



## GOVERNMENT OF SOLOMON ISLANDS

---

# MINISTERIAL DECREE ON PUBLIC INVESTMENT MANAGEMENT POLICY & GUIDELINES

The Minister of Finance & Treasury,

- in collaboration with the Ministry of National Planning and Development Coordination and the Office of the Prime Minister and Cabinet, has been engaged in implementing the Public Investment Management (PIM) reform, aimed at enhancing the efficiency of externally funded public investments. The reform initiative is supported by development partners, who are offering development policy financing and budget support aligned with the policy matrix to assist the PIM reform efforts.
- The Cabinet has concluded that the PIM Framework encompasses the incorporation of a new PIM Policy and Guidelines. This framework will be structured across four tiers: 1. PIM Chapter expected to be drafted and incorporated into the forthcoming amendment of the Public Financial Management (PFM) Act, 2. PIM Policy, 3. PIM Guidelines and 4. PIM Manual expected to be drafted.

- As a component of the reform efforts, two committees, namely the PIM Steering Committee (PIMSC) and the PIM Technical Committee (PIMTC), have been set up to oversee the implementation of the PIM Policy and Guidelines. Additionally, these committees will offer direction at both technical and policy levels regarding project appraisal, project selection, funding selection, implementation, as well as monitoring and evaluation for external financing.
- The Charters of PIMSC and PIMTC have been approved by the Minister of Finance and Treasury.
- The Cabinet has concluded that the PIM Framework shall provide the guide for operations of the Policy and Guidelines.

---

## **DECREES:**

### **1**

#### **PIM Policy**

The PIM Policy developed under the PIM Framework to provide policy guidance to all stakeholders who deal with externally financed projects. Through the implementation of the PIM Policy, the Solomon Islands Government (SIG) will undertake the PIM reform to strengthen oversight, transparency, accountability, and participation mechanism in the externally financed public investment.

The PIM Policy intends to:

- 1) Institutionalize a systematic, focused, and transparent and accountable system that is aligned to the SIG sustainable economic development agenda,
- 2) Promote leadership and guidance to improve partnership and coordination with external financiers in the planning and implementation of the public investment programme and projects,
- 3) Promote the Ministry of Finance and Treasury (MoFT) in collaboration with the Ministry of National Planning and Development Coordination (MNPDC) to take leadership in the project appraisal, selection, and financing selection, coordination, and monitoring of all externally financed infrastructure projects,

- 4) Build and strengthen capacity of MoFT and MNPDC for effective monitoring, evaluation, and control of externally financed infrastructure projects, and
- 5) Improve overall oversight of MoFT and MNPDC on the social, economic, environment, and climate and disaster resilience indicators for sustainable development.

## 2

### **PIM Guidelines**

---

The PIM Guidelines were issued under the PIM Policy by MoFT in collaboration with MNPDC to provide guidelines that will promote transparency, effective management, and accountability in the PIM process to:

- 1) Provide a standardized approach to guide the PIM process to facilitate and streamline programme and projects for development,
- 2) Provide an institutional framework that defines and clarifies roles and responsibilities of various institutions involved in externally financed public investment,
- 3) Provide guidance for project initiation, formulation, appraisal, selection, and financing that are aligned with national development priorities and ensure projects are implemented in a cost-effective manner; and meet the required technical, economic, environmental, social and climate and disaster resilience criteria, and
- 4) Provide guidance for project monitoring and evaluation to ensure the project is implemented as planned and the project is operated to generate service deliveries to meet expected outcomes.

---

To achieve the objectives of the Guidelines, all stakeholders involved in externally financed public investment shall comply with the provisions of the PIM Guidelines. The Guidelines provide procedural guidance to operationalize the PIM Policy under the PIM Framework that focuses on improving the implementation and management of externally financed projects in the country.

### **Authorisation**

The PIM Guidelines is guided by the PIM Policy under the PIM Framework. The authorization process has procedural process and stages that are part of the due diligence compliance check, assessment, and evaluation of all externally financed projects.

The Guidelines are designed and structured according to the requirements with provisions and guiding principles stipulated in the PIM Framework and Policy to enable effective monitoring, management, and control of externally financed projects and investments from time to time. The Guidelines are developed as a requirement under the PIM Framework and Policy with approval of MoFT and the Cabinet to allow effective management and control of externally financed projects and investment.

### **Users of the Guidelines**


The Guidelines serves as a procedural reference for those responsible for making decisions and implementation of externally financed public investment. The users of the PIM Guidelines are as follows:

- Parliamentarians, policy makers, and technocrats in the parliament, SIG, statutory authorities, and provincial governments who involved in project initiation, formulation, appraisal, selection, financing, implementation, monitoring, evaluation, and reporting of externally financed projects, and
- Development partners, climate funds, the private sector, and other external financiers who are involved in externally financed projects.



## Execution of PIM Policy and Guidelines

The Decree shall regulate all externally financed public investments and will harmonize with any other relevant legislations and/or regulations.



Minister of Finance and Treasury

Issued on: 25<sup>th</sup> Feb. 2024