there are opportunities for coconut products that are new or relatively new to the Solomon Islands, including charcoal, activated charcoal, soap, RBD2 and coir/peat. The report is partially complete, requiring further analysis on the domestic demand and a detailed cost-model developed of value-added processing options especially for refined, bleached, and deodorised copra oil (i.e. cooking oil quality) in the country.
- ✓ Conducted feasibility study of value-added processing for MSME processors in Solomon Islands: The coconut value added report carried out by GravelRoad includes a focus on MSME processors in the Solomon Islands.
- ✓ Disseminate the market research information to coconut industry processors and exporters: The report will be shared with all key stakeholders in the coconut sector once the report is complete and all required information is obtained.
- Unanticipated activity: Strongim Bisnis supported the attendance of 5 members from the Coconut Industry Working Group to attend the Cocotech Trade Show (18-24 August 2018) to learn about value-added processing. The conference featured new technological developments on coconut production particularly planting and replanting systems, varietal improvement, use of selected local elite planting materials and hybrids, coconut-based farming systems, integrated pest and disease management, post-harvest processing, and technology updates in the manufacture of emerging coconut products for the domestic and export market, cost effective technologies on integrated coconut processing, and marketing strategies. The participation helped to build relationships with industry players, exposure to new technologies and affirming the need for the IWG to connect with global events and partners. Participants presented and shared their learnings with members of the IWG in September 2018. The participants returned with interest in RBD cooking oil production as well as a renewed interest by one copra exporter in value-added processing.

Intervention Area 2- supporting diversification in coconut products for export and domestic market

2.2 Support existing processors value add initiatives

- Conducted pilots with partners at various levels and identify potential constraints of micro, and SME processors in starting or increasing value-added processing in SI for domestic market and export: In early 2018 several potential opportunities in value-added processing were discussed with partners, including VCO and soap production with Chottu Enterprises, soap production and RBD oil processing with Solomon Tropical Products, multiple products with Pacific Farm Holdings, and Strongim Bisnis has been in discussions with Soltuna and KPSI regarding replacing the soyabean oil used by SolTuna with virgin coconut oil. Initial trials were conducted by Soltuna and KPSI using virgin coconut oil (VCO) but it was discovered that consumers did not like the viscous nature of VCO, the strong flavour, and discoloration of tuna meat. To explore an alternative Strongim Bisnis has agreed to purchase refined, bleached and deodorized (RBD) coconut oil for SolTuna to trial as a replacement (2019). Discussions with Chottu did not result in any activities Chottu Enterprises focussed on Noni juice production in 2018. Discussion around RBD oil with STP are ongoing and will be continued in 2019. Strongim Bisnis supported PFH with technical assistance to approach commercial banks with a working capital loan application, but the partner lost interest in this activity as their facilities in Ulawa had not been finished/started production. Strongim Bisnis supported TAL Enterprise with its Kamaimai coconut syrup. Support focused on helping to refine its business strategy and to create new linkages to boost sales. Strongim Bisnis supported a launch of the product with Bulk Shop (7 and 8 December 2018). Five new sales outlets in Honiara were identified and agreed to buy the coconut syrup, 7-day payment terms were arranged and the first order (110 bottles) was paid in cash. A marketing tool kit was also developed for the company. A total SBD \$7,300 syrup was sold through this support. Strongim Bisnis is in discussions with Frangipani ice cream to support the company in fine-tuning their coconut-milk ice cream recipe(s), documenting the recipe(s) and process of production, identifying necessary equipment for the production of new coconut-based product(s), and developing a financial plan to assess the commercial viability of launching a new coconut-based product(s) in Solomon Islands or a regional market. This support is planned for 2019.
- Improving marketing for value added coconut products for export markets with KPSI. Support marketing including: branding and advertising, packaging and labeling, and distribution agreements: In June 2018, Strongim Bisnis signed a cooperation agreement with KPSI to support its vision to expand its markets both regionally and internationally. The agreement outlines a three phased support for KPSI. The first phase support included the recruitment of a business strategy specialist to support KPSI to analyse the Fiji, Taiwan, South Korea and Hawaii markets for potential expansion/export destinations for KPSI products and to identify potential distributors. This support was provided between July October 2018. Phase 2, which includes linkages with distributors in the selected markets will take place in 2019. Increasing KPSI' sales will result in increased incomes at the farm-level given KPSI's social enterprise model.

Intervention Area 3 - Improving Business training and services offered

3.1 Building capacity of business training providers to support local processing units.

- Identify needs and potential demand of local processing units (DME, Tiny Tech, PFH) and microprocessors for business training and skills (and potentially others who would benefit from training): Strongim Bisnis reached out to the main distributors of DME, Tiny Tech and Pacific Farm Holdings (PFH) to identify potential demand for business training and skills. It was identified early on that the type of business training required was already being provided by training providers such as the rural training centres, the coconut technology centre and Solomon Islands Small Business Enterprise Centre (SISBEC) and that business trainings have been provided to coconut farmers through various other donor funded programs over the years.
- ✓ Needs and capacity assessment and selection of training providers: Strongim Bisnis obtained information and developed a list of all training providers for business skills in the country, including the level of qualification they were offering. Since trainings were already being offered by many training institutions, Strongim Bisnis would not focus on this area of support for now.

Intervention Area 4 - Increasing coordination for required certifications for market access

4.1 Support coordination for annual shared Visit for Organic Certification

- ✓ Cost-benefit analysis for organic certification costs and coordination of shared visit: Strongim Bisnis conducted a cost-benefit analysis and found that organic certification was not a cost-effective solution for exporters unless they shared certification costs. However, industry stakeholders decided to obtain certification from different organic certifiers given their interest in different end-markets. PHAMA project is currently paying for certification directly and so Strongim Bisnis was unable to see a feasible business case.
- ✓ Meeting amongst exporters interested in organic certification to share information on certification schemes, structure arrangement and agree on visit: There is strong interest within the sector for coconut, cocoa, ngali nut, kava, etc, but the activity was already being covered by PHAMA and as a result dropped by Strongim Bisnis in 2018.
- ✓ Organize shared annual certification visit: Same as above.
- ✓ Unanticipated activity: Strongim Bisnis was approached by a business seeking support with HACCP certification. While PHAMA already supports HACCP certification for Solomon Islands coconut businesses, discussions between Strongim Bisnis and PHAMA concluded that some businesses would need support in implementing the HACCP recommendations, such as improvements to facilities. PHAMA was not supporting this aspect of the HACCP certification. However, Strongim Bisnis did not receive any requests from IWG members for support on HACCP implementation.

Intervention Area 5 - Improving the quality of Copra

5.1-improving the quality of copra with better drying, storage and transportation practices

✓ Conduct research to understand the international market for copra and copra oil and whether an increase in the quality will increase prices earned by brokers – and whether those prices can and will be passed down the value chain to exporters, traders and growers: After investigating this activity, it was cancelled as it became very clear that there was no price incentive for exporters of copra at the international stage (i.e. Philipines and Thailand) where most of Solomon Islands'

- copra is sold. Since there is no incentive at the international level then no incentive can be passed down the value-chain.
- ✓ If a business case is clear for improving the quality of copra, SB will proceed to scale up activities. If there is no business case for improving the quality of copra, SB will not work in this intervention area: No business case exists, so this intervention area was dropped. Instead, Strongim Bisnis will explore the potential to increase the efficiency in the copra value-chain to increase volumes. This is the only manner in which to increase incomes as quality incentives do not exist.

Intervention Area 6 - Supporting Coconut Rhinoceros Beetle eradication efforts

6.1 Support Sector-wide efforts to control and contain the Rhino Beetle

- √ Support the Ministry of Agriculture and Livestock and Biosecurity Solomon Islands with a Behaviour Change Communication (BCC) campaign: While the CRB was detected in Solomon Islands in 2015, the government failed to adequately respond to the pest and it spread to several provinces by 2018. As there was no energy behind a response, besides limited biosecurity measures and an anticipated SPC grant, Strongim Bisnis was requested by the Ministry of Agriculture to support the CRB containment efforts. While pest emergency response is not a normal activity in MSD programmes, the team, with approval from AHC, decided that action needed to be taken or the entire sector could be at risk of serious decline. As such, Strongim Bisnis offered to design and implement a behaviour change communication campaign in collaboration with MAL biosecurity and SPC, to raise awareness and urge Solomon Islanders to take action to contain the spread of the Coconut Rhinoceros Beetle. Several industry workshops were attended to identify target audiences, messages, and media channels. The team contracted to communication specialists, one of which wrote a research brief on the effectiveness of various media channels for rural audiences in Solomon Islands. Together the team with its stakeholders developed and shortlisted several campaign slogans, messages, images, and other materials. These were user-tested in focus groups with the target audiences and a report recommending the final campaign approach was finalised - JOIN THE FIGHT: cut, burn, kill. As a part of the BCC materials, coloured poster (6,000), soap stickers (10,000), general stickers (29cmx10cm, 1,900), T-shirts (220) were designed and printed, ½ page newspaper adverts (twice/week in Nov-Dec 2018) were published, radio spots (10 radio spots per day, Nov 2018 to Jan 2019) and radio programs to build awareness on CRB (15 mins, 4 programs so far) have been broadcasted. Nationwide SMS messages were also circulated to Telekom's 350,000 clients as well as messages via social media. All materials were shared with the biosecurity team to ensure sustainability beyond Strongim Bisnis' 3-month nation-wide campaign. Sustineo, a research firm has been contracted to carry out the baseline survey of people's awareness and attitude and to assess the effectiveness of the campaign. This survey will be completed in 2019. Initial results at the time of writing this report show that the campaign was highly successful:
 - o 93% of respondents had heard of CRB, 98% of which were aware of the impact of CRB
 - Out of the respondents who were aware of the CRB threat, around 25% felt that they knew how to contain the CRB threat. Around 13% of these individuals had acted on this knowledge, and 8% were planning on taking action in the future (total 21%).
 - Almost 60% of all respondents remember hearing/seeing a CRB message over the last few months.

Intervention Area 7 - Improving access to finance for producers and small and medium enterprises (SMEs) (women targeting activities)

Intervention Area 8 - Promoting positive gender roles conducive to women's empowerment and mitigation of the risk of gender-based violence

Intervention Area 9 - Improving domestic transportation services and logistics

Intervention areas (7, 8, and 9) are discussed separately in the following sections. It was decided during the September 2018 reflection workshop to develop a separate results chain for Business Enabling Environment efforts, including access to finance and shipping services. The women's economic empowerment, youth and PLWD inclusion mainstreaming is discussed in detail in its distinct section.

CASE STUDY: Coconut rhinoceros beetle containment				
Issue:	The coconut industry is worth at least \$150 million to the Solomon Island annually, half of the value constituting rural farmer income. Coconuts are village nutrition with an equivalent consumption of one nut per person, p palm oil industry is worth \$150-200 million to the Solomon Islands econologgest employer in the country. The coconut rhinoceros beetle threatens and nutrition of Solomon Islands' farmers. In Fiji and Samoa fifty years a destroyed around 50% of all coconut palms.	e also crucial in er day. The omy and is the s the income		
Solution:	While MAL biosecurity was planning on solutions to the CRB threat in terms of detection, quarantine site improvements, virus and fungus application, and stakeholder coordination, severely limited budgets hampered any progress before 2018. PHAMA program in 2018 funded a CRB coordinator role and SPC indicated that funding would be available for community clearing campaigns. The missing piece, a national behaviour change communication campaign to make people aware of the threat and tell them what they could do about it, was taken on by Strongim Bisnis.			
Stakeholders:	In coordination with MAL biosecurity, SPC, and other partners such as NZHC, PHAMA, SIBC, and GPPOL, Strongim Bisnis led the design and roll-out of a national behaviour change campaign.	Timing: October 2018 - January 2019		

Outcome:

Strongim Bisnis designed and developed behaviour change material based on targeted community research by an independent consultant. The research identified barriers to behaviour change in rural communities, and outlined effective communication channels and techniques. User testing of campaign messages was conducted in July 2018 with rural farmers or landowners with coconut and other palms in Guadalcanal and Malaita provinces. A Behaviour Change Consultant was engaged to develop and manage the roll out of the campaign strategy, with a total budget of \$AUD 133,000. The campaign message is clear and simple: "Join The Fight: Cut, Burn, Kill" - Cut down all dead palms, Burn all dead palm wood carefully, Kill any larvae found. The strategy centred on several 'touch points' - community engagement material (posters, stickers, flip chart), a wharf billboard, newspaper advertisements, t-shirts for community engagement officers, radio jingles and interviews, social media video clips and posts, and bulk text messages. Material was developed in consultation with BSI, with the intention that MAL extension officers and BSI representatives disseminate as part of a broader distribution strategy. The New Zealand Government will financially support the clean-up phase of the campaign with MAL.

The CRB communications campaign launch (11 October 2018), attended by over 50 stakeholders including media, development partners (UN, JICA, PHAMA). The launch was broadcast live to the provinces by Solomon Islands Broadcasting Corporation. The one-hour program continued to be aired on available radio spots throughout October 2018. Ministry of Agriculture and Livestock Permanent Secretary, Ethel Francis, led the official speeches, explaining the disease-resistant beetle species is could potentially affect the coconut and palm oil industries by AUD150 million by 2020 if uncontrolled. Australian High Commissioner to Solomon Islands Roderick Brazier remarked on Australia's support to eradicating the CRB infestation to protect economic growth. A well-known local string band produced a campaign-specific song and various length jingles for radio purposes (45 second, 30 second and 15 second). Voice overs from different provinces are used as a 'tail' to the jingle, urging listeners to spread the word and take immediate action. Paid radio slots have were arranged during prime-time listening between October to December 2018. Over 9,000 campaign stickers were placed on soap packages by Solomon Tropical Products as their public service contribution, going out to a wide distribution network into villages in Guadalacanal and other provinces.

Bulk text messages were sent to 350,000 Telekom mobile users around the country in November and December 2018. The aim was to reach the general public who will spread the message and encourage action, particularly in this period of returning to the provinces over the Christmas period. MAL has setup an information hotline 131, which is operated by the CRB coordination response team. Campaign material encourages people to report to the hotline or to their nearest MAL extension officer. To expand the reach of the campaign, a partnership with the Solomon Islands Broadcasting Corporation (SIBC) was established. Multiple field trip to Henderson areas was an opportunity to invite media to meet and interview BSI experts, demonstrate the CRB infestation, and reinforce campaign messages. Many stories were printed in both Solomon Islands' newspapers following these media visits. The campaign is hosted on a Facebook page called 'Join the Fight', which is managed by BSI. Content and images have been provided to BSI with a suggested timeline for posting.

To measure the impact of the campaign messages and material, an assessment will be conducted by an independent consultant in January 2019.

Initial results at the time of writing this report show that the campaign was highly successful:

- ✓ Out of the respondents who were aware of the CRB threat, around 25% felt that they knew how to contain the CRB threat. Around 13% had acted on this knowledge, and 8% were planning on taking action in the future (total 21%).
- ✓ Almost 60% of all respondents remember hearing/seeing a CRB message over the last few months.

Pictures:

Australian Government Head of Mission, Roderick Brazier, with PS of MAL, Ethel Francis, launching the CRB campaign at a live national broadcast at the SIBC headquarters in Honiara, Solomon Islands.





6. Business Enabling Environment

6.1 Key achievements

Sector Overview: In 2018, Strongim Bisnis initiated and completed three (3) activities/partnerships in the BEE (finance) sector, with an approved total AUD39,000 around 3% of the 2018 flexible funding portfolio

Reflection and revision of strategy in Sept 2018: In September 2018, after 7 months of implementation, the team reflected on the program learning and one key focus was on its sector strategy, resulting in the inclusion of 5 BEE specific intervention areas and 9 interventions in tandem with WEE. The initial 2018 workplan included BEE activities within the tourism, coconut, and cocoa sectors, such as "access to finance" and "improved shipping services", but during the reflection workshop the team decided to develop a stand-alone BEE results chain as most activities were cross-cutting ni nature instead of sector-specific. See appendix 5 for revised sector results chain.

Relationship building and involvement with key stakeholders: Strongim Bisnis built strong relationship with the Permanent Secretary of the Ministry of Commerce, Immigration, Labor and Industries (MCILI), the Financial Inclusion unit of the Central Bank of Solomon Islands (CBSI) and SICCI. We worked closely and shared ideas with the Pacific Financial Inclusion Program (PFIP) in-country specialist and also with GoodReturn. We are active members of 2 financial Inclusion working groups, namely the MSME Working Group and the Consumer Empowerment Working Group, where key stakeholders such as the financial institutions, the Government, CBSI and development partners meet regularly on issues regarding MSME and consumer affairs.

2019 projections: the below projections include BEE, WEE, and youth/PLWD inclusion

Key Indicators	2019 projections
# of households/MSMEs recording positive change in annual incomes	170
Net attributable income changes per household (AUD)	470
# of women owned or led businesses with improved access to higher economic opportunities	160
# of women reporting improvement in their access and control over productive resources in the household and community	160
Increased value of production or service provision (AUD)	16,380
# of new jobs	20
# of beneficiaries/MSMEs adopting improved business practice	190
# of beneficiaries/MSMEs with improved access to markets or information or products/services	240
Value of credit disbursed to beneficiaries (AUD)	33,180
# of recipients of capacity building support	530

6.2 Progress towards outcomes

Intervention 7 (coconut and cocoa sectors): Improving access to finance for MSMEs (including women, youth and PLWD)

Supporting development of new microfinance products for local processing units.

- ✓ Identify needs of local processing units for finance (start-up and ongoing operations): The team met with key stakeholders in both the coconut and cocoa sectors, namely KPSI, STP, PFH, in coconut, and several exporters in cocoa, to identify the need for new microfinance products for local processing units. The team also met with all financial services providers in Solomon Islands, including commercial banks, SPBD microfinance, all savings clubs providers, as well as with staff from the now defunct Solomon Islands Development Bank. The biggest need for finance was identified to be working capital or overdraft facilities, as well as start-up capital.
- Link to financing and or creation of loan or tailoring of other financial products for local processing units: Strongim Bisnis made several linkages to financial service providers. These included linkages between GoodReturn and Solomon Tropical products as well as with Agnes Pilopaso. GoodReturn planned to provide financing support for cocoa powder production to Agnes, but Strongim Bisnis' value-added feasibility study showed that such and investment would not be profitable. Strongim Bisnis also contracted a consultant to support PFH with a working capital finance loan application, but PFH decided to pursue other business interests as their facility in Ulawa was not operational at the time. Through consultation, Strongim Bisnis found that there was currently no appetite for financial providers to develop any specific loan products for cocoa or coconut processing, given the small loan portfolio size potential. As such, Strongim Bisnis adapted its approach to look at facilitating access to finance in a cross-cutting manner. This included a partnership with SPBD to pilot a SME loan product, that was put on hold at the last minute due to concerns of SPBD's ability to implement it, as well as a partnership with WARA to pilot loan funds in their savings groups. These and other innovations are discussed in section 10 of this report.
- ✓ Training for financial service providers to assess applications of local processing units: This activity was dropped as per above-stated reasons.
- ✓ Training for local processing units on the products available, their use, and the application process: While this activity was dropped (see above), the team identified the need for a broader SME support effort to improve loan applications submitted to commercial banks. This is discussed in the next bullet.
- ✓ Unanticipated activity: providing solutions to MCILI and CBSI on the challenge of the low uptake of the SME loan guarantee scheme: Strongim Bisnis was invited by the Financial Inclusion Taskforce of the Central Bank of Solomon Islands to join two working groups, namely the MSME Working Group and the Consumer Empowerment Working Group, where key stakeholders such as the financial institutions, the Government, CBSI and development partners meet regularly on issues regarding MSME and consumer affairs. As part of the MSME working group we were invited to join the sub-committee to investigate the low uptake of the SME Loan Guarantee. As member of this group, Strongim Bisnis engaged a consultant and conducted an in-depth analysis on the reasons for the low uptake of the SME loan guarantee scheme. The recommendations presented to the MSME working group. As a result, CBIS and MCILI revised the loan guarantee and signed MoUs

with Credit Corp and BSP Finance, which previously were not able to access the loan guarantee. The assessment also identified the need to improve SME loan applications and a business service provider program was recommended. A request came from MCILI for Strongim Bisnis to provide this support, but as Business Link Pacific, a New Zealand-funded regional business service provider strengthening program was looking to operate in Solomon Islands in 2019, Strongim Bisnis did not progress an additional activity in this area in 2018.

Intervention Area 9 (cocoa and coconut sectors) - Improve Domestic Transportation and Logistic service

Improve the quality of Domestic transport service

- Consult with industry working groups (cocoa and coconut) to clarify areas of improvement: Domestic transportation and logistics service was identified by the working group as an area needing improvement. Cited were high prices by shipping companies, unfavourable shipping schedules, lack of infrastructure like wharfs, and the lack of protected storage for high-end products such a boutique cocoa.
- ✓ Transportation Services Industry consultation: The team also met with several shipping companies, most notably the owners of the 'Florence', to discuss improvements. However, it became clear that due to the lack of competition, shipping companies have little to no incentive to provide better services for cocoa and/or coconut transportation. Due to reasons stated above, the program did not pursue this further.
- ✓ **Technical adviser to recommend specific improvements to existing services:** The program did not pursue this due to reasons stated above.
- ✓ Technical adviser to conduct training with shippers on how to protect agricultural products during transit: The program did not pursue this due to reasons stated above.

Increase coordination of transport services

- ✓ Needs assessment of communication gaps in domestic shipping sector (case study: Silent World paying for shipping info to be broadcasted on SIBC): Several attempts were made to reach out to the Solomon Islands Maritime Safety Association, but every attempt to arrange a meeting were not successful. The team aimed to understand how shipping schedules and updated were captured and shared, such as the SIBC and newspaper updates sponsored by Silent World. The team also met with B-mobile and Telekom to explore the option of using USSD menus to provide shipping information. While Telekom was not interested, B-mobile explored this option with the team but eventually decided that there was not enough of a market at the moment and that any service would have to be funded by Strongim Bisnis. The team assessed the cost-benefit of paying for such a service, but found after several focus groups with copra traders that this would not be an effective solution at this time
- ✓ Product design with STA (eg/ text messaging service, online platform, app, 'helpline')(Note: network coverage needs to be accessible to most for this to succeed): The program did not pursue this due to reasons stated above.

Unanticipated interventions/activities:

- ✓ Improved corporate governance by supporting rollout of new training programme: Strongim Bisnis supported SICCI as one of the sponsors of the Essentials for Directorship Training Programme conducted in Honiara in July/August 2018. The 4-day programme aimed at promoting excellence in private sector corporate governance was attended by 25 self-funded participants (Directors, CEOs, and GMs of private sector companies).
- ✓ Improved legal operating environment for SMEs: Strongim Bisnis supported MCILI through a consultant that provided policy action plans, guidelines and strategies towards formulating and drafting the MSME Bill. The drafting plan was accepted and shared to stakeholders in late 2018.



7. Women's Economic Empowerment, youth and PWD Inclusion

7.1 Key achievements

Sector overview: Women's Economic Empowerment (WEE) is a main crosscutting theme in Strongim Bisnis and an avenue to achieve gender equality in Solomon Islands. We consider it as part of the necessary business enabling environment for our focus sectors to be strengthened.

Strongim Bisnis approach to WEE is through a twin track:

- We mainstream WEE across the sectorial activities by improving women's access to business development services and markets through influencing key market actors
- We develop activities that specifically target women's agency and their capacity to control key productive resources and decisions as well as structural barriers like gender norms and policies.

Strongim Bisnis started a total of 10 initiatives for WEE / Youth Inclusion in 2018 at AUD \$127,000, 10% of the flexible fund, in addition to WEE mainstreamed across the sectorial activities:

- ✓ International Women's Day 2018 awareness raising
- ✓ International Rural Women's Day 2018 awareness raising
- ✓ SolChoc trainings for women and youth
- ✓ Gender Norms Study in partnership with Oxfam
- ✓ Round Table around WEE and GBV
- ✓ Business After Five event in partnership with SICCI
- ✓ support to WARA's Revolving Loan Fund
- ✓ support to the partnership between WARA and SunPower
- ✓ started a feasibility study for the commercialisation of portable biodigesters
- \checkmark awareness raising around GBV through the DreamCast Theatre roadshow.

Two partnership agreements have been signed: with Oxfam for the gender norms study and with WARA for the saving groups revolving loan fund and for the solar products distribution pilot. Strongim Bisnis has also worked with another local organization active on WEE and youth Inclusion, the DreamCast Theatre, contracted for a gender sensitisation roadshow, although a partnership agreement hasn't yet been formalised.

Strategy and implementation: In January 2018, Strongim Bisnis finalised the gender action plan which led to the development of our 2018 strategy and workplan to mainstream WEE across the market systems.

Learning and adaptation: In September 2018, after 7 months of implementation, the team reflected on the program learning and refined its sector strategy, resulting in a more focussed approach:

 7 <u>intervention areas</u> reduced to 2; 13 <u>interventions</u> reduced to 6; 31 <u>activities</u> reduced to 20. See appendix 5 for revised sector results chain.

Relationship building and coordination with key stakeholders:

- The public sector: including the Ministry of Women Youth Children and Family Affairs (MWYCFA), with the Honiara City Council (HCC), with the Central Bank's Working Group on Consumers' Empowerment (in charge of the Saving Groups Strategy).
- International Development Agencies and NGOs: UN Women, with the IFC, Oxfam, World Vision and ACOM.
- Local civil society: Honiara Market Vendors Association, JJD Women's Association, Vois Blong Mere, WARA and the RTC Bethesda.
- Academia: the Solomon Islands National University (SINU)
- **Private sector:** Kaleko Steifree, SunPower and KPSI. The WEE team actively engaged with SICCI for the organisation of sensitisation events and discussions.

Activities/Partnerships: Strongim Bisnis signed a partnership agreement with WARA to pilot a revolving loan fund and facilitated their partnership with SunPower for the distribution pilot of solar systems. We also signed a partnership agreement with Oxfam for the gender norms study. Other key activities included the support to the 16 days of activism campaign in coordination with the public sector and civil society, the support to the MWCFA and HCC for their campaigns on International Women's Day and International Rural Women's Day, and the feasibility study for the distribution of a portable bio-digester for rural women through the Bethlehem Chapel Youth Ministry. The 16 Days of Activism campaign also included support to local non-profit DreamCast Theatre to deliver a roadshow to sensitise rural communities in Guadalcanal around gender-based violence (GBV) and gender equality.



Photo 2: WEE Advisor with Executive of Market Vendors Association.

7.2 Progress towards outcomes

Strongim Bisnis has started 12 out of the 16 activities planned in the 2018 annual plan, and 4 have not been progressed due to changing dynamics (please see table below for details).

Intervention Area	Intervention	WEE ACTIVITIES	Status
Tourism			
Improving the capacity for development of demand-driven	4.1	Explore partnership opportunities with SIWIBA and Women in tourism association for capacity building	Opportunities explored but with limited response from SIWIBA due to internal challenges that they faced (and are still facing) and limited capacity to engage in new activities. The dialogue is still open for 2019 once they finish their end of the year fundraising activities.
sustainable inclusive tourism products and services	4.2	Explore opportunities of changing private sector practices with partners like Solomon Airlines and Dive Munda. Sol Air funding available for women	The WEE team discussed with the business partnerships team about specific private sector funding for women and no such opportunities were available. Following our partnership with WARA, KPSI has supported the setting-up of a revolving loan fund for their employees' savings club.
Improving coordination and collaboration of the sector	6.1	Support workshop organising to minimise barriers for women's participation	Inputs provided around workshops organization in a way that it maximizes the presence of women and youth, and women's organizations (like market vendors' association, SIWIBA, JJD) regularly invited to participate.
Cocoa and Coconut			
Improving visibility, reputation and marketing in the international industry (leveraging positive news on women's economic development). Separate intervention areas for cocoa and coconut	4.1	Support the organisation of the chocolate festival to promote visibility and capacity building for women	Organized specific events in SolChoc targeting women and youth. They were training is preparing chocolate-based desserts held by international chefs with the participation of around 40 women and youth. Also supported Bethesda (RTC for PWLD) in their fundraising efforts during Solchoc.
Improving productivity through replanting, revitalisation and improved production practices (gender sensitive and target activities around women and youth). Separate intervention areas for cocoa and coconut	1.1	Support a women and youth component in the overall research study of value-added products	Identified a specific area of interest for women and youth in the cocoa added value study around drinking chocolate.
Improving access and utilisation of drying technology/infrastructure and equipment (maximising women's participation).	2.2	Conduct pilots with partners at various levels and identify potential constraints of micro, and SME processors in starting or increasing value-added processing in SI for domestic market and export.	No pilots conducted at this stage. Discussions held with World Vision, WWF and WARA around potential collaboration to promote saving clubs as platforms for added value processing activities. Support to Kamaimai.youth led enterprise for the commercialization of coconut syrup.

Separate intervention areas for cocoa and coconut			Partnered with World Vision and KPSI for the submission of a proposal to DFAT for cocoa added value processing and commercialization.
Increasing the availability and improving the quality of training throughout the cocoa value chain (accessible to and/or	cocoa 5.1 coconut 3.1	Make a study to identify the main barriers for women to access to existing training opportunities and possible solutions	Held dialogue with S4EG around a potential conjoint effort for a study and they have shared their gender analysis identifying the barriers.
targeting women and youth).			See above
Improving business training and services offered in the coconut industry	cocoa 5.1 coconut 3.1	Present the findings to main training providers and offer support to address issues	
	cocoa 7.2 coconut 7.1	Negotiate agreement with SPBD for new SMEs loan product in Guadalcanal	Negotiated agreement with SPBD and kept on hold following ongoing dialogue around financial situation and governance structure
Improving access to finance for producers and small and	cocoa 7.2 coconut 7.1	Support SPBD new SMEs loan product	See above
medium enterprises (SMEs) (women targeting activities).	cocoa 7.2 coconut 7.1	Identify potential partners for saving groups	Identified WARA, World Vision, ACOM and WWF
Separate intervention areas for cocoa and coconut	cocoa 7.2 coconut 7.1	Negotiate agreement with potential partners for saving groups (WARA)	Negotiated agreement with WARA for setting up a revolving loan fund, ongoing discussions with WV and ACOM. Agreement with WARA also for the distribution of solar energy kits in the rural communities.
	cocoa 7.2 coconut 7.1	Support selected saving groups (e.g. WARA)	Started an initiative with WARA to set up a revolving loan fund around their saving groups for women entrepreneurs
	cocoa coconut 8.1	Conduct unpaid care burden and gender norms analysis	Analysis conducted in partnership with Oxfam and results presented during public event in addition to press release and distribution of the printed report to key partners.
Promoting positive gender roles conducive to women's empowerment and mitigation of the risk of gender based	cocoa coconut 8.2	Gender-dialogue at the community level, involving men and boys and / or other sensitization initiatives	Supported sensitization activities during international awareness raising initiatives relevant for WEE including the IWD, IRWD, the 16 days of activism. Supporting the DreamCast Theatre for awareness raising activities at the community level.
violence. Separate intervention areas for cocoa and coconut	cocoa coconut 8.2	Studies on potential solutions to reduce unpaid care burden and / or interventions to reduce it	The unpaid care burden analysis was performed in conjunction with the gender norms analysis. Started a study to support a youth enterprise to commercialize a portable biodigester to provide rural families with gas stoves.

7.2.1 Highlights

- Faciliated training during 2018 SolChoc Festival targeting women and youth in partnership with the Solomon Islands National University (SINU). The trainings included preparing chocolate-based desserts held by international chefs Charles Lemai and Jessica Pedemont with the participation of around 40 women and youth from the market vendors association and Youth@Work. The participants now have the technical knowledge to start new activities or expand their products range following the trainings. A specific assessment to understand the situation of the participants and any needed follow-up action will be conducted in 2019. Following the success and interest generated by this initiative, SINU and Strongim Bisnis are discussing the possibility of including trainings around chocolate-based pastries in their planned certificate in culinary art. Strongim Bisnis will work with SINU and the international chefs to support this new initiative, particularly targeting women and youth.
- Supported disability organisation Bethesda at 2018 SolChoc festival. Bethesda students produce hand-made rag dolls that are sold as an income generating activity contributing to the Rural Training Centre's fundraising strategy. Bethesda was offered a stand at the SolChoc market place and sold around 70 dolls, generating estimated revenue SBD \$14,000 (around AUD \$2,400).
- Supported women's entrepreneurship through a new distribution model for solar products. Strongim Bisnis brokered a partnership between WARA and SunPower a local distributor of solar energy solutions for piloting the distribution of small-scale solar panels through women entrepreneurs in a network of saving clubs reaching around 3,000 women. A training has been conducted by SunPower and the MICLI (Ministry of Commerce, Industry and Labour Inclusion) in Malaita for around 30 people including couples (in order to involve men as well and prevent conflicts) from different saving clubs in the technical aspects of the products and in business skills. Strongim Bisnis is also supporting a revolving loan facility for the necessary working capital of the distributors. The first batch of solar kits will be shipped in January 2019. This initiative serves a double purpose improving women's access to technology and providing opportunities for women's entrepreneurship. At least 12 women, one for each WARA's saving club zones can become a distributor of solar products with a potential market, initially of around 100 families for each of them. If the model is successful, it will be scaled-up to other saving clubs' networks (e.g. World Vision, ACOM or WWF).
- Sensitisation activities during the International Women's Day, International Rural Women's Day and 16 days of activism. The activities included:
 - Overall support to the MWYCFA at the coordination level through the involvement of the WEE Advisor in coordination meetings and her support in facilitating various activities and performing as master of ceremony during official events.
 - Sensitisation of Members of Parliament (MPs) around Gender Based Violence (GBV). Strongim Bisnis WEE and Youth Advisor organised a symbolic event at the parliament, in coordination with UN Women and the Young Women Parliamentary Group to request Members of Parliament to sign a pledge against gender-based violence.
 - A roundtable discussion around the linkage between WEE and GBV with the participation of key stakeholders in Solomon Islands, broadcasted by the Solomon Islands Broadcasting

Corporation (SIBC) at the national level and a summary of the discussion with key lessons learned was distributed among key stakeholders and also published as a blog on the Strongim Bisnis website. The panellists included representatives from WARA, Oxfam, the Anglican Church Mothers' Union, SIWIBA and DFAT. The discussion was facilitated by the president of the local NGO Vois Blong Mere.

- A panel discussion around GBV in the private sector in participation with the Chamber of Commerce and Industry (SICCI) and the IFC Waka Mere program against GBV and the participation of business leaders, representatives of the civil society and organisations of people with disabilities. The presenters included representatives from the IFC, the palm oil plantations company GPOL, Solomon Airlines and the MWYCFA. A total of 50 people attended the event.
- Support to the DreamCast Theatre for sensitisation in two communities in Guadalcanal
 around Gender Based Violence through drama, music, quiz and games. An estimate 2,600
 people will be reached in rural Guadalcanal through this activity. Through this initiative
 Strongim Bisnis is also supporting the DreamCast Theatre, a promising social enterprise led
 by Solomon Island youth leaders and with strong potential to influence local culture and
 behaviours.
- Supported the Consumers' Empowerment Working Group at the Central Bank of Solomon Islands
 (CBSI) and presented the terms of reference for a study around the sustainability of saving clubs
 at national level, with a focus on WEE. CBSI and other key stakeholders will support the study and
 the results will be presented to the same working group.
- Conducted a study on "Community perceptions of gender norms and economic opportunities in Solomon Islands" in partnership with Oxfam. The report was launched by the Minister of Women Youth, Children and Family Affairs (MWYCFA) with invited representatives of the civil society, government and private sector. The study generated strong interest, especially national media, and was an opportunity to launch a revamped WEE multi-stakeholder platform that includes the main NGOs, development agencies and government bodies involved in WEE. The objective of the WEE group is to share knowledge and information and improve the business enabling environment for women and girls. The Minister of Women, during her speech, mentioned key figures around the importance of women in the economy of Solomon Islands from Strongim Bisnis WEE Infographic.

Photo caption (next page): Top: Roundtable discussion panelists and participants, Centre: GBV community theatre performance with Dreamcast, and Bottom: Launch of gender norms report with Minister for Women.







Case Study: supporting women's savings clubs

Strongim Binis supported a network of saving clubs of around 3,000 women through the West Are Are Rokotanikeni Association (WARA) to set up a revolving loan facility and allow their members to have access to micro-loans for their businesses. Early results include the following:

- 84 women trained in Maleai Shortlands in financial literacy, revolving loan fund and business skills. Revolving loan fund established for women's saving groups and for men's saving groups. The establishment of the men's saving groups was a pilot to involve men and generate less resistance towards women's business activities. Seven (7) loans issued in 2018.
- ▶ 16 women trained in Tulagi around business skills and managing the revolving loan fund. Eight (8) women have already been issued loans for their businesses.
- 200 women in Marau trained in managing the revolving loan fund and 93 women (from the 200) trained in business skills. Forty-seven (47) women have received loans for their businesses.

The implementation of the revolving loan fund is still at its initial stage, nevertheless the first available numbers confirm the members' interest for the new financial product. Other organisations promoting saving groups like World Vision and ACOM have showed interest in the methodology, if this pilot is successful. There is a huge potential of impact considering the relevance of saving clubs for the financial inclusion strategy in the country.

Saving groups are the main channel for low income people in rural areas to access financial education and save money. Currently, around 5.3% of the adult population in Solomon Islands are members of saving clubs (National Financial Inclusion Strategy (NFIS) Solomon Islands, 2016-20).

There are around 430 saving clubs in Solomon Islands registered with the Central Bank of Solomon Islands (CBSI) and different service providers exist as shown in the table below (source CBSI).

2017	2017/2018 Q1						
No.	Savings Group	Total Members	Women				
1	WARA	3465	3465				
2	MWYCFA	1673	1673				
3	SIWIBA	53	53				
4	ACOM	2668	2668				
5	World Vision	3212	2004				
6	Live & Learn	52	52				
	TOTAL	11,123	9,915				
	Average per club		89.14				

The numbers of saving club members might be higher if smaller service providers and unregistered groups are considered. According to WARA, its network includes more than 3,400 women throughout the country with a total savings that reached SBD \$2 million in December 2018.

There is, as yet, no unified model, no national legislation and no national register or quality control system in place. Keeping track of the situation of saving clubs' results is difficult.

The model used by WARA is based on the voluntary work of the facilitators, and some of the groups are almost 20 years old. The VSLA model used by World Vision is employee-based and time limited. The degree of success varies and, according to the NFIS, the most effective models are either employee-based or time limited (VSLAs), thus raising questions around their sustainability. WARA's mission also goes beyond financial inclusion and aims to increase women's political and economic empowerment.

A common feature of saving clubs in Solomon Islands is the one-to-one ratio of loans to savings, which prevents members from lending to each-other and, in practice, prevents loans, although many insist on calling "loans" the withdrawal of the own savings and an interest rate is charged. However, now some of the saving groups are also offering credit services, thanks to support from Strongim Bisnis. A number of NGOs, government and international agencies are supporting saving groups including WARA, Live and Learn, World Vision, Oxfam, ACOM, WWF, IWDA, the Ministry of Women, CBSI and others.

Supporting saving clubs is part of the National Financial Inclusion Strategy (NFIS). Saving clubs function according to a variety of models as outlined in the 'Savings Club Advisor, Solomon Islands' (UNCDF PFIP, 2014).



7.2.3 Youth Inclusion

The Solomon Islands Government defines youth as 'persons from 15 years of age to 34 years of age'. This definition supersedes a definition in the 2010-2015 National Youth Policy of persons from 15 to 29 years of age. Based on this definition the youth population in 2015 was estimated at 180,000 and is projected to increase to around 406,000 by 2050. Based on the new definition, youth represented around 28% of the population in Solomon Islands in 2015. The absolute number, as well as the percentage of youth in Solomon Islands, is trending upwards due to a high fertility rate. Youth in Solomon Islands are facing strong barriers to economic inclusion and the result is a very high rate of unemployment, with a marked gender gap. The Solomon Islands Government (SIG) launched their new Youth Policy in 2018.

The Strongim Bisnis Youth Inclusion strategy is overlapping with several WEE initiatives and is also crosscutting the focus sectors and Business Enabling Environment (BEE) areas of intervention. Among the main actions Strongim Bisnis planned according to our youth inclusion strategy are:

- Financial inclusion, especially for young women through saving groups, loans schemes and digital
 inclusion. Youth are an important component of WARA Saving Clubs we are working with (as
 explained in a previous section), although we don't have disaggregated data yet. Agedisaggregated data for the saving groups we are working with will be available following the
 baseline survey that will be conducted at the beginning of 2019.
- Training, internships, employment or entrepreneurship through value addition activities in cocoa and coconut. This area of work is manly crosscutting to the cocoa and coconut sectors and will be a strong focus in 2019. In 2018 the main initiative has been the support to a youth-led enterprise, Kamaimai, for the commercialisation of their coconut syrup through mentoring and marketing support, leading to a commercialization agreement with the retail chain Bulk Shop. More details about this initiative can be found under the "coconut" section of this report.
- Training, internships, employment and entrepreneurship opportunities through new product development in the tourism sector and other sectors. Youth entrepreneurship is one of the pillars of the new SIG Youth Policy. SICCI, in partnership with the SIG, launched the Youth Entrepreneurship Council Solomon Islands (YECSI). More details around these initiatives can be found in the BEE section of this report. Strongim Bisnis also started to support the Bethlehem Chapel Youth Ministry to develop a business of commercialisation of portable bio-digesters. This initiative will at the same time represent an income opportunity for the youth group and access to gas stove for rural families, thus reducing the unpaid care burden and making cooking healthier and more environmentally friendly, as an alternative to firewood. The feasibility study is currently ongoing.
- Opportunities linked to new, particularly digital, technologies (e.g. around digital presence and ecommerce). No initiative in this area started in 2018 and it will be one of the focus areas for next year.
- Youth as an important target audience in sensitisation efforts around gender norms and roles. Youth were among the main target audience of the DreamCast Theatre roadshow supported as part of the 16 days of activism activities as described in the WEE section. A key element of the DreamCast methodology is learning through games, and because of this youth participation in the activities was substantial.

8. Research Program

Strongim Bisnis developed a research strategy and guidelines during the inception phase of the program. The guidelines for the business advisors to mainstream social inclusion into Strongim Bisnis initiatives also includes advice around mainstreaming gender into research design and implementation.

The table below presents a summary of the research activities planned by Strongim Bisnis and the ones conducted in 2018. More details of the specific research can be found in the sections dedicated to the specific sectors or crosscutting functions.

Research Plan					
Name of Document	Description	Туре	Author/s	Status	
TOURISM SECTOR					
Market Research for Tourism study	Tourism market research (including adding an expatriate segment module into the existing NZTI research) conducted with the SIVB.	Report for SIVB; publish website	New Zealand Tourism Institute	Conducted Domestic Expatriate Market Survey in partnership with Tourism Solomons, through New Zealand Tourism Research Institute. The survey was carried out in October-November 2018 with around 160 respondents.	
Impact study on Solomon Islands rebranding	Web-based research to track brand development and the online presence of the Solomon Islands new tourism brand (done annually)	Report for publication	TBD	Anticipated to happen in 2019 as part of the Tourism Solomon Partnership, including on their recently launched website.	
Cocoa drying technology	Participatory action research on cocoa drying technology	Study	TBD	Planned for 2019. Started the bidding process.	
Feasibility study for value-added cocoa products	Domestic and international demand assessment and feasibility for micro and mediumscale value-added processing (i.e. cocoa powder, cocoa nibs and cocoa butter)	Feasibility study	Grant Vinning	Domestic and International demand assessment and feasibility study (with STA) for micro and medium-scale value-added processing (i.e. cocoa powder, cocoa nibs, cocoa butter, etc): The cocoa value-added study took place in November/December 2018. Report to be launched in 2019.	

Feasibility study for value-added coconut products	Domestic and international demand assessment and feasibility for micro and medium scale value-added processing of coconut products	Feasibility study	GravelRoad Consulting	Conducted market research of the demand of value-added coconut products for domestic and international markets: The coconut value-added research took place between July – November 2018. Report to be launched in 2019.
Women's Economi	ic Empowerment			
Gender Norms and unpaid care burden Study	Gender norms analysis as to how societal norms influence women's agency in cocoa sector	One report for publication	Oxfam	Analysis conducted in partnership with Oxfam, finalised in October 2018 and results presented during public event in addition to press release and distribution of the printed report to key partners.
Barriers to Training for Women	A study of barriers to skill development by women in the various intervention areas. It will identify the main barriers for women to access the training opportunities and recommend possible solutions	Internal use	TBD	This analysis has already been partially conducted by the DFAT Skills for Economic Growth Program and will not be duplicated.
The business case for WEE	The financial impact of WEE, or a lack thereof, on business outcomes	One report for publication	TBD	Planned for 2019
Economic inclusion study	Research that examines the various intervention area value chains and determines the distribution of income across these value chains.	TBD		Under consideration
Market regulation analysis	Understanding how government regulations and policies affect the performance of markets in the Solomon Islands	TBD		Under consideration

Political economy analysis and strategy	Research to understand how the political economy shapes and constrains market systems development	Internal publication	Shahar Hameiri	Completed in April 2014 and internally discussed with the team, as well used during the reflection workshop in September 2018
Understanding informal business sector	A study on how businesses function within the Solomon Islands context and how formal and informal business practices influence performance.	One report for publication	TBD	Under Consideration
Household consumer study	A study on household consumer goods' use and solutions to reduce unpaid care burden (solar products, personal care, agricultural inputs and distribution constraints. Opportunities through savings/women's groups as micro-franchise partners with wholesalers	Internal publication	TBD	A more specific feasibility study for the commercialization of a portable biodigester for rural households to reduce unpaid care burden started in December 2018.

9. Sustainability

9.1 Tourism, Cocoa, Coconut, BEE

One of Strongim Bisnis' main objectives is to facilitate change that is sustainable and scalable, leading to positive development impact. Sustainability is achieved in several ways:

- 1. Alignment with SIG objectives and priorities
- 2. Deep understanding of the market and the market actors' interests, incentives and capacities
- 3. Partnership and support for local initiatives where partners bear the main responsibility, ownership, and incentives to continue the activity. In practice this means that any private sector partner must prove that the activity is profitable, and thus contributes to the bottom line of the business.

Harmonisation with Solomon Islands Government (SIG) and development partners has been a key focus for Strongim Bisnis in 2018. Strongim Bisnis' Market Systems Assessments and 2018 Annual Plan were drafted with close consultation of SIG and all other stakeholders. Strongim Bisnis coordinated with the Central Bank Financial Inclusion Task Force, Ministry of Agriculture, Ministry of Culture and Tourism, Ministry of Women Youth Children and Family Affairs, Ministry of Commerce Industry Labour and Immigration, Tourism Solomons, Cocoa and Coconut Industry Working Groups at SICCI, Tourism Donor Coordination Working Group, AHC Agriculture Programs Working Group, among many others.

Strongim Bisnis conducted three market system assessments that identified market actors' interests, incentives and capacities. The understanding of these MSAs was continuously expanded in 2018 through multiple discussions, some leading to activities and partnerships. Each partnership included further analysis and evaluation, including the SIGP Criteria as part of Strongim Bisnis' business case template.

Before signing the partnership agreement, each activity maps the results chain depicting how initial activities will lead to sustained behavior-change in target groups (farmers and small-scale entrepreneurs, and market actors including public and private sector). At the implementation stage, results and costs are monitored on an ongoing basis. Strongim Bisnis, encourages evidence-based decision making and continuous learning - activities not delivering the expected results are either modified or closed.

Leverage is one of the key indications of progress towards systemic change for MSD programs. The program takes this into consideration while selecting the partner. To date, Strongim Bisnis has secured 55% leverage commitments from partners (AUD \$402,361).

The MSD approach focuses on facilitating and supporting local actors, rather than direct implementation. Relying on local partners may slow implementation, however using their platforms and networks is more sustainable in the long-run. For example, our partnership with WARA leverages their resources and methodology, so that women have access to micro-loans for their businesses. We also utilise the existing resources of other development partners such as Oxfam, to harness existing effective gender-based violence activities. Strongim Bisnis partners with local consultants to undertake evaluations (CRB campaign baseline), uses local teams to undertake research (gender norms study), and supports existing local platforms for awareness-raising activities (gender-based violence activities).

Having said this, there are instances when Strongim Bisnis undertakes efforts that are not pure MSD and portray uncertain sustainability signals. This is the norm in all MSD programs, and is especially to be expected in shallow markets such as Solomon Islands. The team evaluates the risk of unsustainable efforts and makes decisions based on the information at hand. In some cases, there is a "cost to play", meaning that partnerships may include some activities that may not be sustainable but that strengthen the partnership which will lead to further work that is sustainable. Furthermore, sustainability can mean

different things depending on the type of actor; for example, for private sector actors' sustainability is found in profits; for associations sustainability is found in income and continuation of a certain change of behaviour; in ministries sustainability is found in funding allocations and certain change of behaviour.

It is important to note that a sustainable model does not ensure sustainability, especially when market dynamics and funding allocations are always changing, and when relying on partners to take action. That is why the team's assessment of interests, incentives, and capacities is so important when choosing partners.

Examples

- Clear cases for sustainability: these include our partnerships with C-Corp, Island Enterprise, SIDC, KPSI, Makira Gold, and Kamaimai. These businesses have a monetary interest in seeing the activity succeed and Strongim Bisnis has shared the cost of an equipment, marketing, mentorship, and/or technical know-how. Other clear cases include our work with the Central Bank and MCILI on improving the governance structure of the SME Loan Guarantee to increase it's utilizations; while there is not profit incentive, the CBSI and MCILI have the necessary interest, incentive, and capacity to continue the guarantee efforts independently of Strongim Bisnis support.
- Sustainability in other ways:
 - Trainings Strongim Bisnis supported several trainings such customer service, culinary training, cocoa processing, digital marketing. While these trainings are not expected to be continued independently by the partners they result in several sustainable outcomes, including: increasing association membership benefits leading to increased membership, leading to increased income from membership fees; contributing to the behaviour change of increasing the perceived importance of having online profiles for tourism entities; resulting in linkages with a website provider building/upgrading free websites; the ability to commercialise the cocoa processing training to start an income-generating activity. All of these trainings were part of a larger partnership or strategy and should not be viewed independently.
 - Research Strongim Bisnis conducted several research efforts, such as the tourism expat market segment survey, the cocoa and coconut value-added feasibility studies, the and gender norms study. While the research is not likely to be conducted in the future by an independent body, such as the MICILI, MAL, or SINU, the former three research efforts aim to provide information to market actors to make informed investment decisions, contributing to their businesses' sustainability.
 - Events Strongim Bisnis supported several events in 2018, including the 2018 SolChoc Festival, as well as attendance of coconut businesses at the 2018 COCOTECH Conference and Tourism Solomons' attendance to the 2018 SPTE. While it is not realistic to expect that these events will happen or can be attended in the future without donor support, Strongim Bisnis looked at increasing as much as possible any sustainability within these events. For example, at the SolChoc event the team facilitated linkages between buyer and seller of cocoa and technologies leading to increase of sales/income; a large number of sponsors contributed to the event therefore setting in place future sponsorship opportunities; cocoa tools and equipment were sold by Island Enterprise and Makira Gold at a subsidized rate to promote good agricultural practices, leading to increased yields and incomes.
 - Advocacy Strongim Bisnis supported several advocacy efforts, including Women's Economic Empowerment (covered in the section below) as well as a nation-wide behaviour change campaign on the coconut rhinoceros beetle. While it is not expected that SIG or private sector funds will be made available for the CRB containment efforts in the future, Strongim Bisnis did the ground work for the campaign message and images

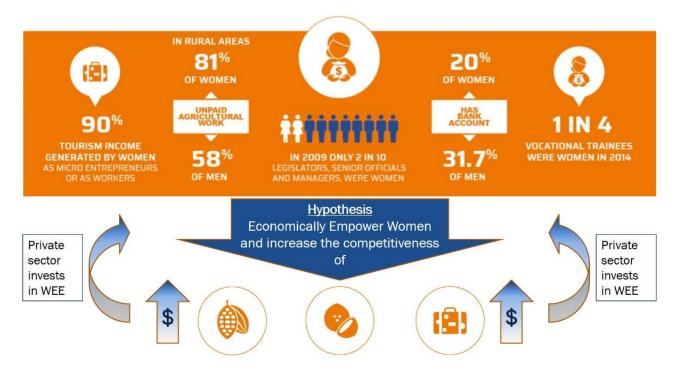
that are now property of the MAL Biosecurity department. Throughout the effort the biosecurity department also received capacity building in campaign strategy and communications tools/tactics that they can build on to continue their fight against CRB. While a behaviour change campaign is not an orthodox MSD activity, given that there may not be any coconut left to market and nobody was taking any action against CRB, the team found it necessary to conduct this campaign.

It should be evident through these examples that sustainability is a major objective and focus of Strongim Bisnis, and that sustainability can mean different things depending on different partners. Strongim Bisnis' approach is sustainable and evidence in the coming years through the team's MRM efforts will confirm our efforts or point us to adapt and change our tactics.

9.2 Women's Economic Empowerment, youth and PWD inclusion

WEE, youth and PWD inclusion are part of the interventions to improve the business enabling environment in Solomon Islands and therefore they are key for the longer-term sustainability of Strongim Bisnis. Mounting evidence exists around the importance of gender equality and WEE to stimulate economic growth and private sector development.⁴ Investing in youth means investing in the next generation of business and political leaders, while at the same time tackling the social problems generated by youth unemployment across the country (as detailed in our youth inclusion strategy in the Gender Action Plan).

Our WEE strategy is based on the business case for WEE and therefore upon a longer term rational for the both the government and the private sector to invest in WEE. Our hypothesis is that investing in WEE will improve the performance of our focus sector and the overall growth of Solomon Islands as explained in the picture below.



Strongim Bisnis is planning to conduct a study in 2019 around the business case for WEE based on the existing interventions, and to use the results of the study to rally the private sector and government to increase the investment in WEE. Working with local organisations and with the MWYCFA strengthening them is another pillar of the WEE, Youth and PWD interventions' sustainability. All our interventions are consistent with the government strategies and with the strategies of the local organisations we work with. Finally, consistently with our GAP, WEE, Youth and PWD inclusion are crosscutting to our sectorial interventions in order to make them more inclusive and effective. Strongim Bisnis advisors have been trained in the principles of gender equality of social inclusion and the WEE team constantly works with the sectorial advisors in order to support effective mainstreaming.

⁴ Woetzel, J. (2015) 'The Power of Parity: How Advancing Women's Equality can Add \$12 trillion to Global Growth', Working Papers. McKinsey Global Institute - eSocialSciences. Available at: https://ideas.repec.org/p/ess/wpaper/id7570.html (Accessed: 5 August 2017).

9.3 Environment and Climate Change

Under the Environment and Social Safeguards Policy for the Aid Program (2018), protecting the environment and building resilience to climate change and disasters are requirements for all of Australia's aid programs. The environment in the Environment Protection and Biodiversity Conversion Act, 1999" is defined in the following ways:

- a) Ecosystems and their constituent parts, including people and communities
- b) Natural and physical resources
- c) Qualities and characteristics of locations, places and areas
- d) Heritage values of places
- e) Social, economic and cultural aspects of a thing mentioned in (a), (b), (c) or (d) including those related to indigenous people.

In line with Australian aid policy, Strongim Bisnis considers the environmental impact of every initiative at the design stage. In order to improve our positive impact on the environment and climate change we have also developed the Terms of Reference for a study to develop Strongim Bisnis strategy for environment and Climate Change. The study will star in Q1 2019.

Below a summary of the main ongoing initiatives with the potential of a positive impact on the environment and climate change:

- Logging in Solomon Islands in many cases is the main source of income for rural communities and this activity, conducted in an unsustainable manner, has become a main driver for natural environment destruction in the country. Strongim Bisnis initiatives in the tourism sector are generating alternative sources of income for rural communities and at the same time economic incentives to preserve the natural environment and attract even more tourists. While the overall environmental impact will be difficult to quantify, we shall look for anecdotal evidence of this substitution effect with logging, as well as we shall design our initiative to actively minimize the negative environmental effects of the influx of tourists.
- The Coconut Rhinoceros Beatle (CRB) constitutes a major threat to coconut trees and most of the other types of palm trees in Solomon Islands, with severe economic and environmental impacts. Strongim Bisnis' support to the campaign to contain the spread of the CRB will help preserve a substantial component of the natural environment in Solomon Islands as well as a fundamental source of income and food security for the rural communities.
- Most of the cocoa in Solomon Islands is dried using the so called "Kukum dryers", fueled by firewood. Strongim Bisnis supported the import and distribution of solar "bubble dryers" that do not use firewood and also improve the quality of the dried beans. While it is difficult at this stage to quantify the substitution effect, there is a potential for reducing the use of firewood for cocoa drying.
- Support to the partnership between WARA and SunPower. This initiative promotes women's entrepreneurship and access to solar energy in rural areas using WARA saving groups as a platform to commercialize solar power systems. This initiative has the potential to increase the overall access to electric power in the rural area and also to replace more expensive and polluting diesel generators. The partnership started in 2018 and the sales will start in 2019.

Feasibility study for the commercialization of a portable biodigester for rural households. The study started in 2018 and will be finalised in 2019. If feasible, commercializing the biodigester will allow rural households to use biogas for cooking thus substituting firewood. This will have a positive impact on women's health, on their unpaid care burden and also a positive impact on the environment as it will improve waste management and greenhouse gases (GHG) emissions.

10. Innovation

Strongim Bisnis is innovative, catalytic, and responsive to market and social-political dynamics, demonstrating scalable and sustainable development intrinsic to the market systems development (MSD) approach. Already in the first year of operation, we have catalysed investment in innovative products and services in Solomon Islands.

- Supporting the pilot of Solomon Islands Discovery Cruises (http://sidcruises.com.au/). A new tourism product that has never been tested in Solomon Islands.
- Supporting an innovative value-chain financing model with a cocoa-exporter. This same partnership is also trialing a new drying technology that has never been tried in Solomon Islands.
- Supporting the piloting of loan funds for saving groups. Until our support to WARA, no savings groups in Solomons Islands provided a loan fund option to its members.
- Facilitated the introduction of a new cocoa drying technology: GrainPro Solar Bubble Dryers (http://gel.grainpro.com/solar-dryer-case-50.html). For the first time being distributed in Solomon Islands.
- Supporting a local agro-dealer (http://www.ielsi.com.sb/) to import UV Plastic for solar dryers to sell in their retail outlets. Until our support no UV Plastic was available for purchase in Solomon Islands.
- Facilitating a partnership with SunPower (https://www.sunpowersolomons.com/) and WARA to pilot a new distribution model for solar products, engaging women entrepreneurs as "microfranchisees" in the provinces.

11. Learning and Adaptation

11.1 Lessons learned and program adaptation

11.1.1 Tourism

In 2018, the program initiated a number of partnerships and activities, including with Tourism Solomons, Western Province Tourism Association, Solomon Islands Discovery Cruises, and the Tourism Infrastructure Development Fund, aligned with the Ministry of Culture and Tourism priorities and other donor programs, which, in addition to the analysis underpinning our initial MSA, helped refine our sector strategy to focus on four Intervention Areas in 2019:

- 1. Improving tourism stakeholders' decision-making through the provision of and access to tourism market research and intelligence:
- Increasing potential visitors' awareness of Solomon Islands as a destination through improved visibility (especially online);
- Improving potential visitors' decision-making thanks to better provision of and access to destination travel planning information;
- 4. Improving visitors' experience of Solomon Islands as a result of improved quality, quantity and value for money of tourism products/services; improved provision of tourism-specific training services; and more coordination and collaboration of tourism stakeholders.

These four intervention areas include six interventions and 21 activities for 2019, reduced from 7 intervention areas, 14 interventions and 31 activities in 2018 (see chart below). We have found tourism to be an exciting sector to support and have not changed our approach significantly. We have rolled two intervention areas (4 & 6) into one intervention area (4) for 2019. We have taken out the WEE intervention

area as it is a cross-cutting area for all of our sectors. And we have deleted the intervention area dealing with sustainable tourism as there is just not enough demand for action from sector actors. Having said that, the program does focus on environmental sustainability as part of a cross-cutting function for the whole program.

Revised strategy/focus - Tourism

Improving the development and availability of tourism 2019 market research and intelligence Improving tourism stakeholders' decision-making through the provision of and access to tourism market research and intelligence; Improving Marketing and Promotion of Solomon Islands as a Tourism Destination (especially online) Increasing potential visitors' awareness of Solomon Islands as a destination through improved visibility (especially online); Improve the quality and quantity of travel planning information on Solomon Islands Improving potential visitors' decision-making thanks to better provision of and access to destination travel 4. Improving the capacity for development of demanddriven sustainable inclusive tourism products and planning information; Improving visitors' experience of Solomon Islands as a result of improved quality, quantity and value for money of tourism products/services; improved provision of tourism-specific training services; and more coordination and collaboration of tourism stakeholders. 5 Promote more positive gender roles, conducive to women's empowerment and mitigating the risk of gender-based violence 6. Improving coordination and collaboration of the sector Improving the social and environmental sustainability of the tourism sector

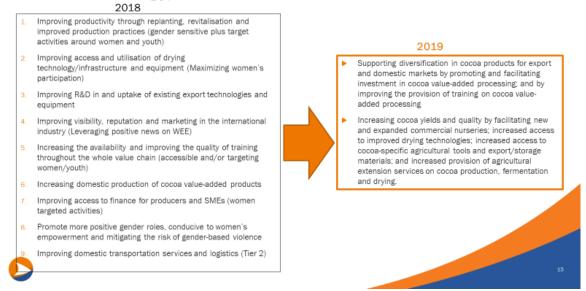
11.1.2 Cocoa

In 2018 the program initiated a number of partnerships and activities, including with C-Corp, Islands Enterprise, and Makira Gold, aligned with the Ministry of Agriculture priorities and other donor programs, which, in addition to the analysis underpinning our initial MSA, helped refine our sector strategy to focus on two Intervention Areas in 2019:

- Supporting diversification in cocoa products for export and domestic markets by promoting and facilitating investment in cocoa value-added processing; and by improving the provision of training on cocoa value-added processing
- Increasing cocoa yields and quality by facilitating new and expanded commercial nurseries; increased access to improved drying technologies; increased access to cocoa-specific agricultural tools and export/storage materials; and increased provision of agricultural extension services on cocoa production, fermentation and drying.

These 2 intervention areas include 6 interventions and 20 activities, reduced from initial 7 intervention areas, 13 interventions and 31 activities (see chart below). The team dropped the intervention area focusing on international market access as the PHAMA+ program is filling this market system gap. The team also dropped the intervention area on domestic transportation and logistics services given the lack of incentives in the industry. The intervention area on access to finance was rolled into a broader Business Enabling Environment approach given the lack of opportunity for cocoa-specific financial services. We have taken out the WEE intervention area as it is a cross-cutting area for all of our sectors.

Revised strategy/focus - Cocoa



11.1.3 Coconut

Support to the coconut sector in 2018 was focused on strengthening relationships, reaching out to new potential partners and promoting the program with key government ministries and key coconut partners in the private sector. One key ongoing challenge throughout the year was managing the expectations of partners in terms of their expectations of what the program should offer and what the program could realistically undertake given its scope and mandate. The program started off with an ambitious 7 intervention areas, 10 interventions and 24 activities. It became clear that even though this was a big sector, there were very few key active players which meant limited opportunities for engagement. With several other donor funded programs already active in the sector, namely PHAMA and RDP, SB was impelled to rethink its interventions and activities to ensure that there was no duplication of activities in the sector.

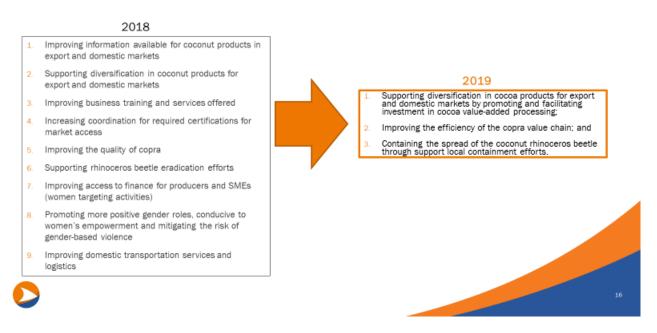
At the reflection workshop, consensus was reached to concentrate on areas not covered by other programs and where Strongim Bisnis saw the potential and opportunity for impact in the coconut sector. The program dropped the following 4 intervention areas;

- Intervention area 1: Improving information available for coconut products in export and domestic market; A component of this intervention which relates to the market study for coconut products in the domestic market has been moved to Intervention Area 2. Supporting the capacity of the ministry of agriculture and livestock (MAL), the commodity export marketing authority (CEMA) ministry of commerce, industry, labour and immigration (MCILI) has been dropped due to limited capacity/willingness of MAL/CEMA/MCILI to fulfil this function. Potential to move towards this later, if there is more momentum.
- Intervention area 3: Improving business training and services offered; There are already various training providers and institutions providing qualified business training in the country. There is the potential for the program to support these training providers to reach more coconut farmers, producers and businesses if there is a strong demand by the sector to do so.

- Intervention area 4: Increasing coordination for required certifications for market access; This is an area already covered by the PHAMA program. With the commencement of the PHAMA Plus program, Strongim Bisnis will ensure that there is strong coordination between these two programs.
- Intervention area 9: Improving domestic transportation services and logistics: The shipping sector is a highly politicized sector because of the issue of constituency owned ships. There is a reputational risk for the program if it were to undertake activities in the shipping sector because of this. Difficulty in monitoring and enforcing new shipping regulations for example would also add to the difficulty of ensuring that improvements are made to domestic transport services.

Intervention area 2; supporting diversification in coconut products for export and domestic markets and intervention area 6; containing the spread of the coconut rhinoceros beetle remain unchanged whereas intervention area 5 has shifted its focus on copra from 'improving the quality of copra' to 'improving the efficiency of the copra value chain'.

Revised strategy/focus - Coconut



11.1.4 Business Enabling Environment

During 2018, we observed that there was considerable momentum in the public and private sectors behind initiatives to strengthen the business enabling environment (BEE) for MSMEs. While our 2018 sector strategies for tourism, cocoa and coconut all contained elements relating to the broader business environment (particularly in relation to access to finance and support services) the common ground between these strategies was not fully articulated. Yet, many of the market system and behavioural changes required to improve the overall business environment involve the same market actors and constraints. For example, banks do not tend to regard cocoa or coconut businesses differently but consider them as examples of a broader class of MSMEs working on agricultural commodities. Moreover, some of the market system changes that we aim to achieve will benefit not only MSMEs within the target sectors,

but also other MSMEs in other sectors whose growth may bring benefits to poor households that we may fail to capture by focusing narrowly on specific sectors.

Given markets are dynamic in nature, the program has identified the opportunity to support efforts to prepare for the undersea fibreoptic cable which is slated to be finished by December 2019. As such, for our 2019 strategy, we have developed a discrete Business Enabling Environment Program, which unifies the BEE-focused elements from our individual sector strategies and takes a more holistic approach to these constraints with the aim of achieving greater overall impact.

We have adopted Isenberg's ecosystem approach to develop our strategy for BEE activities. This framework is used to assess and design support for MSME 'ecosystems' (enabling environments) and is broken down into six components: finance; support services; policy/laws/regulations; culture (i.e. norms); human capital; and access to markets. This framework complements the market systems development approach used on our program, since the six components correspond to core and supporting functions analysed in our MSAs. It will also facilitate linking with and benchmarking against business/entrepreneurship ecosystems across the world.⁵

Strategy

In 2018 the program initiated a number of partnerships and activities, including with WARA, Central Bank of Solomon Islands, MCILI, SunPower, and Oxfam, aligned with the Ministry of Commerce, Industry, Labour, and Immigration, priorities and other donor programs, which, in addition to the analysis underpinning our initial MSA, helped refine our sector strategy to focus on six Intervention Areas in 2019. A close working relationship with SICCI will be vital for the successful implementation of our BEE strategy and impact objectives.

- 1. Improving access to finance for both SMEs and microenterprises;
- 2. Improving the socio-cultural normative environment through addressing norms that restrict opportunities for women, youth and people living with disabilities to undertake entrepreneurship or employment, or to participate in supply chains; reducing the unpaid care burden for women; and addressing and mitigating the risk of gender-based violence;
- 3. Improving access to domestic and international markets for MSMEs, including the virtual economy;
- 4. Improving support services for MSMEs;
- 5. Improving the policy, laws and regulations for MSMEs; and
- 6. Improving education, training and labour markets for MSMEs [no cross-cutting activities currently planned for 2019].

11.1.5 Women's Economic Empowerment, Youth and People with Disability

The WEE team participates into most of the learning spaces and discussions with the business advisors in order to integrate a WEE perspective in the discussions and plan conjoint responses to the challenges and opportunities that are identified.

⁵ The Aspen Development Entrepreneurs Network (ANDE), an international network of donors, foundations and NGOs focusing on support for entrepreneurs and start-ups, compiles data on entrepreneurship ecosystems around the world using a framework modelled on the Isenberg ecosystem approach. ANDE's 'Ecosystem Snapshots: can be accessed here: https://ecosystems.andeglobal.org

The main lessons learned from our WEE, Youth and PWD interventions, discussed during our learning event in September 2018 and the ensuing adaptation strategies have been:

- WEE mainstreaming could be more effective if the WEE team were involved since the initial design
 phase of the business partnership. The WEE team and the business advisors are now committed
 to start the discussions around the initiatives at an earlier stage and for this reason the WEE team
 is participating in most of the regular sectorial / partnership development meetings.
- WEE and Youth inclusion have important synergies with SB's focus sectors. However, the main
 overlap is with the BEE intervention area. Solomon Islands' economic sectors are small in size,
 with a limited number of large / medium players, and most of the large-scale impact can be
 achieved by initiatives that are crosscutting all the sectors, like with financial inclusion and youth
 entrepreneurship. The work with saving groups and youth entrepreneurship will be one of the
 main focus areas in 2019
- Strongim Bisnis is unlikely to substantially influence private sector actors on a large scale in the cocoa, coconut and tourism sectors around WEE, because mostly SMEs with limited resources constitute these industries and only larger corporate actors normally have specific resources to invest in WEE, although there are some notable exceptions. Therefore, Strongim Bisnis is maintaining a certain level of sectorial flexibility and is open to work crosscutting all sectors or in additional sectors where substantial opportunities to achieve a large-scale impact arise. For instance, we are exploring possibilities of working in the fresh vegetable market as well as initiatives to influence the private sector across the board through SICCI.
- Our initial plans of working with saving clubs have expanded since the inception as we found out
 that there was a willingness from them to test new business models beyond financial products,
 and we supported a pilot of a new distribution model for solar products. More pilots are likely to be
 supported with different products and services in 2019.

Partnering with local and International NGOs can be a main strategy to reach out to women's, youth and PWD associations that have been difficult to support directly because of logistic, language and cultural barriers. Beyond WARA and DreamCast, among the local and international organizations we might partner with for the social inclusion activities include Oxfam, World Vision, ACOM, WWF and Live & Learn.

11.1.6 Other lessons/adaptations

- Increasing visibility of the program and results has required a shift in the program. While the MSD approach values anonymity in delivering interventions, as a background influencer, the donor requires visibility to demonstrate Australian Government support and impact. Media stories highlight government or local partner led project, while acknowledging Strongim Bisnis support as an Australian Government initiative. While it is difficult to control the final editing and publishing of stories, local media are eager for stories and mostly print provided press releases in original copy.
- Distinguishing our program among other development programs has been challenging when there
 is overlap in priority sectors. A strong brand and ongoing presence online and in local news by end
 2018 has been an important step in informing the general public and stakeholders, but requires
 more focus in 2019 with an emphasis on demonstrated impact.

11.1.7 Processes to drive learning and adaptation

Strongim Bisnis's Monitoring and Results Measurement (MRM) system helps us to monitor and measure the End of Program Outcomes (EOPOs) and Performance Assessment Framework (PAF) indicators throughout the program period as well as improving the interventions using adaptive management approach. The system adheres to the Donor Committee for Enterprise Development (DCED) standard for results measurement. vigilant

Our approach to MRM centres around three key principles:

Proving: Collecting robust evidence of impact to demonstrate credible results;

Improving: Using relevant and timely information to support adaptive management and drive improved decision-making; and,

Lean approach: Using data techniques to minimise the data collection burden.

In 2018, the MRM activities were focused mostly on setting up the system, tools and plans, enhancing staff's capacity to design and implement activity level MRM plans, conducting the pre-audit of the MRM system, preparation for the baseline surveys and regular review meeting with the technical team. In particular, following activities were carried out.

Setting up the Monitoring and Results Measurement (MRM) system: Strongim Bisnis has set up the Monitoring and Results Measurement (MRM) system to be used by the program team throughout the program period. The MRM system supports the assessment of program outcomes and impact and provides management information to support effective decision-making and strengthen performance. Strongim Bisnis places emphasis on both purposes, with particular weight on building a learning culture within the program team. This includes using results to inform management decisions and improve implementation, as well as capturing, proving, reporting and disseminating program results.

Design/Re-design Theory of Change: Strongim Bisnis TOC presented in the SIGP Design Document was reviewed and updated following the findings of the MSAs and the development of sector strategies as well as after the Annual Refection Workshop in September 2018. The TOC links with DFAT's Aid Investment Plan and performance benchmarks including the Performance Assessment Framework for Solomon Islands. It underpins the intervention logic of the program and measuring progress towards EOPOs.

Design/Re-design Sector Results Chain: To guide the development of sectoral interventions, the sector strategies include a sector-level TOC as sector results chain which combines the anticipated changes expected from specific interventions. A reflection workshop in September 2018 required adaptation of the program strategy with a more focused set of intervention areas in the three sectors (tourism, cocoa, coconut) and increased emphasis on activities in the Business Enabling Environment sector to promote Women's Economic Empowerment activities which resulted in revision to existing results chain and creation of new sector results chain for Business Enabling Environment.

Activity Tracking Tool: Activity Tracking Tool (ATT) is the foundation of activity level monitoring and results measurement process. This excel based worksheet includes key information of the activity, results chain, measurement plan, baselines and projection as well as well the risk log. ATTs have been established for all the completed and ongoing activities. The team is required to set up the ATT before the partnership agreement so that information related to key performance indicators are included in the agreement as

reporting deliverables from the partner. ATTs are reviewed every quarter to assess progress of the activity and facilitate informed decision-making process by analyzing data generated from the system.

Sector Tracking Tool: Sector Tracking Tool (STT) guides top-down measurement. This is another excelbased platform which contains sector overview, sector results chain, indicators referring to sector results chain, summary of sector level projections and results. It also tracks the degree of overlap between different activities under a sector. STT for all four sectors have been developed which is required to review every six months, this helps gauge progress towards systemic change and results against projections.

Annual Reflection Workshop: In September 2018, a week-long annual reflection workshop was held. This event gave an opportunity to critically discuss and reflect on original strategies and make a strategic plan for the next year. This exercise resulted in streamlining the intervention areas in each sector.

MRM Training: A training held focusing on Strongim Bisnis's approach to monitoring and results measurement and thematic discussions on results chain, indicators, measurement tools, assessing market system change and projection. The technical team attended the training. In addition, ongoing support is continuously provided to the team.

DECD Audit: As per the contract between the Australian Government and Adam Smith International, the program is required to conduct a "system in place" audit to check the program's compliance against the DCED Standard. While the DCED no longer prescribes audits of this nature, the program was assessed in a manner equivalent to the previous DCED audits in order to check whether it can be considered "in place". The audit was carried out in August 2018. Overall, the MRM system conforms to the DCED standard for results measurement. The pre-audit highlighted many strengths of the MRM system and pointed out a few areas of improvements with recommendations. Please refer to appendix 1 for details.

Baseline Measures: The baseline serves the purpose of providing a comparative base but is also critical to understanding the situation of market players to prepare a viable business case to roll out. Market players baseline information were collected during the partnership discussion phase. To ensure that the baseline information is collected from the right beneficiaries, most the of the Strongim Bisnis activities will have to wait to conduct baseline survey until the implementation kicks off. A research firm - Sustineo has been contracted to carry out baseline survey of one of the activities in coconut sector. Similarly, discussion is ongoing with Solomon Islands National University to conduct baseline survey of Access to Finance initiative. Survey instrument and methodology have been finalised for both surveys.

Aggregation of projections and results: Projections are reasonable estimates of future results, based on current, informed knowledge about the overall system. Projections help to provide direction to interventions and in assessing progress against anticipated impact to be stimulated by program activities. Each indicator is tied with a projection of expected change over time. To assist with aggregation across the program, Strongim Bisnis has developed common indicators that are included in the measurement plan of each activity, where applicable. Projections and results achieved with respect to these indicators have been aggregated. Projections and Results are aggregated at least twice a year. This process gives the program team an insight on which activities are giving and expected to give the scale of impact so that resource could be allocated accordingly. Refer to appendix 1 and 2 for results related to PAF indicators and common indicators respectively.

Portfolio matrix: The portfolio matrix has been created to record brief information of all the ongoing activities such as name of the partner, location of the implementation, budget allocation, progress of the

activity, activity completion date. It provides snapshot of key information of all activities in a single platform.

Fortnightly activity update with each sector: Each sector level technical team sits together to discuss the progresses and challenges of each sector, it helps team to document the key successes and take corrective measures in the areas where it requires improvements.

Fortnightly technical meeting: All the technical teams sit together and reflect on the key challenges and lesson learned and share the broader market changes recorded in the change log. It allows team members to exchange the idea to mitigate challenges and foster learning culture to adapt and improve.

12. Communicating Results

12.1 Profiling Strongim Bisnis

In its inception phase, the program developed branding, signage and material to profile and distinguish the program. By Q4 2018, the program setup online platforms (website and social media) and was driving news stories in national media to:

- raise Australian Government visibility;
- demonstrate impact and enhance Strongim Bisnis credibility;
- improve relationships/linkages with partners and stakeholders;
- b differentiate Strongim Bisnis to other programs (PHAMA, RDP etc); and
- encourage the business community to work with us.

Key achievements:

1) Online Platforms

Promoting the program and results through online platforms (website and social media) has been a key deliverable in 2018. Facebook content (394 followers) is mainly targeted for Solomon Islanders, while Twitter and LinkedIn content is packaged to appeal to an international audience.

Facebook statistics (as of 9/1/19):

Since August 2018, there have been 55 posts on the Strongim Bisnis facebook page.

Most engaging post topic	Kamaimai	Lagoon Cook Off	Kokonut Pacific	Dreamcast
Reach	2,000	1,400	776	2,193
Reactions	194	135	85	52
Comments	10	9	5	6
Shares	16	14	5	14
Link Clicks (driving traffic back to website)	17	n/a	9	6
Photo views	227	157	8	21

Facebook drives 43.85% of site traffic through links inserted in posts.

Users mostly access the website through their desktop computer (65%), compared to mobile (27.5) presumably due to the high costs of mobile internet data.





Tablet 7.5%

2,554

pages viewed (Oct-Dec 18)

736

first time website users (Oct-Dec 18) 03:07

Avg time on a page

Kamaimai Blending tradition and business for women Dreamcast

Top 3 articles on website

2) Branding

In its inception phase, Strongim Bisnis developed strong branding with design elements, colour palette and style guidelines. The branding has been applied, with Australian Government branding compliance, across: fact sheets, infographics, signage (pull-up and event banners), social media, templates and presentations.

Products and Platforms

PRODUCTS	PLATFORMS
 Pull-up banners and event signage (with Aid identifier) Portable 'media wall' Business cards, letterheads, presentations and reports Fact sheets (generic and priority sectors) Infographics Animation video 	FacebookLinkedInTwitterWebsite

3) Mainstream Media

From Quarter 1 to 3, 2018, 10 press releases were submitted to the media. In Quarter 4 2018, 18 news stories were featured across the two national newspapers, Solomon Star and Island Sun. These stories were also published on the newspaper website and on social media.

In 2018, media stories promoted program work relating to:

- SIDC partnership
- WARA partnership
- 2018 SolChoc Festival
- Central Bank's loan guarantee scheme
- WPTA customer service and culinary training
- Tourism Solomons partnership
- Island Enterprises subsidised tools
- International Women's Day support
- Support to Dreamcast Theatre (GBV and WEE community awareness)
- KPSI export strategies
- CRB Campaign launch
- 16 Days Activism activities to raise awareness
- Launch of gender norms report
- Introducing St Gallen Visitor Flow model
 - workshops

Stories have also reached other networks, for example, the cocoa article with consultant Grant Vinning was featured in the electronically circulated Federation of Cocoa Commerce newsletter in October 2018.



Photo: 2018 newspaper clippings featuring Strongim Bisnis articles.

12.2 Using communications to influence change

The market systems development (MSD) approach is a transformative model for using communications to influence change. The program's communication efforts moved beyond a 'publicity' function and realised the importance of applying communication as a program intervention. Communication is now a key feature in business cases and as a stand-alone project addressing development outcomes (e.g. CRB behaviour change campaign).

In 2018, Strongim Bisnis used strategic communications to:

- Influence policy (round table on GBV and women's economic empowerment included discussions around current government policies)
- Drive behaviour-change (CRB Campaign using radio, newspaper, print material)
- Reinvigorate working groups (launch of Gender report encouraged re-formation of multistakeholder WEE platform)
- Engage general public (social media videos about shared workload on cocoa farm and live nation-wide broadcasts of GBV panel discussions)
- Participate in national priorities (SolChoc invited general public and stakeholders in chocolate tasting event to increase understanding of Solomon Island cocoa sector)

1) CRB Campaign

Strongim Bisnis contracted two technical advisors and a graphic designer for the design and development of the behavior-change campaign, and an independent evaluator to assess the impact of material and campaign efforts. Communication was based several 'touch points' using the mass reach of the media, and focused on simple design elements to ensure a sticky 'cut, burn, kill' message. Campaign launch attended by over 50 stakeholders including government, media and development partners. The launch was broadcast live to the provinces by SIBC and continued to be aired throughout October 2018.

- 6,000 colour posters
 10,000 soap stickers
 1,900 general stickers
 220 t-shirts
- 18 half-page newspaper adverts
 - 920 radio jingles played (Nov-Jan 2019)
 - 4 radio programs to build awareness on CRB (15 mins) have been broadcasted
 - 2 media trips profiling CRB efforts
 - 1.05 million text messages sent through Telekom network.

Preliminary results show that the campaign was highly effective:

- 93% of respondents had heard of CRB, 98% of which were aware of the impact of CRB
- Out of the respondents who were aware of the CRB threat, around 25% felt that they knew how to contain the CRB threat. Around 13% of these individuals had acted on this knowledge, and 8% were planning on taking action in the future (total 21%).

 Almost 60% of all respondents remember hearing/seeing a CRB message over the last few months.

2) 2018 SolChoc Festival

As a result of the 2018 SolChoc Festival, the Solomon Island Broadcasting Corporation (SIBC) increased its facebook followers to 5,000 from posting videos on events and activities. Radio interviews and updates were featured on SIBC which reaches all 5,000 villages. It was the first time, Strongim Bisnis was profiled internationally on Australian and New Zealand radio. The communications and marketing around SolChoc increased national awareness of the cocoa sector in Solomon Islands and internationally.

13. Program Management

13.1 Governance

Strongim Bisnis is managed on behalf of DFAT by Adam Smith International. The CEO and ASI Program Director report to the DFAT Counsellor (Economics and Strategy) or their nominee. Day to day donor management, responsibilities fall to the Economics Secretariat in the Australian High Commission AHC Office in Honiara, maintained with the Economics Secretary and the Second Secretary and the Program Manager for Economic Growth. In addition to these the program regularly liaises with other key advisers within Post (including gender, disability and M&E specialists).

Weekly Management meetings are held between AHC, SB management team and ASI Program Manager as a matter of course.

13.2 Team Structure and Management Systems

Strongim Bisnis has a clear operating structure and lines of reporting. The team structure and internal reporting processes are outlined below.

13.2.1 Management team

The management team in responsible for strategic planning, overseeing the quality of program outputs and operations, and maintaining effective working relations with key external stakeholders. The team consists of the Chief Executive Officer (CEO), Business Partnerships Director (BPD), Women's Economic Empowerment (WEE) Director and the Senior Communications Manager (SCM).

Throughout 2018 and due to personal team-members circumstances, Strongim Bisnis experienced changes in team structure. To ensure delivery of the program is sustainable and satisfactory the management team reacted by utilising ASI resources and relied on a pool of Short-term advisers. The malmanagement team in consultation with AHC was restructured and relied on the existing capacity of team members who stepped-up to act in more senior roles.

Table 1: Long-term Advisers in 2018 (Updated in Feb 2019)

Long- term Adviser	Title	Starting Date	End Date	Contract type
Amanda	Chief Executive Officer	July 17,	November 30,	ARF- Long Term
Whyte		2017	2018	Adviser
Lorenz Wild	Business Partnership Director	September 23, 2017	February 28, 2019	ARF- Long Term Adviser
Gianluca	Women's Economic	September	June 30, 2020	ARF- Long Term
Nardi	Empowerment Director	18, 2017		Adviser
Samantha	Communications and Knowledge	September	May 10, 2018	ARF- Long Term
Mattila	Management Director	25, 2017		Adviser
Rawena	Senior Communication Manager	September	February 8,	ARF- Long Term
Russell		4, 2018	2019	Adviser

The CEO Role was filled and mobilised by the start of the program. By November 2018, the role became vacant and ASI launched a recruitment process to identify a replacement with the leadership skills and high-level performance required to oversee the program. As agreed with AHC, the Strongim Bisnis BPD (Lorenz Wild) stepped-up to be the program Interim CEO. The Interim CEO continued to report to the AHC weekly at a joint management meeting between the AHC and Strongim Bisnis Management Team. Progress reports also continued to be submitted by the CEO to the AHC monthly, as well as more detailed quarterly progress reports as per head contract requirements.

A fulltime Senior Communication Manager was recruited by the beginning of the program to design and carry the program communications strategic plan. In May 2018 the position became vacant and the program relied on short-term assignments of an Interim Senior Communications Manager to provide remote-support to the team. Two in-country assignments were conducted as well to support the program on delivering the communications strategic plan, designing the program's social media outlets and website. The assignments of the Interim Senior Communications Manager were completed by the recruitment of the in-country Senior Communications Manager in September 2018.

An in-country Senior Communications Manager was recruited and mobilised in September 2018 to lead the program communication functions. The Senior Communications Manager carried the communication strategy and managed a substantial number of media releases and event. In early in 2019 and the Senior Communications Manager apologies for the role for personal reasons.

13.2.2 Programming team

The Program Team is responsible for implementing the activity plan of Strongim Bisnis and ensuring End of Program Outcomes are delivered. It consists of:

Business Advisory Unit: includes local 5 Business Advisers and Senior Business Adviser, mainly responsible for supporting the day-to-day activities of Strongim Bisnis. They also play a key role in the identification, design and management of interventions with a range of private and public actors.

- WEE Unit includes the WEE Director and WEE and Youth Adviser. The WEE unit integrate WEE principles throughout Strongim Bisnis' market systems development activities, to ensure that interventions thoroughly mainstream gender equality and WEE-related concepts for inclusive economic opportunities.
- MRM Unit: It leads the management of research programs and monitoring and result measurement activities, to ensure effectively delivery of program's activities is achieved. This unit was overseen and managed by the Monitoring & Results Measurement Specialist (STA). The unit was further supplemented by the commencement of a full-time in-country Regional MRM Adviser from January 2019.

The BPD chairs a weekly program meeting with the program team to track activity progress and plan future partnership arrangements with industry partners.

Table 2: Programming team in 2018 (Updated in Feb 2019)

Programming team	Title	Starting Date	End Date	Contract type
James McGoon	Senior Business Adviser	February 3, 2019	April 30, 2020	None ARF - Long Term Adviser
Bikesh Chitrakar	MRM Adviser	January 15, 2019	June 30, 2020	None ARF - Long Term Adviser
Alice Fakarii	Business Adviser	January 4, 2018	April 30, 2020	Locally Engaged Staff
Anthea Unaisi	Business Adviser	April 16, 2018	April 30, 2020	Locally Engaged Staff
Brown Onahikeni	Business Adviser	November 23, 2017	April 30, 2020	Locally Engaged Staff
Caroline Kanoko	Business Adviser	August 20, 2018	April 30, 2020	Locally Engaged Staff
Grace Hilly	WEE Adviser	January 10, 2018	April 30, 2020	Locally Engaged Staff
Vaulton Peter	Business Adviser	September 22, 2017	February 3, 2018	Locally Engaged Staff
Terry Opa	MRM Adviser	September 22, 2017	February 3, 2018	Locally Engaged Staff
Franklin Forau	Business Adviser	October 3, 2017	October 19, 2018	Locally Engaged Staff

13.2.3 Operations team

The Operations Team is responsible for leading and implementing procurement and recruitment processes as required by the program. They ensure compliance with all ASI procedures, the Commonwealth Procurement Guidelines, and within delegated authority thresholds. The team adopts VfM principles in all

their procurement activities. They also maintain a close relationship with the programming team to respond to emerging programmatic priorities and archive all relevant documentation. The operation team mainly report to the CEO but work closely under ASI management.

The Operations Team consists of:

- Operations Manager, whose role is to lead the operation team and to ensure that program
 interventions are adequately supported by effective and efficient administrative, HR,
 procurement and logistical services.
- HR and Admin Manager, whose role is to ensure the administrative operations of the program
 run in accordance with operational guidelines and to support the program by arranging and
 facilitating recruitment, travel and ensuring health and safety policies are followed.
- Finance Manager, the Finance Unit was managed by a Short-Term Local Adviser and later in 2018 was replaced with a Full-time Local Finance Manager who works within the operation team to manage payroll and make local supplier payments, in addition to working with ASI to acquit and track all monthly expenses. The Finance Manager reports directly to the CEO and ASI Project Managers, although works in close collaboration with the remainder of the Operations Team
- Office Assistant who supports the smooth delivery of the administrative functions of the program.
- A Finance Intern (sourced through the Youth@Work Program in Honiara) was utilised by the team in November 2018, depending on operational demand.

Weekly Operations Meetings are held between the CEO, Operations and Finance Team, and ASI Project Manager to respond to emerging program priorities and ensure all priority tasks remain on track.

Table 3: Operations team in 2018 (Updated in Feb 2019)

Programming team	Title	Starting Date	End Date	Contract type
Sharon Turukevu	Ops Manager	November 6, 2017	June 30, 2020	Locally Engaged Staff
Barbara Miller	HR Manager	July 16, 2018	June 30, 2020	Locally Engaged Staff
Maybelline Pitadunga	Finance Manager	November 12, 2018	June 30, 2020	Locally Engaged Staff
Eva Otaiano	Office Assistant	October 30, 2017	June 30, 2020	Locally Engaged Staff
Ritalyn Wasi	Office Cleaner	September 1, 2018	June 30, 2020	Locally Engaged Staff
Sue Mackie	Quality Assurance of Program Systems - short-term	February 1, 2018	December 15, 2018	Short-term Adviser
Eric Notere	Finance Manager - short-term	November 20, 2017	November 19, 2018	Short-term Adviser

13.2.4 Communications team

The communication team is designed to plays a cross-program role, both leading corporate communication functions and supporting delivery of program-level interventions. The team is designed to consist of:

- Senior Communications Manager who works collaboratively with the Management Team and is regularly involved in planning meetings with the program team.
- Communications Adviser (a national appointment).

The program utilised the services of Communications Officer up to June 2018 as a fulltime staff, later in the year the Communications Officer was contracted for part-time contributions as required by the program.

13.2.5 Managing Contractor Support

ASI appointed three staff to be directly involve with the delivery of Strongim Bisnis in 2018.

- The ASI Program Manager (PM) was appointed in August 2018 to cover 100% of their time for Strongim Bisnis. The PM conducted frequent travels to Honiara during 2018 to directly support the implementation of operational and financial management systems, as well as provided direct support to program teams as required.
- The Senior Program Manager, who allocated 25% of their time to Strongim Bisnis in 2018.
- ASI's Program Director also continued to provide high-level strategic oversight and support to the program with frequent visits to Honiara during 2018.

13.2.6 Operational Procedures

All operational and financial management processes were established and approved through the course of the inception phase and second half of 2018. This includes the Operations and Finance Manual, Flexible Fund Manual and Security Plan. A Handover Plan was submitted and approved by AHC in July 2018. In addition, an Asset Register has been finalised by Strongim Bisnis Operations Team which undergoes quarterly updates.

13.2.7 Personnel Management

All key personnel management processes are now established, including:

- Staff code of conduct;
- Security Plan;
- Health and Safety Guidelines;
- Adviser orientation note:
- Recruitment and contracting processes/ formats; and
- Performance assessment procedures.

Adviser Performance Assessments were conducted for all Specified Personnel on an annual basis. Performance Assessments for non-specified personnel are carried out on an annual basis over November and December of each calendar year.

13.2.8 Contracts and procurement

The Operations Team works collaboratively with the ASI Program Manager to prepare and issue associate contracts and partnership agreements. This includes quality assurance and reviews and approvals of all recruitment and procurement procedures and application of sufficient due diligence and acuity checks.

Strongim Bisnis has developed a pool of local and regional specialists (individuals and specialist organisations). This will continue to be expanded to meet the technical inputs of activity plans and resourcing gaps as required across the program.

During 2018 the program engaged with 13 Short-term advisers to provide technical support and operational in few cases to the program.

Short-term	Area of Support
Annie Major	Monitoring & Results Measurement Specialist
Gareth Davies	MSD & MRM Quality Assurance Specialist
Dr David Carpenter	Research Specialist
Hannah Wheaton	Cocoa Sector Specialist
Libby Owen Edmunds	Tourism & Market Systems Development Specialist
Andrew Panton	Business Partnership Director (acting)
David Osborne	Strategic Advisory Panel – International Rep
Luca Crudeli	Strategic Advisory Panel – International Rep
Rosie Makepeace	Senior Communications Manager
Sanju Joshi	Monitoring and Results Measurement Support
Sushanta Kumer	System in place pre-audit review of Strongim Bisnis's MRM System
Joanne Zoleveke	Strategic Advisory Panel
Dennis Meone	Strategic Advisory Panel

The program also contracted associates to support the program activities in certain areas of interventions. Their assignments (business cases) were submitted to AHC and approved prior to contracting. Their final products (i.e. reports, studies, etc..) were also shared with AHC and other stakeholders as required.

Consultant Name	Assignment
Anouk Ride	Behaviour Change and Communications (BCC) Campaign to support Coconut Rhinoceros Beetle Containment
Patrick Rose	Behaviour Change and Communications (BCC) Campaign to support Coconut Rhinoceros Beetle Containment
Barbara Wilkinson	Business mentorship for Coconut Syrup Production
Colin CHUNG	Culinary Training for WPTA members.
David Ermen	Western Trail Development through St Gallen Visitor Flow Destination Management
Grant Vinning	Cocoa Market - Value-added Processing Study.
lan Gordon	Coconut Market - Value-added Processing Study.
Paul Stapleton	Coconut Market - Value-added Processing Study.
Hazel Kirkham	Tour Guide Training in West
John Hardin	SME Finance Expert, Business Plan Pacific Coconut Sector Business, Loan Guarantee Scheme Revision
John Nell	TIDF Loan Applicant Support Service
Melanie Champion	MAC Event Management
Mark Visser	Strategy Development – Pacific Coconut Market
Ben Nginabule	TIDF Loan Applicant Support Service
Jessie Meatoloa	WPTI Training in Western Province
Joyce Konofilia	WPTI Training in Western Province
Margie Brand	Ecoventure Market Systems Development Training
Shahar Hameiri	Political Economy Analysis
Nelson Ari	Political Economy Analysis

13.3 SAP

The Strategic Advisory Panel (SAP) consists of David Osborne and Luca Crudeli, who were both on the SIGP design team, and two leaders of the Solomon Island business community, Joanne Zoloveke and Dennis Meone. The SAP converged in Honiara in March 2018 for one week to meet the SB team and spend considerable time with the senior staff to ascertain programmatic priorities and ensure the whole Strongim Bisnis team have a joint understanding of the vision and objectives of the original program design (of

which David Osborne was closely involved in preparing). An aide memoire was produced which summarised major priorities and strategic risks for the program to bear in mind.

The SAP was available to the Team Leader and other senior team members, and in regular touch to act as a 'sounding board' on various strategic matters and questions which raised throughout the course of the year. The SAP had planned to meet again in country in October 2018 prior to drafting and submission of the 2019 Annual Plan; however, this was postponed due to various logistical constraints.

13.4 Political Economy

In April 2018, Strongim Bisnis engaged two experts (one local, one international) to undertake a political economy assessment of our operating environment to understand:

- how the interaction of political and economic processes impacts target sectors
- the interests and incentives facing different groups in society
- how these generate particular policy outcomes (encourage or hinder economic development)
- the role that formal institutions (e.g. rule of law and elections) and informal social, political and cultural norms play in shaping human interaction and political and economic competition
- how these processes affect the ability of women to participate in, and influence, political and economic institutions, and to profitably participate in the formal economy
- how cultural values and ideas, including political ideologies, religion, gender norms and cultural beliefs, influence political behaviour and public policy.

The findings and recommendations from that assessment have informed the development and implementation of program activities. The program considered the political economy factors into the activity design and decision making and considered ways in which we engage with key stakeholders that have significant political economy influence, in order to achieve greater impact.

13.5 Risk Management

The key risks affecting the program have been reviewed and reported to the AHC through the weekly management meetings or by phone depending on the severity. While Risk Management Plans are outlined and detailed in the program Annual Plans, the main risks affected the program in 2018 were in 4 main areas:

- Reputational risks: A new development model introduced to Solomon Islands market systems development (MSD) created uncertainty during the inception phase due to limited understanding of the approach and limited local technical expertise. The program responded by increasing program communication efforts by the end of 2018, to promote the program and achievements to the public and key stakeholders, and to distinguish work from other development programs. Managing expectations and program visibility is central to increasing support amongst our stakeholders.
- Implementation risks: Lack of local technical expertise, sourcing and retaining international
 expertise has placed significant pressure on the program to backfill positions and invest more
 time in human resources and recruitment processes. The program has managed this by using
 a pool of approved short-term advisors to fill transition gaps, and the Managing Contractor
 project manager providing an increased level of support in-country. While these staffing
 challenges have impacted implementation, the program is on track to deliver results as
 projected.
- Fraud and corruption risks: these are existing risks for programs in any context, including in Solomon Islands. This includes: misuse of program funds, individual financial interests,

nepotism and tribalism. Strongim Bisnis ensures that adequate due diligence and acuity checks are applied for all partners, consultants and other stakeholders. This includes local and international security clearances, submission of certificates of incorporation for entities operating in Australia and Solomon Islands. Anti-Bribery and Child Protection acts are agreed and signed prior to contracting. Strongim Bisnis outlines clear payment terms with partners and consultants, based on reimbursable milestones, invoices and submissions of required reports. The program supports technical advisors in financial reporting, procurement, recruitment and contracting procedures.

The 2019 National Elections brings increased risks including activity delays and staff safety.
 The program will monitor the situation closely, consider the election cycle in activity planning, and work closely with the Australian High Commission and key stakeholders.

13.6 Deliverables

Key deliverables submitted to AHC in 2018 and due dates for completion are detailed below.

	Deliverables in 2018	Date Submitted
1	2017 Annual Report	▶ January 2018
2	Quarterly Progress Report, Quarterly Financial Report & Q3 PBR Report	► April 2018
3	Strongim Bisnis Strategy for People Living With Disabilities	► April 2018
4	Flexible Fund Manual	► April 2018
5	Communication Plan	► April 2018
6	Operations and Finance Manual	► May 2018
7	MRM Plan	► May 2018
8	Quarterly Progress Report, Quarterly Financial Report & Q4 PBR Report	▶ July 2018
9	Handover Plan	► September 2018
10	Quarterly Progress Report, Quarterly Financial Report & Q5 PBR Report	Cottober 2018
11	2019 Annual Plan	November 2018

Appendix 1: Assessment Against DCED Compliance Criteria

As per the contract between the Australian Government and Adam Smith International, the program's MRM system is required to be "consistent with the Donor Committee on Enterprise Development (DCED) Standard for Results Measurement, and with DFATs' M&E standards." Moreover, the same contract requires program to conduct a "system in place" audit to check the program's compliance against the DCED Standard. While the DCED no longer prescribes audits of this nature, the program was assessed in a manner equivalent to the previous DCED audits to check whether it can be considered "in place".

Through the systems in place pre-audit, the program intended to understand to what extent the system adheres to the DCED Standard and how the system can be improved. The pre-audit aimed to,

- identify the extent to which the program is meeting the different elements of the Standard
- identify areas where the program is particularly strong/weak
- provide recommendations to address areas of concern.

Findings:

The audit was carried out in August 2018. The audit process included desk review and one to one interview with program team. The desk review included review of program documents and intervention specific documents. DCED standard Version VIII⁶ was used as a reference to conduct the system in place pre-audit.

Overall, the MRM system conforms to the DCED standard for results measurement. The pre-audit highlighted many strengths of the MRM system and pointed out a few areas of improvements with recommendations. By this date, we already have taken actions to those recommendations.

1. Articulating the Results Chain: The findings highlighted that the results chains are well articulated and supported by market system analysis and annual plan. The risks that may affect the achievement of changes have been identified and are clearly documented, the assumptions for each of the expected changes are well recorded. The MRM manual has clear guidelines for the use of results chains, is well equipped to guide the team to integrate the gender and WEE in the program activities and staff are fully involved in the development of results chains.

There was a suggestion to record risk of displacement. We already have started recording it if it's found to be deemed risk for the activities that we are implementing.

2. Defining Indicators of Change and Other Information Needs: The pre-audit illustrates; the MRM manual includes detail instructions for defining indicators of change including gender disaggregation consideration. Relevant and thorough indicators exist for most of the changes in results chains. Income, outreach and WEE indicators are included across the activities and can be aggregated at the program level. Very detailed projections have been developed for indicators with appropriate dates. Staffs understand the concept and content of indicators.

Some of the areas of improvements highlighted were to include detailed market system change indicators in the design phase of the tracking tool, which we're planning to include later as we gather some preliminary ideas after 3 months into the implementations. To address the recommendations on

 $^{^6}$ https://www.enterprise-development.org/wp-content/uploads/DCED_Standard_VersionVIII_Apr17.pdf

including a few more qualitative indicators and justification or source for projection, we already have included these in the tracking tool.

- 3. Measuring Attributable Changes: The MRM manual includes a detailed plan and instructions for collecting baselines for key indicators. Baseline data collection method is described, and clear attribution strategies exist for each intervention. There is a plan for conducting impact assessment to assess attributable changes for all key indicators in the results chains. In addition to intervention specific impact assessments where gender differentiation will be covered, the program also has a plan to conduct gender specific special research for capturing gender impact. The staff explained how information from MRM system could be used for management of the activities and decision making. There is a plan to monitor unintended effects.
- **4.** Capturing Wider Changes in the System or Market: There is a plan to assess systemic change at the intervention and sector level. The common indicators are defined to help aggregate systemic change at the program level. There is a plan to assess systemic changes at market system level and beneficiary level with appropriate method.
- 5. Tracking Costs and Impact: There is a results aggregation tool exists for Strongim Bisnis to aggregate results for the common indicators at program level. In addition, there are sector tracking tool to aggregate results at sector level that will help program to understand how the sector level results are feeding the program level results and how the intervention level results are producing the sectors level results. There is a plan to consider overlapping factors to aggregate program level results. The program has a plan to update the projections every six months and report program level aggregated results annually. The audit didn't cover tracking costs.
- 6. Reporting Cost and Results: There is a plan to produce a report annually (annual progress report) which describes results (including gender impact) and expenditure to date. The communication management section of the annual plan report describes detailed plan how different results reports will be disseminated.

There is system in place to record systemic change in intervention and sector level but how the program will report systemic change should be clearly articulated. Regarding reporting systemic change, we have included it in Annual Plan, 2019 to prepare a detailed market system change report for each sector twice in a year, mid and end of the year.

7. Managing the System for Results Measurement: There are mechanisms in place for staff to share and use information for decision making. Staff are clear that the results measurement system is meant to help inform decision-making. Roles and responsibilities in results measurement are clearly defined and described into job descriptions and in the MRM manual.

A full time in-country MRM Manager was suggested to be employed. This recommendation was adopted, with a full time MRM Manager commencing in January 2019.

Appendix 2: PAF Results, 2018

Outcome 1 PA	F Result Inc	dicators			
Primary Indica	tors				
Outcome Level	Outcom e Code	Outcome	Indicator	Data Source	2018 Results
Intermediate	A6	Reduced market barriers to economic activity and better export and investment incentives	Value of domestic and foreign direct investment (AUD)	MRM system	284,483
Secondary Ind					
Outcome Level	Outcom e Code	Outcome	Indicator	Data Source	2018 Results
Intermediate	A6	Reduced market barriers to economic activity and better export and investment incentives	Value of exports facilitated (AUD)	MRM system	114,000
Outcome 2 PA	F Result Inc	dicators			
Primary Indica		should be gender disaggreg	ated)		
Outcome Level	Outcom e Code	Outcome	Indicator	Data Source	2018 Results
Plan	В	Increased cash incomes for women and men	# of households recording positive change in annual incomes	MRM system	9
Plan	В	Increased cash incomes for women and men	Net attributable income changes per household (AUD)	MRM system	36
Intermediate	B2	Increased formal sector entrepreneur revenue/profit	# of market actors providing new or improved products or services	MRM system	10
Intermediate	B2 & B3	Increased formal sector entrepreneur revenue/profit & Increased informal sector entrepreneur, farmer and household income	# of market actors reporting benefits (financial or non- financial)	MRM system	1
Intermediate	B3	Increased informal sector entrepreneur, farmer and household income	Value of production or service provision (AUD)	MRM system	67,905
Intermediate	В3	Increased formal sector entrepreneur revenue/profit	Value of exports of value-added products (AUD)	MRM system	114,000
Secondary Ind	icators (all s	should be gender disaggreg	ated)		
Outcome Level	Outcom e code	Outcome	Indicator	Data Source	2018 Results
Immediate	SB	Project outcome	# of market research studies accessible by formal entrepreneurs/private sector	MRM system	4
Immediate	SB	Project outcome	# of MSMEs increasing business profits	MRM system	1
Immediate	SB	Project outcome	# of new jobs reported by MSMEs	MRM system	12

Immediate	SB	Project outcome	# of women-led businesses with improved access to higher economic opportunities	MRM system	Too early to report
Immediate	SB	Project outcome	# of women reporting improvement in their access and control over productive resources in the household and or community	MRM system	Too early to report

Appendix 3: Strongim Bisnis Common Indicators Results, 2018

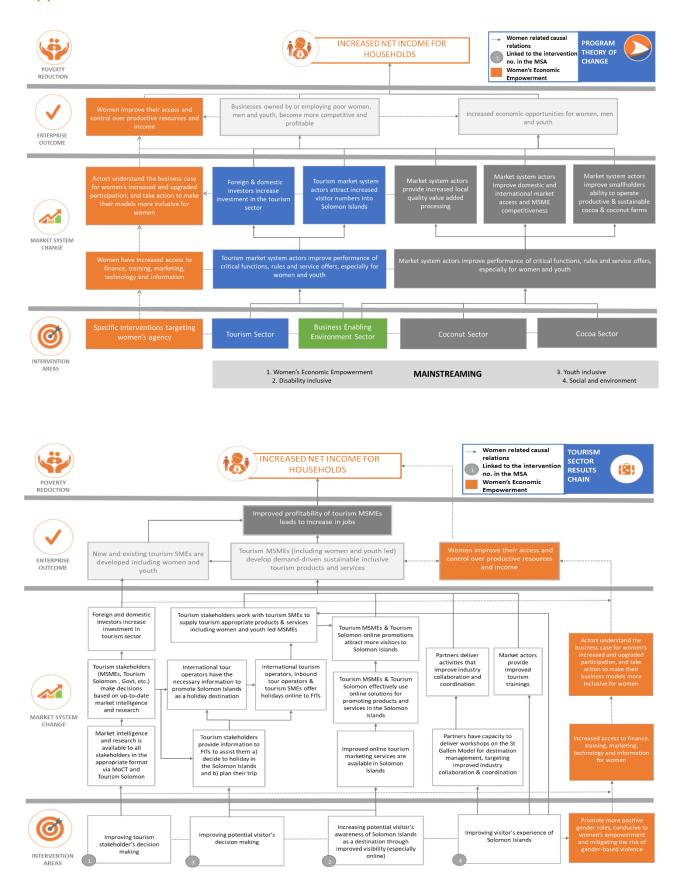
Common Indicators	Program Total	Tourism	BEE/WEE	Cocoa	Coconut
# of households recording positive change in annual incomes	9	-	-	-	9
Net attributable income changes per household (AUD)	36	-	-	-	36
Increased value of production or service provision (AUD)	67,905	10,581	-	57,000	324
# of new jobs created by MSMEs	12	12	-	-	-
# of beneficiaries/MSMEs adopting improved business practice	84	17	58	-	9
# of beneficiaries/MSMEs with improved access to markets or information or products/services	13,905	163	300	100	13,342
# of market actors providing new/improved product/services	10	4	2	2	2
Value of sales of value-added products (AUD)	116,516	-	-	115,258	1,259
Value of exports of value-added products (AUD)	114,000	-	-	114,000	-
# of market actors reporting benefits (financial or non-financial)	1	1	-	-	-
# of market actors expanding business	8	4	2	1	1
# of new foreign/domestic investments in tourism sector	3	3	-	-	-
Value of credit disbursed to beneficiaries (AUD)	284,483	284,483	-	-	-
# of recipients of capacity building support	506	176	330	-	-
# of market actors supported by Strongim Bisnis	13	5	2	3	3

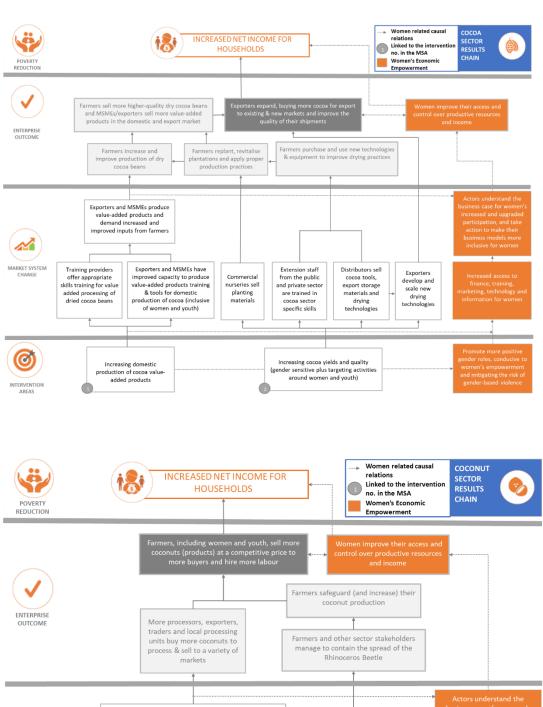
Appendix 4: Activity Summary

Sector	Activity	Key Deliverables	Completion Date	Partner
Tourism	Strengthening Capacity of	Culinary Training completed	Apr-18	Western
	Western Province	Tour Guide training completed	May-18	Province
	Tourism Association	Customer Service Training completed	Aug-18	Tourism Association
		St. Gallen Visitor Flow Workshops completed	Sep-18	
		WPTA membership increased	Jun-18	
		Lagoon Cook-off Competition completed	Dec-18	
	Digital marketing and market intelligence	Tourism Solomon Participated in SPTE programme	Apr-18	Tourism Solomon
	_	Digital Tourism Training completed	Jul-18	
		Website rebranded	Nov-18	
		TripAdvisor Partnership	Ongoing	
	Solomon Island Discovery Cruises	Familiarization trips conducted	Aug-18 Dec-18	Diving Solomon Limited
	Supporting accommodation suppliers with technical business and management skills	Accommodation Enterprises supported to obtain grant	Ongoing	Tourism Infrastructure Development Fund
	Expat Survey	Expat Survey Completed	Nov-18	New Zealand Tourism Research Institute
	Minimum Standard Roll- out	MCT Accommodation Standards Audit Conducted	Ongoing	MoCT
Cocoa	SolChoc	Solomon Islands' Cocoa and Chocolate Festival supported	May-28	RDP, PHAMA, MAL, CEMA, ADRA, SICCI
	Cocoa Value-added processing feasibility Study	Vale added processing study completed	Ongoing	Grant Vinning
	Promotion of GrainPro equipments	Supported Makira Gold to promote GrainPro products	Ongoing	Makira Gold
	Piloting Cocoa Air Dryer	Procurement of equipment is underway	Ongoing	Commodity Corporation Limited
	Promotion of Cocoa Specific Tools	Island Enterprises supported to promote Cocoa specific tools	Ongoing	Island Enterprises
Coconut	Behaviour Change Communication Campaign to support coconut rhinoceros beetle containment efforts	Developed Behavior Change Communication (BCC) materials and implemented awareness raising campaigns to contain Coconut Rhinoceros Beetle	Ongoing	Biosecurity Solomon Islands, Ministry of Agriculture and Livestock
	Exploring export market of Coconut products	International market study conducted	Oct-18	Kokonut Pacific Solomon Islands (KPSI)

Sector	Activity	Key Deliverables	Completion Date	Partner
	Business Expansion of Kamaimai Syrup	Facilitated TAL Enterprises to expand business of coconut syrup in Honiara	Dec-18	TAL Enterprises
	Coconut Value-added processing feasibility study	Study completed	Nov-18	GravelRoad Consulting
	Cocotech Trade Show	Coconut Industry Working Group attended the show	Aug-18	Coconut Industry Working Group
	VCO trial in canned tuna	SolTuna trailed Virgin Coconut Oil in canned tuna	Ongoing	Soltuna
BEE	SME Loan Guarantee Support to CBSI	Study completed	Aug-18	MSME Working Group
	MSME Policy Support to MCILI	Supported MCILI to develop institutional framework of SME Bill and Business Development Services Centre	Dec-18	MCILI
	Essentials for Directorship Training Programme (SICCI)	Co-sponsored training titled "Essentials for Directorship Training Programme"	Aug-18	SICCI
WEE, Youth and PWD Inclusion	SolChoc 2018	Organized specific events targeting women and youth	May-18	SolChoc
	Improving Access to Finance	Supported saving clubs network to set up revolving fund scheme for women in business	Ongoing	WARA
	Enhancing women's entrepreneurship	Supported women's entrepreneurship through a new distribution model for solar products	Ongoing	WARA, SunPower
	Study on gender norms and economic opportunities	Conducted study on "Community perceptions of gender norms and economic opportunities in Solomon Islands"	Oct-18	Oxfam
	Sensitization activities during the International Women's Day	Sensitization activities carried out during the International Women's Day, International Rural Women's Day and 16 days of activism	Mar-18 Nov-18	MWYCFA, SICCI, IFC, DreamCast Theatre
	Consumer Empowerment Working Group	Supported the Consumer Empowerment Working Group	Ongoing	Central Bank of Solomon Islands (CBSI)

Appendix 5 - 2019 ToC & Results Chains:





Strongim Bisnis is an Australian Government initiative

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