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STATEMENT BY HON CONNELLY SANDAKABATU, MINISTER OF DEVELOPMENT PLANNING & AID COORDINATION, ON AGENDA 8 – POLICY ISSUES FOR THE ASIA-PACIFIC REGION, 70<sup>TH</sup> SESSION OF THE ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC, 8<sup>TH</sup> AUGUST 2014, BANGKOK, THAILAND -.

Mr. Chairman;

Colleague Ministers;

Excellencies;

The Executive Secretary of ESCAP

Distinguished Delegates

Ladies and Gentlemen.

Mr. Chairman, let me at the outset join previous speakers in congratulating you on your appointment as chairman of our deliberations. May I also express Solomon Islands sincere appreciation to the Executive Secretary of ESCAP for her important Policy Address yesterday and for the Commission and its sub-regional offices for the excellent work they have done so far.

Mr. Chairman, Solomon Islands welcomes the theme topic of our meeting – “Regional Connectivity for shared Prosperity”. We believe it is timely as it underpins our sustainable development challenges and endeavours. For, Solomon Islands, it is also very appropriate given our geographic dispersion and the associated development challenges we face. We have a long way to go in building national connectivity through infrastructure development; inter-island transportation and communication; and renewable energy development among others.

Mr. Chairman, the reports before us have clearly articulated the various development challenges, priorities, and policy Issues facing all our countries. As a Small Island Developing State (SIDS) and Least Developed Country (LDC), Solomon Islands share the same or similar development challenges and vulnerabilities faced by other SIDs and LDCs. The 3<sup>rd</sup> International Conference on SIDs in Apia this year will be an opportunity to deliberate and agree on the way forward in addressing the development challenges and priorities of SIDS.

Mr. Chairman, I wish to elaborate on some of the policy issues facing Solomon Islands namely: a narrow economic base; land issues; limited infrastructure and transport and communication services; energy insecurity; climate change and natural disasters; non-communicable diseases; and increasing youth unemployment.

The need or question of how to expand the country's narrow economic base remains a challenge for Solomon Islands. We currently produce only a few export commodities which are susceptible to global price fluctuations or external shocks. There is a need to develop and support the SMEs and the manufacturing sector by addressing the supply side constraints of the economy and produce more competitive products that can be traded, and utilizing our market access privileges as an LDC. A SME Policy has recently been adopted and needs support to implement it. The Government's focus is also on investing more in the productive sector such as fisheries, agriculture, and tourism, which in the long term will make our economy more resilient and generate growth to sustain education and health services.

Mr. Chairman, land issues especially access to land for development is the biggest obstacle to development in Solomon Islands. Eighty five percent (85%) of our land is customarily owned. The Government is striving to reform the customary land tenure system to allow easy accessibility and availability of land for major development projects. We are also looking at development models that include resource owners on the basis of equity shares or as part owners of any company that come in to invest or exploit our resources.

Mr. Chairman, Solomon Islands has a huge infrastructure deficit. Without the appropriate infrastructure we cannot drive economic and social development. With the support of the Pacific Regional Infrastructure Facility, we now have a National Infrastructure Investment Plan which contains a priority list of both existing and new projects. This Plan complements our National Transport Plan. We are working with the Asian Development Bank and other partners to implement the National Infrastructure Investment Plan. I hope ESCAP could also assist in leveraging funding support towards the implementation of this Plan. The successful implementation of our Infrastructure Investment Plan will contribute to national connectivity and generate sustainable and inclusive economic growth. Inter-island transportation and shipping is also important in our Pacific sub-region for regional trade and integration. We therefore support the resolution co-sponsored by Fiji as part of our efforts to implement the Suva Declaration on Improving Maritime Transport and Related Services in the Pacific.

Furthermore, Mr. Chairman, there is a huge challenge or need for sustainable energy. Less than 30% of our population have access to electricity. Our electricity cost is among the highest or is the highest in the region. There is a need to develop mini hydro power projects, solar and geo thermal energy sources in the other island provinces and rural areas to drive social and economic development. Without energy security, it will be very difficult or impossible for us to attain the post 2015 development goals and outcomes of the 2014 SIDS conference. In this regard, Solomon Islands support the resolution co-sponsored by the Russian Federation and Tonga on Energy Security and look forward to the 2<sup>nd</sup> Asia – Pacific Energy Forum in Tonga in 2018.

Similarly, the lack of an efficient and cost effective air transport and communications network is also a major issue in our region. We are one of the most costly air transport destinations. Telephone and internet connectivity is also very expensive. I hope the proposed fibre- optic

submarine cable project would help us to address this challenge, and generate new opportunities for economic growth, efficient service delivery in the health and education sectors, and above all promote regional connectivity.

Mr. Chairman, climate change and natural disasters is a serious emerging challenge that can undermine decades of development progress. The devastation caused by the April floods has led to the closure of the only gold mine in the country. Next year, 2015 will be a very difficult year for Solomon Islands. With the help of UNDP, we have produced a Recovery and Rehabilitation Plan that covers infrastructure rebuilding and resettlement of those who lost their homes. The Plan also incorporates community resilience principles and measures. Above all, adaptation initiatives will continue to be critical in addressing climate change in our small island communities. More efforts are also required to mainstream disaster risk reduction across all sectors.

Mr. Chairman, the increase in non-communicable diseases in the Pacific and its social and economic impacts is also a serious threat. Few weeks ago, Pacific Forum Economic Ministers and Health Ministers met in Honiara, Solomon Islands to consider how best we can collectively address this menace.

Mr. Chairman, youth unemployment is another huge challenge. Youths should not be seen as a threat but rather a potential drive behind our country's development. We must prepare them today to take on tomorrow's leadership roles. We have a National Youth Policy but resources are required to implement programs and projects that will benefit our youth and unleash their potential for the benefit of the country. Similarly more needs to be done to mainstream gender equality across all sectors and in decision making. Social Protection measures are also being considered. A Family Protection Bill will be debated in Parliament later this month.

Furthermore, Mr. Chairman, my Government has also undertaken reforms on our budget and planning processes, as well as, on tax and revenue administration. Reforms in revenue administration have resulted in improvements in revenue collection. A new Public Finance Management Act adopted by Parliament last year, is also being implemented. This will help to ensure value for money expenditure through proper procurement requirements, enhance more transparency and accountability for usage of public funds, and thus efficient and effective service delivery for our people. An Aid Coordination and Management Strategy is also being formulated to provide a framework for promoting and managing aid effectiveness in the country.

Mr. Chairman, with regards to strong national leadership and political stability, I am confident that the Electoral Reforms my Government is currently pursuing, and the implementation of a Political Parties Integrity and Administration Act that Parliament recently passed, will help to instill political stability, which as we all know, is imperative for investor confidence in any country.

Mr. Chairman, going forward, my Government will continue with the various reforms it has undertaken to ensure that our systems and institutions are robust enough to address our development challenges and opportunities, including the implementation of the post 2015 development agenda.

Finally, Mr. Chairman, I took the opportunity to attend a few sessions of the special event – Regional Consultations on Accountability for the post 2015 development on Tuesday and Wednesday this week. Certainly, political commitment, leadership, and accountability at all levels, especially at the national level are crucial to achieving the post 2015 development agenda. I also concur that Parliaments or Parliamentarians would need to play an active oversight role on the implementation and monitoring of the post 2015 development agenda.

The means of implementation are equally important. Additional financial resources, appropriate technology and the capacity to utilize such technology will be vital especially for the most vulnerable members of our group – the LDCs, LLDCs, and SIDs. Hence the need to intensify North–South cooperation, Triangular cooperation, and South-South cooperation at all levels.

Mr. Chairman, we must move beyond mere expressions of solidarity towards pragmatic and concrete actions. The future we want rests on strong national leadership, genuine partnerships, and mutual accountability.

Thank you, Mr. Chairman.

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