

SOLOMON ISLANDS

FINAL EVALUATION OF THE RURAL TRAINING CENTRES PROJECT (7 ACP SOL 019)

FINAL REPORT

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ACRONYMS

AWP	Annual Work Programme
CED	Community Education Division
DBSI	Development Bank of the Solomon Islands
EC	European Commission
ECU	European Currency Unit
EDF	European Development Fund
FA	Financing Agreement
HRD	Human Resource Development
LFA	Logical Framework Analysis
MCIT	Ministry of Commerce, Industry and Trade
MEHRD	Ministry of Education and Human Resource Development
MEFP	Ministry of Finance and Economic Planning
MOU	Memorandum of Understanding
MTR	Mid-Term Review
NAO	National Authorising Officer
NIP	National Indicative Programme
NGO	Non Governmental Organisation
PCM	Project Cycle Management
PMU	Project Management Unit
PSC	Project Steering Committee
RTC	Rural Training Center
SIARTC	Solomon Islands Association of Rural Training Centres
SICHE	Solomon Islands College of Higher Education
SIS	Solomon Island Dollar
SIG	Solomon Islands Government
TA	Technical Assistance
VSO	Voluntary Services Overseas
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation

Exchange Rate:

1 ECU = SIS 4

FOREWORD

In August 1997 GEOMAR INTERNATIONAL was contracted by the European Commission to carry out the final evaluation of the 1.75 m ECU Rural Training Centres (RTCs) Project in the Solomon Islands.

The members of the evaluation team were: John Chapman, team leader and training expert; Ivan Linhart, financial expert; and John Roughan, rural training and local expert. Work on the Evaluation commenced on 13 August 1997 when the team leader and financial expert visited Brussels for briefing by officials in DG VIII of the European Commission and for initial review of project files.

The second phase of the Evaluation took place from 30 August to 21 September 1997 when the team carried out a field mission in the Solomon Islands. The mission started with four days of meetings and research in Honiara. This was followed by eleven days of travelling, in which fifteen RTCs were visited. The RTCs visited were located in the provinces of Guadalcanal, Malaita, Makira, Western Province and Choiseul. The mission concluded with three days of further meetings and analysis in Honiara.

During the mission interviews were conducted with senior officials of the Solomon Islands Government, officials of the EC Delegation and other donor agencies, officials of the various Churches associated with RTCs, staff and other key persons related to the Solomon Island Association of Rural Training Centres (SIARTC), Solomon Islands College of Higher Education officials, principals staff and students at RTCs, RTC graduates and officials of the Development Bank of the Solomon Islands (DBSI).

A draft report was submitted for validation in October 1997 and this final report incorporates comments received from the evaluation unit of DG VIII and SIARTC.

The Team would like to express appreciation and thanks to all the institutions and individuals throughout the Solomon Islands who assisted with the work of the Evaluation.

EXECUTIVE SUMMARY

- 1 A total of 32 RTCs and 13 South Sea Evangelical Church (SSEC) Bible Schools have been assisted by the project. Of these 29 RTCs have been significantly assisted, each receiving an average of SI\$ 86 000 (22 000 ECU) since funding started in May 1993. Two of these have currently suspended their activities. Three other RTCs have received between SI\$ 1 000 (250 ECU) and SI\$ 10 000 (2 500 ECU) after joining the Solomon Island Association of Rural Training Centres (SIARTC) in 1996. The 13 SSEC Bible Schools have received a total of SI\$ 130 000 (33 000 ECU). For the purpose of analysis these are grouped together and identified as one RTC. The number of RTCs considered in this report is, therefore, 33.
- 2 Of the direct financial support to RTCs, 30% has been for training staff and curriculum development and 70% has been for providing materials and equipment. In addition a further SI\$ 824 000 (206 000 ECU) has been spent by SIARTC on centralised curriculum development and staff training. Project expenditure to date (not including the DBSI credit fund, Technical Assistance (TA) and evaluations) amounts to SI\$ 3 754 010 (940 000 ECU). 49% of this amount has been for materials and equipment, 43% for curriculum development and staff training and 8% on operating costs for SIARTC.
- 3 An estimated 1 500 students attend RTCs. Approximately 1 100 are attending full time and 400 attend short courses. To put this number in context there are an estimated 6 000 students who drop out of primary school every year. RTCs cater primarily for these primary school (Standard Six) dropouts. Of the 29 RTCs that have been substantially assisted there are two main categories: those offering block courses ranging from 4 months to a few days, of which there are 7; and those offering full time courses where attendance is generally for 2 or 3 years, of which there are 22.
- 4 The RTCs are distributed throughout all the provinces (except Central). The RTCs offering full time courses take students from all over the Solomon Islands, whilst those offering short courses tend to attract students from the local province or nearby villages.
- 5 Support to RTCs is highly relevant given the context of increasing numbers of school dropouts, urban drift, increasing pressure on agricultural land and a trend towards a break down of social structures in rural areas. The project objective of improving self sufficiency in rural areas is valid.

- 6 The Project has contributed to an increase in both the quantity and quality of vocational training offered at RTCs. It has also contributed to a growing awareness at Government and community level of a need for rural training.
- 7 The Project has contributed to the social development of the country. RTCs play an important role in improving the quality of life of rural youth. The experience gained from attending RTCs allows graduates to play an important role in the villages. The majority of graduates return to their villages. The Project has contributed to achieving these results, by significantly supporting RTCs in improving the quality of training and by improving conditions in the centres.
- 8 General improvements in the quality of and the approach to staff training have been recognised following the secondment of a Staff Training Co-ordinator, paid by the project funds, to SIARTC.
- 9 Efforts to develop standardised curriculum in a modular, packaged form for basic skill areas such as carpentry, agriculture and home economics represent a big step forward in improving the quality of RTC training.
- 10 Inadequate planning of the project has reduced its efficiency and effectiveness. The lack of a project document combined with vague guidelines for implementation has led to weak control and contributed to a lack of direction from the outset.
- 11 The Project's potential effectiveness has been reduced due to inefficient management and organisation by SIARTC. Weak reporting requirements and inadequate contact with RTCs has meant that very little monitoring of Project effectiveness in RTCs has been possible. Lack of focus and direction in the implementation of project activities has reduced the potential impact of the Project. The SIARTC is currently unable to adequately administer the project.
- 12 Given the objectives and activities of the project, the amount and nature of the Technical Assistance provided was not sufficient for successful implementation. In particular no TA (local or other) was provided in the field of training until after the Mid-Term Review (MTR).
- 13 There was not enough contact between SIARTC and the RTCs. In particular there were not enough visits by staff or the TA, despite their being an adequate budget to cover this activity.
- 14 The project would have been more effective had there been a strong leader in overall control of policy and decision making. Ideally, this role should have been played by the TA; however extenuating circumstances meant that this was not possible.

- 15 There was a general improvement in the efficiency of project implementation after the recommendations of the MTR. These improvements include the provision of a Staff Training Coordinator, and the provision of management training skills for Principals.
- 16 The Project has been implemented within a weak framework of Government support and policy. Government contribution to the non-formal education sector represents less than 2% of the total education budget and there is no official policy towards RTCs. This has also reduced the potential effectiveness and impact of the Project. There are, however, indications that the new Government is favourable to increased support to RTCs and recently hosted a World Bank team, researching the feasibility of support to RTCs.
- 17 A high turn over of principals and staff has had a negative impact on the project and contributed to a loss of continuity in every area (Association Steering Committee, RTC management and orientation, staff training).
- 18 The project objective of creating job opportunities in rural areas did not sufficiently take into account the serious problems of transport and communication in these areas, the low volume of cash in the village communities and the culture of family support.
- 19 The provision of credit for graduates through a loan scheme is valid and complements the other activities of the project. However, the organisation through which a scheme is operated must be in much closer contact with RTCs and with the graduates. Branch managers must be prepared to visit both RTCs and their clients.

There is a danger that with the end of the EC Project, the loan fund, which stands at approximately SI\$ 1 million (250 000 ECU) will be forgotten. It is vital that this fund continues to benefit RTC graduates. Therefore an urgent decision needs to be made by the NAO, in close collaboration with the Delegation, as to whether they wish to continue to run the fund through the DBSI or whether they wish the fund to be run through another organisation. It is important for the NAO to continue recognising the existence of this fund.

- 20 The EC funding represents the largest donor contribution to RTCs. RTCs have also managed to attract limited funding from other donor agencies, the church community within the Solomon Islands and from overseas, individual fund raising activities and the Solomon Island Government (SIG). Many of the RTCs have income generating activities and charge varying levels of fees. There is also a growing awareness amongst donor agencies and in the SIG of the need to support rural vocational training. All RTCs are struggling to make ends meet. Without further funding

from the EC, most RTCs will still manage to survive since they do have strong grassroots support but some may have to reduce their activities.

- 21 The main Churches - Anglican, Catholic, United, Seventh Day Adventist and South Sea Evangelical Church have been and will continue to be the major structural strength of RTCs. Even those RTCs which are village based gain support through their close ties with church groups.

I INTRODUCTION

The MECU 1.75 RTCs project, financed under the 7th EDF, started with the signing of the Financing Agreement in January 1993 and is due to end with the completion of the Fourth Work Programme on 30 April 1998. The project was initially planned to last three years but has been extended on several occasions due to slow disbursement of funds. The overall objective of the project is to contribute to the economic development of the Solomon Islands, more specifically, to transfer vocational skills to young people in order to improve self sufficiency in rural areas and to create job opportunities in these areas.

The present project succeeded the Lomé III Human Resource Development Project (6 ACP SOL 06) implemented in the period 1987 to 1991. Whilst no feasibility or needs identification study was carried out a number of draft Financing Proposals were prepared by the consultants that carried out the final evaluation and by Delegation Staff. These proposals were based on the conclusions of the Final Evaluation of the previous HRD Project and were formulated in consultation with the Solomon Islands Association of Rural Training Centres (SIARTC) and officials from the Ministry of Education and Human Resource Development (MEHRD) and the Ministry of Finance and Economic Planning (MFEP). The credit aspects were discussed with the managing Director of the Development Bank of the Solomon Islands (DBSI) and the Governor of the Central Bank of the Solomon Islands. Whilst the overall objectives of the two projects are similar, the Lomé IV project is very different from the Lomé III project, in that the emphasis is on providing direct support to RTCs and providing a line of credit to RTC graduates.

A final version of the Financing Proposal was submitted by the Delegation to DG VIII in May 1992 and a financing decision was made by the Commission in October 1992. The first Meeting of the Project Steering Committee took place in November 1992 and the Financing Agreement was signed on 25 January 1993.

From January 1993 a VSO Technical Assistant assisted SIARTC in implementing the project and provided accountancy services for financial control. The first Work Programme was approved by the National Authorising Officer (NAO) and endorsed by the European Commission in February 1993. Funds became available in May 1993. Due to a slower than anticipated disbursement of funds the first AWP was extended to 30 April 1994. In February 1994 the Technical Assistant left and was replaced by another VSO TA in March 1994.

Due to the continued slow disbursement rate, the second AWP (1 May 1994 - 30 April 1995) was extended to 31 March 1996. During this time the credit scheme with the DBSI started (July 1994) and the Mid-term Review (MTR) was carried out (January - February 1995). Under the second AWP funds became available for the operational costs of SIARTC. Following the recommendations of the MTR three new positions were created within SIARTC. A Staff Training Coordinator was seconded from SICHE and started work on 1 January 1996. In May 1996 a post of Small Business Advisor was filled by the previous Project Coordinator, and a Procurement Officer was employed.

At the end of AWP III (1 April 1996 - 31 March 1997) the TA's contract expired and was not renewed. The Small Business Advisers contract also expired on 30 April 1997 and was not renewed. The accounting and financial aspects of the project were taken over by the Project Coordinator who resigned shortly afterwards in May 1997. At the time of the Final Evaluation, SIARTC staff consisted of the Procurement Officer, who is now in charge of the accounts and financial procedures, the Staff Training Coordinator and one secretary. SIARTC's operational costs are now almost entirely covered by the Project. In August 1997 AWP IV was endorsed to cover the period until 30 April 1998.

The financial situation of the project (in SI\$) at the time of the Evaluation is as follows.

Project Costs	Allocation per Financing Proposal	Actual Expenditure to 30 June 1997
Curriculum Development	280 000	235 626
Workshops and Courses	400 000	520 962
Staff Training	1 600 000	853 920
Materials and Equipment	800 000	1 084 811
RTC Enterprises	600 000	639 382
Revolving Funds	600 000	119 932
DBSI Credit Scheme	2 000 000	1 500 000
TA	400 000	350 495
Evaluation	120 500	197 406
Contingency	200 000	
SIARTC operational costs		299 377
TOTAL SI\$	7 000 000	5 801 911
TOTAL ECU	1 750 000	1 360 868

Project Total 1 750 000 ECU

Amount Paid	1 360 868 ECU
Committed for WP IV	200 225 ECU (SIS 800 000)
Balance remaining	188 907 ECU (to be decommitted)

The objective of the Evaluation is to draw up a global, quantitative and qualitative, assessment of the work carried out since the start of the project. Chapters II to VII follow the standard format for evaluations and cover: Project Design, Relevance, Efficiency, Effectiveness, Impact and Sustainability. Following this there are three self contained chapter dealing exclusively with the specific issues of the DBSI Credit Scheme, the relationship with SICHE and the relationship with the Government's HRD Programme. The final chapters cover Conclusions, Recommendations and Lessons Learned.

II PREPARATION AND DESIGN

The efficiency and effectiveness of the Project has been adversely affected by inadequate preparation and design. This chapter will show that not enough attention was given to project formulation resulting in a financing proposal that is insufficient, unrealistic and vague regarding activities and objectives. This eventually led to a project being implemented, particularly in the early period, with little direction and focus.

2.1 IDENTIFICATION AND FORMULATION

The Final Evaluation of the previous HRD programme (6 ACP SOL 06), completed in December 1991, provided the basis for a number of draft financing proposals for the new project. The study concluded that the new project should focus on supporting the Rural Training Centres, which would provide the "missing link" between planning and training at the central level and rural community development.

As well as the final evaluation of the previous project the Financing Proposal was inspired by a Progress Report on EEC Funded Rural Community Projects, Josefani Bola, September 1991 and consultations with the Solomon Island Government and SIARTC, which had just recently been formed in March 1992. A final version of the Financing Proposal was completed in May 1992.

Whilst the project purpose of assisting RTCs is valid and highly relevant it represented a very different approach to the previous HRD project where the main emphasis was on the improvement of manpower planning at the national level. The project components of the new project (support to RTCs, credit to RTC graduates and training of trainers) were also completely different to the components of the previous project. Given the new orientation of the project not nearly enough attention was given to planning and design.

No organised feasibility study was carried out to identify the real needs of the RTCs in terms of equipment, curriculum and training. The churches, who have a strong grassroots influence, were never formally invited into the planning process. No training specialist was involved in the design of the Project. The Commission's PCM methodology was not followed. Above all there were no rules or guidelines produced to assist SIARTC in the implementation of project components.

The NAO is responsible for preparing, submitting and appraising projects. However, article 313 of the Lomé IV convention states that this should be done in close cooperation with the Head of the Delegation. Both the NAO and the Head of the Delegation must therefore take some responsibility for the inadequate preparation of this project.

It is clear that a feasibility study, identifying needs and providing detailed implementation guidelines would have increased the efficiency and effectiveness of the Project. However, it also recognised that such a study would have been expensive (a sufficiently detailed study would cost in the region of 200 000 ECU) and would be difficult to carry out. The main problem being that the RTC Principals, who in many cases have no secondary school background, are not always aware of their needs.

2.2 PROJECT DESIGN

As a result of an inadequate formulation process the Financing Proposal is lacking in focus and is insufficient in detail, given that it is the only document that provides any guide to project implementation. (The first AWP is based on this Financing Proposal).

To clarify the aims and objectives of the project a *post facto* Logical Framework Analysis Matrix (LFAM) was produced by the Delegation in November 1993. This LFAM was based on the Financing Proposal and discussions with SIARTC. A more detailed LFAM was produced by the mid-term review consultants (reproduced in Annex I). This section analyses the Financing Proposal and the LFAMs in terms of original assumptions, project objectives, activities and intended results.

2.2.1 Assumptions

Although no logical framework was prepared at the beginning of the project the following assumptions made in the Financing Proposal are worthy of note:

- i) The RTCs will be capable of implementing the project themselves;
- ii) The RTCs' satisfactory track record in selecting and training young people, and in administering revolving funds, will continue;

The first assumption has proved to be misguided. Few, if any, of the RTC Principals on the Association Steering Committee had project experience and were familiar with project implementation. The ability of many RTCs to identify their own needs, particularly in terms of curriculum development and training was over estimated. Many of the Principals, indeed several RTCs had no experience of vocational training. Without technical assistance in administration and in the field of training and

curriculum development the project could not have been successfully implemented. This assumption may have contributed to the fact that a TA in the field of training was not appointed to the project until 1996.

The second assumption is incorrect regarding the administration of revolving funds. The majority of RTCs had no experience in administering revolving funds and in many cases the Principals lacked the necessary training to ensure correct use of funds. In the case of those RTCs offering short courses, a revolving fund is not practical. This assumption has contributed to the failure of the revolving fund scheme.

In the November 1993 LFAM the following important assumptions were identified for project implementation:

- iii) RTCs were well integrated in the social and economic environment;
- iv) Government supported the private sector and the independence of RTCs;
- v) The terms of the DBSI credit scheme would be attractive enough for the beneficiaries and the credit facility was exclusively used for RTC graduates;
- vi) Women's involvement would be significant;

RTCs are well integrated in the community and church based social environments. RTC enrolment usually operates through a well established church network based around the parishes and dioceses. However, the majority of RTCs are in remote areas and are not easily accessible. In this sense they are generally not well integrated in the environment of a cash-economy.

Government has supported the independence of the private sector and of RTCs. The SIG supports the idea of RTCs and does not impose conditions on RTCs.

The assumption that the Development Bank of the Solomon Islands (DBSI) credit scheme would be attractive enough for the beneficiaries does not take into consideration the difficulty encountered by graduates trying to obtain loans. To date only 85 loans have been approved by DBSI. The loan is attractive but difficult to obtain. The loan has been used exclusively by RTC graduates, although the majority of these graduated prior to the commencement of the current Project.

Women's involvement has been significant. Of the 31 RTCs assisted by the project and still in existence, 3 are exclusively for females whilst another 23 are mixed. The returns for 1996 to the Ministry of Education (MEHRD) indicate that female students represent about 37% of the total number of

students. Female teachers are present in 28 RTCs and play an essential role in fields such as home economics (sewing, weaving, cooking, typing). Furthermore, many RTCs serve community women's groups. Female students have the same average length of attendance as male students.

Following the MTR a more detailed logical framework was prepared which further identified the following assumptions:

- vii) Potential income earning opportunities would be attractive;
- viii) There would be a sufficient number of suitably qualified instructors and a sufficient number of students;
- ix) There was government policy support for non-formal education and training;
- x) Repayment of loans would be adequate to sustain revolving funds for seven to ten years;

The assumption that potential income earning opportunities for graduates would be attractive has proved in most cases to be incorrect. Project strategy and implementation has not sufficiently taken into consideration the lack of potential income earning opportunities in rural areas.

Student demand for places in RTCs is high, often exceeding four or five times the available places. Unlike the formal education sector there is no requirement for any specific qualifications for RTC instructors and salaries are very low. In many cases this means that the instructors are not suitably qualified and the resulting training inadequate. The project over estimated the capability of the RTCs to produce quality training. The level of training courses for RTC instructors was often regarded to have been too high.

The level of government funding for the non-formal education sector is comparatively low, representing some 2% of the total education budget. There is also no official policy towards this sector. The effectiveness of the project has been adversely affected given that it has been implemented within a weak framework of government support.

The assumption that the repayment of loans would be sufficient to ensure a capital fund would be maintained for seven to ten years has proved to be incorrect. In both the DBSI credit scheme and the student revolving fund, loan repayments are either not made or have been much slower than anticipated. The project over estimated the ability of students and graduates to service loans and the ability of RTCs to administer the loans.

2.2.2 Overall Objectives and Project Purpose.

The Financing Proposal is vague in its distinction between overall objective and project purpose. Ad hoc references are made in the document to the objectives of SIARTC and the RTCs. The FP states that "the purpose of this project is to assist RTCs in the vocational training of young people.....". Reference is also made to wider Lomé IV National Indicative Programme objectives.

The logical framework produced post facto in November 1993 defines the overall objective as the contribution to economic development through investment in human capital and encouragement of young entrepreneurs. The project purpose is to improve the education level and skills of rural youth and the capacity of job creation in the rural areas. The specific objectives of the project were later expanded to include the improvement of self sufficiency in rural areas.

Given the context of increasing numbers of school dropouts, urban drift, increasing pressure on agricultural land and a trend towards a break down of social structures in rural areas all these above objectives and purposes are relevant. The fact that they were not clearly stated at the outset of the project is, however, characteristic of the vagueness in project design.

Although not specifically stated as an objective, reference is made to the creation of income generating opportunities. It is felt that the project design did not sufficiently take into account the serious problems of transport and communication in rural areas, the low volume of cash in the village communities and the culture of family support.

2.2.3 Activities

The three project components identified in the Financing Proposal are as follows:

- i) Support to RTCs in the development and execution of vocational training courses; this will include curriculum development, workshops, materials and equipment, and finance for income generating enterprises;
- ii) Credit to RTC graduates for business start up capital, administered in part through the Development Bank of the Solomon Islands;
- iii) Training of trainers and those directly concerned with project implementation.

All three of these activities are highly appropriate for improving the quality of vocational training and providing an opportunity for entrepreneurs. However, the project design does not explain how these activities will be implemented, only mentioning that the RTCs will implement the project themselves.

There are no guidelines for the implementation of the first component and no criteria for the allocation of funds. A very basic criteria for fund allocation was later established in the first Work Programme and this component was broken down to include the following activities: curriculum development, workshops and courses, materials and equipment, RTC enterprise fund and revolving loans.

The fact that the project design did not adequately describe these activities decreased the potential efficiency of the Project. RTCs, that offered no vocational training, received substantial funds and in the first years of the Project there was little strategy or planning in the purchase of materials, organisation of workshops or use of funds. Inadequate detail also led to confusion in the allocation of expenditure under budget headings.

Inadequate planning of the Credit Scheme will have contributed to the fact that the scheme did not start until 18 months after the Project started. The DBSI Credit Scheme is analysed in detail in chapter IX.

One of the main design faults of the Project is the failure to provide for Technical Assistance in the field of training and curriculum development. Given that the improvement in training and curricula are specific objectives of the project for which a third of the Project budget has been allocated this must be viewed as an oversight on the part of the project designers. Both training of instructors and curriculum development are highly technical fields where outside technical inputs are a necessity. As previously noted, no training expert was involved in the project design. The failure to provide this assistance until 1996 led in many cases to a waste of resources during the first few years of the project and means that, although much has been achieved since 1996, the project is well behind target, particularly in the field of curriculum development.

2.2.4 Results

The FP and LFAM produced in 1993 identify the following expected results: improved quality of training, increased number of people trained at RTCs; enhanced capacity of establishing and managing income generation activities; improved access to credit facilities.

Furthermore the FP makes the quantitative predictions that over the 3 years of the project the number of students graduating from RTCs will increase by 25% and that 500 extra jobs will be created in rural areas.

The qualitative results identified in the LFAM although prudent are realistic. The quantitative results are also conceivably achievable had the project been implemented with maximum efficiency by SIARTC. Although, the prediction of creating extra jobs has a blurred focus. The purpose of rural training is more to provide skilled occupations and home skills, rather than income generating jobs.

It should be noted that the project design did not provide for monitoring the activity of students once they had graduated. This indicator would have proved very useful in monitoring the success of the project. The RTCs are probably in the best position to provide this type of information however no pressure was put on them to follow up on graduates, due to a weakness in project design. Only in the last year has there been an effort by SIARTC to quantify the activities of RTC graduates.

The LFAM produced in 1995 further identifies the improvement in management of RTCs and the development of core curriculum for at least 5 subjects as anticipated results. Both of these expectations are realistic given the time and resources available.

III RELEVANCE OF THE PROJECT

This chapter describes the general context, within which the project is being implemented, and shows that the problems to be solved and the project objectives are highly relevant to the specific context.

3.1 GENERAL CONTEXT

Approximately 75% of Solomon Islanders live on the margins or outside of the cash economy. Based on official estimates of the population for 1996 (384 000), this would amount to about 290 000 people. Of the remainder, about 14% (around 55000) live in four main urban areas (Honiara, Gizo, Auki and Kirakira), although the national capital Honiara concentrates 90% of these urban dwellers. Others living in rural areas are astride a subsistence and cash economy with rural employment opportunities in sectors such as commercial fishing, palm oil plantations, logging and rural trading.

Between 1976 (census) and 1996 (official estimates)¹the population of the Solomon Islands has almost doubled with growth rates attaining 3,5% per annum during the 1976-86 inter-censal period. The percentage of the total population in urban areas has increased significantly from 9% in 1976 to 12% in 1986 and an estimated 14% in 1996, with Honiara having trebled its population during this period. This should not mask the fact that rural population has also strongly increased. The increase in the number of rural dwellers in the 1986-96 period is estimated at 80 000, or more than the total urban population of the Solomon Islands. This population is predominantly young with 48% under 16 years of age.

According to the exhaustive 1995/1996 Village Resources Survey conducted by the Statistical Office of the Solomon Islands, there were 6382 rural settlements, of which 2208 were tiny settlements with "at most two (sometimes more) households". The 4174 "big" settlements (villages) had a population of 295 791 persons, spread amongst 52 405 households (see Annex 6). 2372 villages (56,8%) had less than 50 inhabitants, 3294 (79%) had less than 100 inhabitants and only 27 had more than 500 inhabitants. The population in villages of less than 100 inhabitants (less than 20 households) amounted to 121 768 (41% of the total).

¹The census that should be undertaken in 1998 will provide vital data on population increases. Current population projections foresee a population of 513,000 in 2006, an increase of 129,000 or 33% over 1996 estimates.

This extremely dispersed and fragmented nature of rural settlements has also to be associated with problems of accessibility and language. The rugged character of most of the islands and the weakness of the road infrastructure results in only 23% of all villages being accessible by road (normally used by cars) or truck (including tractors, logging vehicles). These are mainly in Guadalcanal and Malaita. The remainder are accessible only by sea (32%), often in dangerous conditions, by footpath (40,5%) or by river (4,5%). There are also vast language differences in a country with 60 - 80 major language groups.

In spite of the relatively low overall population density of 13 inhabitants per km² (1996), pressure on agricultural land has been increasing, especially in Malaita and Temotu provinces.

There are indications that traditional community social systems in a subsistence economy are weakening. It appears that young Solomon Islanders are finding it more and more difficult to adhere to traditional ways and customs. Materialistic values are growing. Urban drift, notably of young people heading to Honiara, is increasing and has led to a rise in urban unemployment. This could become a very serious problem for the country in the near future. Petty crime in the Honiara area, although modest by world standards, has become more frequent in recent years.

It is clear that the future well-being of the majority of Solomon Islanders can only be attained through continuous support for improvements in rural life. These include: diversifying village agriculture and increasing yields of traditional crops; improving utilisation of natural resources; providing new skills and seeking supplementary means for income-generating activities in village communities, however modest they may be; as well as easing such communities into simple notions of a cash economy which, it seems, will inevitably pervade more and more villagers' lives. Literacy campaigns, basic education, greater access to elementary health and sanitation facilities and mobilisation of youth and women's groups for community betterment are also fundamental to rural development.

Respective governments of the Solomon Islands, although with limited financial resources, have given significant support to rural development. This especially includes: the provision of a network of agricultural extension services in rural areas and a steady increase in the number of rural primary and secondary schools, which has resulted in higher enrolment ratios in all provinces (national average of 74% in 1995² as against 63,4% in 1985 for the 7 - 14 age group).

Church groups, long active in rural areas, continue to play a vital role in reaching almost every community in the country and supporting community development at a grass-roots level. NGOs have provided

²This varies between 61% in Malaita, 85% in Makira and 92% in Honiara.

increasing support for rural development initiatives and several donor countries have assisted rural infrastructure projects, especially in health and education.

The Ministry of National Planning and Development is placing a high priority on developing strategies for rural development and improving basic infrastructure, in itself an enormous challenge. A fundamental objective is to reduce urban drift by encouraging young people to remain in their communities. This means improving opportunities in rural areas for income generation and meaningful community development through increasing skill capabilities. New occupational skills are also required to help strengthen the capacity of rural areas to contribute to national development. It is anticipated that a new national and provincial development plan including strategies for rural development may be completed by the end of 1997.

At the MEHRD, there is growing recognition of the importance of non-formal vocational training (RTCs) as a means of assisting development in rural areas through providing young people with basic skills to help them improve the quality of their lives and to offer them more opportunities to earn a livelihood. The Community Education Division of MEHRD, whilst still receiving only about 2% of the total budget, is actively involved in giving financial and some technical support to RTCs. Since 1994, support funds available for RTCs have amounted to around SIs 500 0000 (125 000 ECU) per annum. A draft national policy for non-formal education has been prepared and calls for a more widespread recognition of the role of non-formal education in ensuring the future social and economic well-being of the country. It is seen as fully complementary with the formal education sector.

It is against this background that the relevancy of the project must be considered. By helping to strengthen RTCs, a vital link in rural development, through enhancing the quality of their human resources, their level of equipment, their possibilities to become self-sustainable as well as the chances for RTC graduates to create revenue-generating activities within their rural communities, the project has brought a positive response to a priority need for improving living conditions for the large part of the Solomon Islands population spread through thousands of widely-dispersed villages.

3.2 SPECIFIC CONTEXT

Three out of every four young Solomon Islanders now attend primary school. This amounted to 77,000 enrolments in 1995 of which 69,000 were in government schools and the rest in mission and private schools. Another 25,000 in this age group were not even receiving this elementary level of instruction. At the end of primary school, less than one student in

three will go on to secondary school, in spite of the introduction of provincial and community high schools (since 1993 for the latter) to complement the limited number of national high schools. The difference between Standard 6 and Form 1 enrolments in 1995 was 6400. These are commonly referred to as "Standard 6 dropouts" who have failed the secondary school entrance examination³.

Opportunities for secondary school education also vary amongst the provinces. Whereas all provinces except Rennell/Bellona and Isabel offer up to Form 5, only Guadalcanal, Honiara and Makira offer Form 6 and only Honiara Form 7. This automatically makes the capital a pole of attraction in the long term for the best provincial students and accentuates its ascendancy in the field of education, the more so as the Solomon Islands College of Higher Education and the University of the South Pacific local campus are also found there.

(figure : The Structure of the Educational System
in Solomon Islands, see Draft report)

A majority of the Standard 6 dropouts return to their village communities, thereby joining the mass of those who have not been to school. Their academic and skill levels are low. Most will remain there forming what may be considered as a latent force, rarely able to help improve the community life without further training. Those who leave their villages to migrate to urban areas represent unskilled labour with high risks of being unemployed, even in Honiara.

Given that the formal education system, in spite of its expansion and heavy cost to the national budget, does not have the capacity to respond to the tide of young people coming through each year, a non-formal system has gradually developed in rural areas with the aim of providing basic vocational skills to some of the youths and young adults who have

³A further sharp drop comes after Form 3 (1995 enrolments: Form 3: 1950; Form 4: 930). These are known as "Form 3 dropouts".

dropped out of the formal system. The common objective is to enable this group, both male and female, to improve their own lives and those of fellow villagers, to enhance self-sufficiency and provide a basis for livelihoods. Rural Training Centres mainly established by one or other of five major churches, in a few cases by communities, are the main component in this schema.

Although the number of RTCs has increased significantly in recent years and covers all provinces except Central, RTCs alone cannot respond to more than part of the demand for skill enhancement in rural areas. Each year, they receive between 1000 and 1500 trainees whose stay at an RTC may range from a few days (short block courses) to three years. There is certainly scope for further extension of RTCs, most receiving many more applications than the places they have available. The total potential demand for rural training accumulated over the years through successive waves of dropouts is no doubt in the region of several tens of thousands.

It is only in recent years that RTCs have begun to acquire a national image. The EU project and the tacit recognition by MEHRD are not foreign to this. However, the pioneering work of many very dedicated people in rural areas has also given greater credibility to RTCs. The larger, longer-established RTCs are now known throughout all the provinces. As graduates go back to villages they also contribute to spreading the reputation of RTCs. It can be fairly said that the movement now has a solid groundswell of support in rural areas. While individual RTCs may not always survive, the movement as a whole will undoubtedly do so. Henceforth, no rural development strategy can ignore RTCs.

However, there is not one RTC that can comfortably cover its expenditure. Many are just holding on financially. Because of the isolation of a number of RTCs, they are not always in a position to prospect for outside support. The difficulties in just keeping going, let alone expanding or improving, are many and often lead to discouragement of principals and staff which in turn is a factor in a high turnover of personnel. Graduates having acquired skills that can be used for revenue-generating activities have traditionally lacked funding to initiate such activities and their potential contribution to rural betterment has often been lost.

Taking into account all these factors, there can be no doubt that the EU project, has been particularly relevant in fulfilling a real need for assistance. Within the overall framework of the general context of rural development, specific targeting of RTCs as a sector to aid has been a judicious choice. The assistance provided by the project has been vital for RTCs, has helped consolidate their activities and is deeply appreciated by them. The credit to initiate small businesses in rural areas has also been totally relevant to a real necessity.

IV EFFICIENCY

This chapter assesses the efficiency with which the projects activities have been undertaken in order to yield the project results. Support to the RTCs has been implemented through the provision of funds for curriculum development, workshops and courses, staff training, materials and equipment, establishment of income generating activities and a revolving loan. Each of these activities are analysed separately in this chapter. This chapter also analyses the efficiency of the Technical Assistance, the organisation, management and financial administration of both SIARTC and the RTCs and assesses the efficiency of the project monitoring committees. In each case particular attention is given to any change in efficiency or project orientation following the MTR. A cost - benefit analysis of the project is presented in the last section of this chapter.

4.1 CURRICULUM DEVELOPMENT AND TRAINING

4.1.1 Curriculum Development

Curriculum Development was highlighted in the project design as an integral part of support to RTCs in the development and execution of vocational training courses. It has been going on for years at Primary and Secondary school level, where major programmes have been sponsored and implemented by overseas educational agencies.

At the onset of the project, there was no coordination between RTCs in curriculum development. Each RTC instructor developed his/her own course and corresponding pedagogical material according to acquired technical skills, perceived needs of trainees and eventual pedagogical experience. Under such conditions, the quality of training on similar vocational skills varies considerably, good or adequate on the one hand, poor or insufficient on the other. A further problem arises when instructors leave RTCs, rarely leaving behind any course material. This means a new recruit must start all over again.

In the absence of a training specialist in SIARTC during the initial phases of the project, there was no change in the above situation. Expenditure on curriculum development during the first AWP was modest: S\$ 25 349 (6 300 ECU) as compared with the budget amount of S\$ 82 833 (20 700 ECU). The conception of curriculum development was that of a decentralised activity - 75% of the budget was allocated equally to 16 residential RTCs (S\$ 3 883 each) and 25% to 8 short course/community owned RTCs (S\$ 2 589 each).

Only 15 RTCs used these funds, four of which spent less than SI\$ 150 (38 ECU). Only one spent more than the allocated amount. Most of these funds were used to buy text books, however in some cases materials and exercise books were also purchased.

By the end of AWP I (30/04/94) it was clear that the decentralised strategy was not working. The annual report stated that "it would appear that not much has been produced in the way of a basic curriculum appropriate to all RTCs". It was considered that given the magnitude of the task, it was unlikely any one RTC could tackle development work alone. The opinion was voiced that the development of a standard programme together with materials would only happen if it was "centrally coordinated, managed and contributions made by each member".

During this period, some of the workshops organised by SIARTC and open to all members did attempt to initiate efforts on curriculum development, notably part of a two week home economics course in Kaotave, which received assistance from a SICHE resource person and produced a draft course outline. Furthermore, each technical workshop, while not directly leading to the production of a curriculum, did reinforce participants knowledge of the subject and it can be assumed this helped improve their own course material.

Notwithstanding what has been mentioned above, the Annual Work Programme II (1 May 1994 - 30 April 1995, later extended to 31 March 1996) continued to allocate almost all the curriculum development budget to RTCs. The balance of the budget from AWP I was added to a further allocation, bringing available resources to SI\$ 136 294 (34 000 ECU). By 31 March 1996, expenditure had reached SI\$ 98 129 (24 500 ECU), 72% of the budget line. No priorities for curriculum development in specific areas (e.g. agriculture, carpentry) had been set and results were hardly more conclusive than earlier.

The major part of the budget was spent on books, printing and copying or on items that "should strictly have been allocated under materials and equipment" (2nd Annual Report). A minor amount went to funding participants in curriculum development workshops in Vanuatu (environment, carpentry, agriculture, home economics and business). Written work produced at these workshops was brought back and translated from Bislama pijin to English but it has not been possible to ascertain whether any of it was distributed to RTCs or used by them. Workshops conducted under the auspices of SIARTC, using the workshops/courses budget line, were also oriented to curriculum development. These concerned home economics, agriculture and carpentry. It was noted in the 3rd Annual Report (31 March 1996) that "the foundations for an outline curriculum are being formulated though much further work is needed in this area".

Although the buying of books or other materials for RTCs in widely-varying quantities (8 RTCs over SI\$ 5000; 12 RTCs less than SI\$ 1000) during the first three years of the project under the heading of curriculum development was no doubt useful for recipients, the limited effort during that time towards achieving the main objective in this area has seriously delayed reforming training methods in RTCs.

At the beginning of 1996, following recommendations made by an independent training consultant in September 1994 (Bamford Report) and endorsed by the MTR, a training specialist was recruited as Staff Training Coordinator for SIARTC. This has substantially improved the efficiency and approach to curriculum development.

Major advances in enhancing the quality of training in RTCs can only come from the development of standardised curricula based on an analysis of skills needs for rural communities, the systematic provision of training objectives and instructors guides, using a group of subject-matter specialists. This orientation has been adopted. Since October 1996, three curriculum development workshops have been held for invited RTC instructors in the areas of carpentry, agriculture, home economics and mechanics. Participation in these has varied between 13 and 21 with 11 from a wide spread of training centres having attended all three CD workshops. These participants form the core of the curriculum development effort to be pursued.

Curriculum development is being totally funded by the project in so far as travel and per diem costs for workshops and meetings are concerned, as well as the Staff Training Coordinator's salary and printing costs. Expenditure for curriculum development has totalled SI\$ 235 626 (58 900 ECU), 6,2% of total project expenditure, nearly half of this having been spent since April 1996. Whilst the work is being carried out much more efficiently than in the past, the only concrete results so far are course guides for carpentry and agriculture. Those for home economics and mechanics are still under preparation despite the fact that almost a year has gone by since the first curriculum development workshop was held under the control of the Staff Training Coordinator. Work has begun on curriculum development for bookkeeping.

The guides produced so far represent a notable improvement in curriculum materials. For each sub-unit of the course, they present performance-based training objectives, content outline, suggested activities, a time-frame and references and resources. However, they need to be supplemented with instructors and trainees' manuals. Preparatory work on one of these for carpentry has been initiated by an instructor at Seghe RTC and, given its high level, it should serve as a model for the rest of the programme. It is likely that another year will be necessary before a set of guides and manuals can be finalised and implemented. This work is painstaking, requires much time and dedication in addition to technical

know-how, but must be pursued. This is a long-term action, going beyond the project's life, but vital for improving the quality of vocational training in RTCs. In the meantime, RTC instructors are still continuing to prepare their own individual courses as was the case at the beginning of the project. Visits to RTCs showed that there is still an almost total lack of structured, standardised training material.

For the period July 1997 - 31 March 1998, a sum of nearly S\$ 65 000 (16 250 ECU) was still available for project expenditure in curriculum development. Given the high costs involved in bringing curriculum developers together for coordination meetings, this will not be sufficient for all course material to be brought up to the required standards. Supplementary funding must be sought by SIARTC.

If the whole period of the project is taken into consideration, one can only come to the conclusion that achievements in curriculum development have been weak and efficiency low. However, it is more appropriate to distinguish between the pre-1996 period and the period since the nomination of a Staff Training Coordinator. During the first period, an erroneous initial strategy, inadequate control of RTC expenditure and the lack of a training specialist in SIARTC harmed progress in curriculum development. Since 1996 corrective actions have been taken to improve achievements. Notwithstanding this, there is currently still a margin for increased efficiency.

4.1.2 Workshops and Courses

Project support in this area can be divided into three main categories:

(i) Centrally organised workshops and courses under the auspices of SIARTC. These workshops and courses are of general interest to all RTCs. They have included staff training in specific subjects such as carpentry or home economics, initially focusing on technical aspects, and with increasing emphasis on teaching methods in these subjects. Some curriculum development work has also been included. Management type courses have been introduced to cover the revolving loan scheme, defaulters of the DBSI scheme and, during 1996, management training for RTC principals.

(ii) Principals conferences/seminars organised by SIARTC on an annual or bi-annual basis and held in a different RTC each time. They are often accompanied by short seminars of general interest on matters such as business or financial organisation.

(iii) Short (1-2 weeks) *ad hoc* workshops/courses given by individual RTCs according to local community needs or specialisations. These cover a wide range of vocational skills and community development issues. Use is often made of resource persons from outside the RTC (including SICHE or other

RTCs) to run them. The usual cost of these courses is around SI\$ 2-3000, sometimes less.

Initially, the budget allocation for workshops and courses was split on the principle of equal shares for SIARTC and the group of RTCs, the latter part in turn being allocated on an equal basis to each of 24 RTCs (SI\$ 2 465 each in AWP I).

RTCs made a slow start and used only 37% of their allocation in the first year, compared with 90% for SIARTC. Only 10 RTCs participated in organising a total of 15 workshops/courses. Inexperience, lack of organisational skills and the fact that staff are only just beginning to realise that they have valuable teaching skills and material to share appear to have been the root causes of this situation.

During the second year of the project, activity picked up with 18 RTCs organising 30 workshops/courses. However it became clear during the execution of AWP II that the principle of giving equal allocations to each RTC was too rigid and was not working well. Some RTCs were capable of organising more workshops and courses than their allocation allowed for whilst others could not employ all their available funds.

Consequently, as from AWP III, funds for RTC workshops and courses have been centralised in SIARTC and made available according to requests from individual RTCs. This does not impede RTCs choice of vocational/community development subjects but it does provide better control of project funds, avoiding in particular, cases which had occurred earlier of using workshop/course funds for materials and equipment.

A total of SIs\$ 520 962 (130 250 ECU) has been spent on running workshops and courses (14% of the total project expenditure). This may be an underestimation of the total amount spent on this activity since, in the case of workshops and courses concerning staff training and curriculum development, it is not always clear as to which budget line expenditure has been attributed. Most costs are for travel of participants and indemnities paid to specialist teachers and organisations such as SICHE. Of the total amount spent, 42,6% has been disbursed by RTCs (with considerable variations amongst these) and 57,4% has gone to SIARTC organised workshops, courses and principal conferences.

Expenditure on workshops / courses by RTCs (% of total) 1993-June 1997			
Afutara	2,3	Pamua	3,7
Airahu	1,6	St. Annes	0,2
Batuna	1,2	St. Dominics	1,6
Belanimanu	4,5	St. Martins	3,5
Buma	2,2	Seghe	3,4
Corpus Christi	0,4	SSEC Bible Schools	8,3
Divit	0,7	Stuyvenberg	4,5
Kaotave	4,4	Suva	1,4
Kolombangra	1,1	Tabaca	6,2
Kommuniboli	1,0	Tanagai	1,8
Luesalo	4,0	Tangarare	1,1
Mana'abu	5,1	Tarekubo	6,1
Manivovo	8,1	Tasia	5,7
Mema	0,4	Tavaieha	0,7
Nawote	3,6	Taylor	<u>5,0</u>
Padamoi	6,0		100

Costs of organising nation-wide workshops or courses are more expensive in the Solomon Islands than in other countries of comparable size because of the great difficulties encountered in transport. The physical problems of getting trainees to a set place at a set time are enormous, especially if the event is held outside of Honiara. The following example of means employed to participate in a course in Honiara in August 1996 typifies the situation:

Means of transport	Number
---------------------------	---------------

Bus	4
Truck	4
Ship	3
Canoe/ship	3
Canoe/truck/ship	1
Canoe/truck	1
Canoe/plane	6
Truck/ship	2
Total	24

The efficiency of workshops and courses varies. Those that have been centrally organised by SIARTC have usually been planned well in advance. In most cases, they have concerned vocational subjects, have been used for staff training in these subjects and have been generally considered as beneficial. By bringing together participants from widely separated RTCs, they have proved to be useful vehicles for exchanges of ideas and information.

Some decentralised courses were organised by SIARTC on revolving loans and for DBSI defaulters. While these can be considered as positive initiatives, it does not seem that there have been lasting benefits.

Since 1996, the majority of the workshops and courses organised by SIARTC have been held in SICHE under the control of the Staff Training Coordinator. These have shown higher levels than was previously the case in setting proper training objectives to be attained and in evaluating trainees' performances. Reports on these events have improved.

Two special actions warrant particular attention. Firstly, Principals' conferences have proven popular and the idea of rotating them to a different RTC each year (which often means overcoming considerable transport problems) has been sound. Such conferences⁴ allow useful exchanges of information and experiences amongst key people in the RTC system who, otherwise, would generally not be able to meet each other. As an example, the 10th Principals Conference held at Tanagai RTC, near Honiara in 1996 was attended by 31 principals, had as a theme "Facing Reality" and attempted to address some of the issues RTCs were facing as the project was nearing its end and to reflect upon their performance.

Feed back from principals interviewed during the mission was that the Conferences had been of value to them, although there were criticisms of the agenda not being known in advance (communication difficulties) and of too much time being taken up discussing financial matters. Secondly, a course for improving principals' management skills, following a recommendation in the MTR, was held in July 1996. This touched on an

⁴The cost of these conferences since the projects inception is estimated at around S\$ 150 000.

area where significant progress is still required in many RTCs. A follow-up is planned for early 1998.

The numerous short workshops/courses organised by RTCs themselves provide skills and knowledge of direct use for rural communities at a modest cost. Unfortunately, few of these actions have any evaluation criteria, reports and feedback on participation⁵. It is regrettable that a tighter system of control was not created at the outset of the project, including not giving further funding for workshops and courses to individual RTCs unless minimum reporting criteria were met. A target for the future should be to set out guidelines in this area and advise RTCs on their implementation. Improvements in following up on these workshops/courses are most necessary and will help in better assessing the relevancy of training for rural areas and in strategic planning for non-formal education at a national level.

4.1.3 Staff Training

Training of trainers in RTCs and those directly concerned with project implementation is one of the three main components indicated in the project document and was considered to be one of the actions with the greatest likelihood of having a durable effect in improving the quality of training. It received the highest budget allocation in the total support foreseen for RTCs (37%). This could be justified by the fact that virtually none of the instructors in RTCs had ever received any formal training in instructional (teaching) skills and many required technical upgrading in their specific vocational field.

RTCs have always been responsible for recruiting their own staff, sometimes with the help of the churches that support them, but have never been able to offer more than minimal salaries. Housing and some garden space are usually offered, except sometimes in the case of community-based RTCs running short courses. In many cases, instructors work in RTCs because they wish to contribute to their church and community and thereby earn less than if they employed their vocational skills on the open market. They are, nevertheless, keen to undergo further training. In most RTCs there are between four and eight instructors directly involved in vocational and community development training -a total target population of around 150 which fluctuates according to trainee intake and courses offered.

Initially in AWP I, the first year allocation for staff training (the highest of all budget lines at SI\$ 473 333 (120 000 ECU) was given to RTCs on the basis of 75% allocated equally to each of 16 residential RTCs (SI\$ 22 187) and 25% allocated equally to each of 8 short course/community-owned RTCs (SI\$ 14 792). The only condition tied to this was that staff benefiting

⁵A guess estimate based on partial information would be around 2300 in four years

under the scheme would sign an agreement, acknowledged by the RTC and SIARTC, making provision for a bond period relative to the period of training. This was not done by some RTCs and even those which did get bonds signed found they could not enforce them, if staff suddenly decided to leave (and this has been all too frequent).

Given the importance attached by the project to staff training, it was disappointing to note after the first year that this area had had the least expenditure with only 11% of the allocation used (as against 92% for materials and equipment). Weaknesses were revealed during this first exercise and these seriously affected the efficiency of staff training. The two most critical ones were the lack of any global staff training strategy and the lack of a training specialist in SIARTC, a grave error in project design.

The monitoring of expenditure by SIARTC was, however, done satisfactorily. Reasons advanced for the limited use of funds were that it was difficult for RTCs to accommodate the absence of a staff member and that many desired courses were overseas. It is clear that, in deciding on the budget allocation for staff training, little, if any, thought had gone into how it could be usefully and realistically spent. This is shown by the allocation for staff training in AWP II whereby not only the unused balance was brought forward but a new allocation made bringing the available amount to SI\$ 795 428 (200 000 ECU), 15 times the previous year's expenditure.

Staff training in the first year followed a pattern that did not change until 1996. On the one hand, specialised staff were sent to SIARTC-organised workshops and courses for technical training and costs were covered by the workshops and courses allocation (see 4.1.2); on the other hand, individual instructors went from RTCs to a wide variety of ad hoc courses in SICHE, the University of the South Pacific (S.I.), private companies and, occasionally, other RTCs. Such participations, ranging from a few days to a year or more, appear to have depended as much on individual desire for personal betterment and principals' whims and fancies as on any will to improve the quality of teaching. There was no control on the utility of such staff training, nor any follow-up. However, individual costs to the project were not high, most participants costing less than SI\$ 1000 per person.

During the second year of the project, the number of staff attending *ad hoc* courses increased substantially as more and more RTCs took advantage of available funds. Overseas training was also used and in a few cases was unjustifiably expensive (2 staff cost SI\$ 62 000 (15 500 ECU) to follow training in Australia). Nevertheless, second year expenditure on staff training still reached only 20% of the allocation in AWP II⁶. Therefore, it is

⁶Overseas training of staff represented 34,7% of staff training expenditure in Year 1 and 55,8% in Year 2.

not surprising that the MTR recommended a reduction of S\$ 750 000 (187 500 ECU) in the amount committed to staff training. This was largely followed in AWP III, which reduced the allocation by S\$ 718 000 (180 000 ECU) and brought staff training down to 22% of total project support to RTCs (cf. 37% in the financing agreement). This still left a greater amount available for AWP III than had been spent in the first three years of the project.

The nomination of a Staff Training Coordinator in SIARTC in January 1996, as a result of recommendations in the 1994 Bamford report and MTR (see 4.1.1) has led to a more systematic approach to staff training and a re-focusing of activity on improving instructional skills on the one hand and, on the other, upgrading technical skills in specific subjects with structured courses given by specialist staff. This latter activity is more closely associated to curriculum development than in the past. In spite of this, *ad hoc* participations in various outside workshops and courses, notably in SICHE, have continued and this still requires closer supervision, especially as to the utility of expensive overseas visits.

The introduction of instructional skills workshops is a very positive step forward. They are being conducted in two parts of three weeks each. So far, 60 RTC staff have completed both parts whilst 23 completed only one part in 1996. In 1997, another 37 staff attended the first part of the instructional skills workshop and should complete this activity later in the year. Specific technical skills workshops have been organised for instructors in the fields of home economics, agriculture, carpentry and plumbing in conjunction with SICHE and the National Agriculture Training Institute (NATI).

It was found during visits to RTCs that the response of participants in these recent workshops was generally enthusiastic. The instructional skills workshops were considered to have substantially improved the way in which instructors provided training in their RTCs after returning. Staff training in this last period has helped to create an esprit de corps and has led to rising standards of skills and expectations. In particular more graduates are becoming staff members.

The efficiency and effectiveness of this excellent work is nevertheless being undermined by a very serious problem - a high turnover of staff at RTCs. It was indicated to the evaluation mission that already some instructors who had followed the instructional skills or technical skills workshops had left their RTCs, even though bonding agreements had been signed. This phenomenon must be closely monitored since it represents a significant loss on the investment in workshops. It reflects mainly on conditions of employment of RTC staff and, unless there is some improvement in these and in the status of RTC instructors, it will be very difficult to upgrade instructors and keep them to durably enhance the quality of training. It is, however, accepted that there is a benefit on a wider scale, as the trained

instructors remain active in the socio-economic environment. Comments concerning this question are made in 4.4.3.

The general reporting and recording system of training staff's activities and qualifications still requires consolidation, both at the level of SIARTC and MEHRD. An individual file should be kept on each vocational skills instructor. This would help prevent principals naming and sending staff for training which they have already had or are not qualified for, as well as enabling contact to be made in advance with categories of staff for which training actions are foreseen. Changes in staff should be notified immediately to SIARTC and MEHRD.

Although the efficiency of staff training left a lot to be desired in the early stages of the project, the improvement since the arrival of a training specialist in SIARTC is notable. The quality of actions undertaken in improving instructional and technical skill is adequate and appropriate. It must be pursued as a long-term action in association with curriculum development while at the same time efforts are vital to overcome the loss of trained staff.

Expenditure on Staff Training by RTC (% of total) 1993-June 1997			
Afutara	3,2	Pamua	13,2
Airahu	0	St. Annes	1,1
Batuna	2,3	St. Dominics	15,4
Belanimanu	2,7	St. Martins	8,3
Buma	0,1	Seghe	3,4
Corpus Christi	2,2	SSEC Bible Schools	6,6
Divit	0,7	Stuyvenberg	1,8
Kaotave	6,7	Suva	7,0
Kolombangra	0	Tabaca	4,0
Kommuniboli	1,8	Tanagai	0,4
Luesalo	2,6	Tarekubo	2,7
Lunela	0,6	Tasia	1,1
Mana'abu	3,0	Tavaieha	0,4
Manivovo	1,4	Taylor	<u>1,3</u>
Mema	0,4		100,0
Nawote	1,3		
Padamoi	4,3		

Financing Agreement
Allocation for Staff
Training:
SIS 1 600 000

Final Allocation AWP III:
SIS 882,000

Expenditure 1993 - June
1997:
SIS 853 920
RTCs: 52,2%
SIARTC: 47,5%
(includes Staff Training
Coordinator 1996-1997)

4.2 MATERIALS AND EQUIPMENT

4.2.1 Materials and Equipment

Since the start of the project SI\$ 1 084 811 (270 000 ECU) has been spent under this budget heading. The category Materials and Equipment represents 29% of total project expenditure and is the largest form of direct support to RTCs. Furthermore a significant proportion of expenditure under other budget headings, notably curriculum development and RTC enterprises, should really have been analysed as materials and equipment. Under the AWP's RTCs were restricted to set budgets for each category of expenditure leading to ingenious requests under other headings which were basically for materials and equipment.

Materials and equipment is the most obvious area for centres to identify their needs and gain a quick benefit. RTCs have had little problem using up their allocated budget and expenditure has been evenly spread out over the duration of the project at approximately SI\$ 250 000 (62 500 ECU) per year. The majority of expenditure has been for infrastructure development and for the provision of equipment to increase sustainability and improve living conditions. The main categories of expenditure are as follows:

Building Materials. The main priority identified by most Principals was the need for new buildings. Typical expenditure would be for timber and iron roofing.	21%
Tools. The majority of expenditure was for carpentry and woodwork tools for use on buildings, furniture construction and practical classes. Gardening tools were also an important item of expenditure.	14%
Generators and Water Tanks. This expenditure, on a few expensive items, has improved living conditions in RTCs	13%
Canoes and outboard motors. Given the problems of transport, funds for these items have made an important contribution to improving the running of RTCs. Outboard motors are also used in practical maintenance courses.	13%
Chain saws. Used to make planks for buildings, furniture and use in practical woodwork classes. Also used in Maintenance classes. Expenditure also included frames, parts and fuel.	11%
Sewing Machines, Sewing Material, Typewriters. For use in home economics and secretarial classes.	6%
Stationary and Office Equipment. Typical expenditure included pens, paper and exercise books.	4%
Lawnmowers. 13 RTCs have bought lawnmowers.	4%

Other. Other expenditure includes filing cabinets, video recorders, sports equipment, short wave radios, solar panels, fishing gear, guitars, welding equipment, truck repairs, furniture, a freezer and cooking pots. 14%

In accordance with the project design the RTCs have identified their own needs and Principals have presented SIARTC with requests for specific materials and equipment. The anticipated project result of improving the quality of training has therefore been achieved, to an extent, through both direct and indirect support to training. There has been a limited direct support through the provision of tools and equipment to be used in practical classes. The main emphasis has, however, been on indirect support by developing new infrastructures and improving the general operating environment in RTCs.

The efficiency of this particular activity depends on the appropriateness of the initial choice of materials and equipment to be purchased, the method by which the purchases were made and finally the eventual use of the materials in the RTCs.

As has already been noted the choice of materials to be purchased was made by the Principals in the RTCs. It is felt that during the first year of the project the needs identified by a few Principals were not always in line with the objectives of the Project. Hence, the demands for items such as video recorders and sports equipment. The primary need, identified by RTCs, to build new buildings (chain saws, building materials, tools) is, however, relevant to the project objectives. Adequate dormitories, class rooms and sanitation facilities are clearly necessary before quality training can take place. Although relevant, in many cases there was not enough planning given to the purchase of materials and equipment for buildings. This sometimes resulted in half built buildings when budgets ran out. In general, though, SIARTC operated a tight control on the relevancy of items purchased during the second and subsequent work programmes, and it is felt that the items purchased were appropriate to the needs of the RTCs and in line with project objectives.

The mechanism for the purchase of materials and equipment has also been tightly controlled by the technical assistant to the project. This procedure is lengthy but ensures that there can be no misuse of funds. The procedure consists of first obtaining a proforma invoice. Only once this invoice has been approved is a cheque sent by SIARTC direct to the supplier. Equipment is purchased almost entirely in Honiara and the purchase of equipment is done on the few occasions that Principals come to Honiara.

The control of materials once they have been purchased has been the least efficient aspect of this activity. None of the RTCs visited could provide the evaluation team with a full inventory of materials purchased by the

project. In a few cases inventories are now being maintained, however the oldest of these only dates back to 1995. The sight visits confirmed that a significant portion of the tools and equipment, such as sewing machines, are no longer being used by the RTCs.

As well as the lack of inventories there appears in many cases to be insufficient internal rules and regulations operating in RTCs to ensure the safe return of tools. Theft is also a serious problem in the RTCs and in several cases entire workshops have been looted. The benefit gained by the supply of materials and equipment has in most cases been dampened by the high level of lost equipment.

In general the purchase of materials and equipment has been appropriate and the purchase procedure has been conducted in an efficient manner. Insufficient control of equipment once purchased has however reduced the potential effectiveness of this activity

4.2.2 Income Generating Activities (RTC Enterprises)

Some S\$ 639 000 (160 000 ECU) has been spent on this category, representing 12% of total project expenditure. The objective of this funding is for RTCs to start up income-generating projects. There is no doubt that some RTCs have used part of their enterprise budget for materials and equipment. Purchases of out board motors, building materials and water tanks are an example of such expenditure and represent up to 10% of the RTC enterprise expenditure. As with Materials and Equipment RTCs have had little difficulty in using their allocated funds. Since 1996 the budget available has decreased to allow for an increase in training. A breakdown of expenditure is as follows:

Trade stores (canteens). Nearly all this expenditure is for purchasing stock to be sold by the staff and students. Some funds have been used for constructing stores. This is the most direct form of short term income generation Theft continues to be a problem	18%
Chickens. There have been few successful poultry projects. In most cases chickens have died or been eaten by predators.	12%
Cattle and Pigs. Theft is a problem, however there have been some successful projects.	11%
Agriculture. Whilst some RTCs generate income most gardening activities are for sustaining the RTCs. Typical expenditure would include fertiliser and water pumps.	9%
Sewing. This enterprise has proved to be successful for generating income at RTC bazaars, held once or twice a year.	9%

Honey. Many of the RTCs produce honey for consumption within the RTCs and for limited sales.	8%
Petrol Sales. As with trade stores this generates quick short term benefits, but is subject to the problems of theft.	6%
Woodwork. Expenditure includes plywood and timber for furniture.	6%
Out board motors. Virtually no direct income generating benefit, however potentially indirect benefit in facilitating transport.	6%
Other. Other enterprises include second hand clothing, water tanks, freezers and bakery, construction of rest houses.	15%

Enterprise projects are different in nature and have had mixed success. On the one hand there are the activities which generate one off sales such as the purchase and sale of stock in trade stores and the retail of petrol. These have the advantages of generating quick benefits however in the majority of cases the activity is not sustainable and there is no medium or long term benefit. In most cases there is no reinvestment of the capital into further purchases of stock and there are serious problems of theft and mismanagement. Whilst there is normally a 20% mark up on the sale of goods, an 80% overall return on investment would be optimistic for these types of activity. (SIS 80 generated for every SIS 100 of project funds spent.)

The other category of activity represents those projects where funding is used for initial purchase of goods and materials, value is then added through a process of transformation and the end product is sold. Due to the more complex nature of these projects there have been successes and failures.

The most successful projects in terms of production are in agriculture (market gardening), sewing, furniture making and honey production. The ability to generate income depends on the RTC's proximity to a market and the marketing dynamism of the RTC staff. These two conditions prevailed in 5 of the 15 RTCs visited, where sustainable successful income-generating activities were being run.

In the majority of RTCs, however, there is either no nearby market or there is a negative return on investment due to poor management. Income generating activities have also been more difficult to run in community based centres due to the lack of free and available labour. Due to the nature of the funding though, (money for nothing), even the projects which show a negative return are deemed to be successful. Many RTCs have singled out this category of funding to have been the most beneficial.

It is felt that the benefit of this funding, in terms of increasing sustainability, can be enhanced by making RTCs more accountable for the

management of their funds. Requirement that RTCs present business plans for projects before funding is released would have the double effect of encouraging a more methodical and planned approach to income generation and also allow for monitoring and advice on the part of SIARTC. In this way unrealistic projects could be identified from the start.

There appears to be a direct correlation between those RTCs that have successful income generating activities and those that produce detailed annual accounts. In this respect emphasis on accountancy training and the setting up of the most basic accounting systems in RTCs can only increase sustainability.

This funding has contributed to the sustainability of a few well managed RTCs. Other RTCs have benefited from limited income or produce for their own use. With increased efficiency in planning projects, managing funds and installing basic accounting practises there is no doubt that this type of funding can significantly increase sustainability.

4.3 REVOLVING LOANS

SI\$ 119 932 (30 000 ECU) has been spent on revolving loans. This is much less than the SI\$ 600 000 (150 000 ECU) initially budgeted, as funding for this activity was suspended due to the failure of the loan mechanism.

There were no indications in the project design of how the loan mechanism was meant to operate and during the first Work Programme there was no clear understanding at the level of the SIARTC or at the level of the RTCs of how the revolving system worked or indeed of what it was to be used for. Initially the fund was used by RTCs, to buy equipment or for income generating activities, with no intention of repayment.

Only after the arrival of the TA in March 1994, were guidelines and regulations put in place. The fund was intended to be given to RTCs for on-lending to groups of students who would present business plans. Funds were supposed to be kept in a separate savings account and RTCs could only obtain funds after presenting reports to SIARTC, detailing the projects that students were planning to implement.

Despite these requirements funds continued to be misused. SIARTC was not strict enough in ensuring that RTCs conformed with the requirements. An example of the inefficiency with which funds were distributed is the fact that SI\$ 34 419 (8 605 ECU) was provided for community based centres, offering short courses and with no realistic prospect of recovering loans. Where funds were used correctly, typical projects included sewing, poultry, small canteens and furniture making. In nearly all cases the recovery rate was lower than 50%, meaning that the fund rarely revolved twice. The poor rate of recovery seems due to the fact that both RTC staff and students lack necessary business and accounting skills and there was not enough pressure put on students by staff to repay loans. Of the 30 000 ECU spent on the revolving fund, it is estimated that some 4 000 ECU still remains for on-lending.

A sufficiently tight control was witnessed in only one RTC, where 66% of the original capital still remains after 3 years. The fund is managed by a Peace Corps volunteer who, operates the fund in conjunction with his business classes, requires the presentation of business plans, monitors the projects and keeps up pressure for loan repayment. The fund is almost exclusively used by young women to buy material and dyes. The finished cloth (*lava lavas*) is then sold during the holidays or at RTC bazaars.

It is the view of the evaluation team that the administration of a revolving fund in its current design is too much for RTC staff to operate successfully. A possible scenario for success would be if one full time trained staff member was appointed (at an estimated cost of SI\$ 8 000 (2 000 ECU) per year) to keep in touch with students and their projects and ensure debt collection.

Another possible scenario would be to copy the system witnessed in one RTC (St Dominic's) where students are provided with assets such as seed and baby pigs. The end product is eventually sold and the initial costs are eventually paid back once a profit has been realised. This system is, however, operated in the framework of a guaranteed market and with marketing support from particularly able staff. The majority of RTCs still need to improve their management and organisation skills before such a scenario could be envisaged.

In the majority of cases the mechanism for provision of a fund to RTCs to be used for student revolving loans has not functioned satisfactorily and within the current context of RTCs we do not recommend that such an activity is continued.

4.4 MANAGEMENT AND ORGANISATION

4.4.1 Solomon Islands Association of Rural Training Centres (SIARTC)

The formation of SIARTC in March 1992 was the culmination of a series of meetings and seminars organised by the Community Education Division of MEHRD for RTCs as from 1990. The constitution drawn up at that time was ratified at a conference of RTC principals held in Seghe in June 1992.

The constitution sets the objective of SIARTC as bringing together on a permanent basis the RTCs of the Solomon Islands in order to further their work. Work is defined as consisting in providing appropriate vocational training to improve the quality of Solomon Islands' village life. This can be interpreted as giving SIARTC the leading role in coordinating actions to improve training course material, trainers and equipment. Section 4 of the constitution lists functions of SIARTC; some of these are imprecise as to the degree of intervention SIARTC could have vis-à-vis the member RTCs. Two in particular warrant mention:

- "The Association will:
- define the needs of member RTCs and mobilise resources with the aim of meeting these needs;
 - assist member RTCs in running their centres..."

However, the function of SIARTC as the centrepiece for communication between RTCs, between RTCs and government and between RTCs and outside organisations was clearly defined.

The constitution also sets out conditions and rights for each of three categories of membership - full (RTCs only), associate and adviser - and defines the composition and functions of the Association's Steering Committee. It does not indicate any funding resources to enable SIARTC to

employ staff to carry out its functions, except the payment of an annual affiliation fee by members.

SIARTC was an appropriate organisation to be associated with implementation of the project. The Financing Agreement is however quite ambiguous as to who should actually carry out implementation - RTCs themselves, the SIARTC Steering Committee, the Project Steering Committee or MEHRD.

The *modus vivendi* adopted was for SIARTC to conduct day-to-day management of the project, whilst the Project Steering Committee took on the role of supervising and monitoring project activities, approving general guidelines and methodology for implementation, approving annual work programmes and any exceptional requests for funding put forward by SIARTC on behalf of RTCs. Consequently, considerable power in screening and approving requests made by RTCs under their various budget allocations was given to the project officers, initially made up of a VSO TA, designated Project Coordinator and paid on project funds, and a SIARTC Coordinator funded by SIARTC - donor sources.

The evolution of staffing in SIARTC is presented in the Introduction to the present report (see chapter 1). One of the early problems was the lack of a training specialist attached to the SIARTC office. This project planning oversight seriously prejudiced activities concerning staff training and curriculum development which followed inappropriate strategies. The problem was not corrected until January 1996 when a Staff Training Coordinator, seconded from SICHE, was nominated. Another difficulty was linked to the fact that staff had no job descriptions and responsibilities were unclear. Consequently, the Project Management Unit did not work well as a team and is considered to have lacked direction and authority. Planning was insufficient. Job descriptions were produced only as a result of a recommendation in the MTR.

By mid-1996, the increasing demands for administering the project led to staffing reaching a high point with a VSO TA as Project Coordinator, a SIARTC Coordinator, a Small Business Advisor, a Staff Training Coordinator and a Procurement Clerk. During the last year of the project, the staffing situation has gone from satisfactory to insufficient. The loss of the VSO TA (end of contract), the resignation of the Small Business Advisor, followed more recently by that of the SIARTC Coordinator have seriously weakened SIARTC's administration which can no longer adequately handle the day-to-day running of the project. There is an urgent need to recruit a top-grade administrator capable of keeping tight control on accounting matters and obtaining detailed business plans and reports from RTCs.

The funding situation of SIARTC has also undergone a significant evolution. Previous sources of external funding have been lost, no new ones have been found, few RTCs pay their affiliation fee with the result

that SIARTC has come to depend almost entirely on project funds to pay staff and incidental costs such as office rentals. This was never intended in the project. General coordination /lobbying activities of SIARTC were expected to be kept separate from project management activities. The current situation makes the long-term sustainability of SIARTC highly improbable (see section 7.2).

Administration and management of the project has varied in quality. On the one hand, the Project Management Unit within SIARTC kept adequate accounts of project expenditure, followed a strict administrative procedure for procurement of materials and equipment and played an essential role in organising workshops/courses and principals' conferences.

On the other hand, however, there was slackness in approving certain types of expenditure, especially during the first year when principals came to Honiara with "shopping lists" for materials and equipment. Poor judgement on what was appropriate or not can be put down to lack of training experience but also to insufficient investigation into the real needs of RTCs.

Visits to RTCs were the best way of investigating these needs. This was pointed out in the first annual report which stated that "staff visits (to RTCs) have proved to be the most valuable way of assessing needs, giving support and advice and monitoring project impact". During the first year of the project, 20 out of 24 RTCs were visited by the project officers. Although it was considered "essential that a comprehensive tour programme was maintained in order to (...) obtain feedback and give assistance on site" (first annual report), visits to RTCs fell away during the 2nd and subsequent years of the project, with only 8 being visited in year 3 and even less latterly.

When visits have been made, they have often been for reasons other than evaluation and monitoring and have not allowed enough time to assess real RTC needs correctly. Few RTCs have received more than one visit, despite there being a significant budget for travelling. Whilst an increasing office workload has been given as a reason for reduced visits, this failure has also resulted from a lack of focus on priorities.

Poor reporting by RTCs has been a prime factor in inadequate control of project implementation by SIARTC. Although, the SIARTC constitution stated that members should "occasionally provide information on their work", the project financing agreement did not make any provision for reporting from RTCs. Nor did the PSC set rules on this point.

Despite this initial confusion with regards to reporting SIARTC did, however, produce guidelines, by which expenditure such as RTC enterprise funds and revolving loans would only be disbursed after adequate reports had been received. These conditions were, however,

never complied with. This is a case of insufficient control in the beginning leading to no effective control later on. The result was that little or no information was gathered on the effectiveness of project expenditure in each RTC or on the impact of training activities.

Project effectiveness could have been increased had SIARTC applied pressure on RTCs to produce adequate reports, with quantifiable data and describing use of assets, as well as regular accounts. This would have had the double effect of encouraging RTCs to improve their reporting and accounting capabilities (a case of sink or swim) and providing SIARTC with the necessary information to monitor the progress of the project. Given SIARTC's position as authoriser of expenditure, the failure to apply such pressure must be attributed to the Project Management Unit's lack of authority.

Lack of authority has also meant that less than 10% of RTC subscription fees over the last three years have been collected by SIARTC. It should, however, be underlined that communications with RTCs are difficult. Radio usually has to be used, but it can take weeks if not months to get a reply to documents sent by mail, given the extreme isolation of many RTCs.

SIARTC did carry out a comprehensive survey of ex students. In 1996 some 230 out of 1000 questionnaires were completed and returned to SIARTC, giving information on facts such as income, present location and occupation. These questionnaires have not yet been analysed by SIARTC, but were analysed by the study team for the purpose of this evaluation.

In terms of overall management, it appears that SIARTC and the TA were unaware of their independence in decision making and suffered a certain lack of confidence in approving and monitoring expenditure. To the present day the Project Management Unit still appears unsure to what extent they can control the running the project. This has contributed to the lack of project direction and the slow disbursement of funds.

The present dependency of SIARTC on project funds has made its future precarious, to say the least. The question can be asked as to whether SIARTC will be necessary once the project terminates. All parties interviewed during the mission considered it to be a useful organisation. It's main value was seen as a coordination body between widely-dispersed RTCs, as an interface representing all RTCs in discussions with government, especially MEHRD, and other outside organisations and as an organisation that could lobby for material and financial support for the RTC movement. It is clear also that it's existence as a centre point is valuable for MEHRD which, otherwise, would have to deal with each individual RTC. Finally, it's role in organising centrally-based workshops, courses and conferences benefiting all RTCs is considered as essential.

There is no doubt that membership rules of SIARTC should be tightened. Only RTCs where vocational skills training represents more than 75% of the total training programme should be given full membership and voting status. RTCs with less vocational skills training should be allowed associate membership and observer status at annual general meetings. Much greater emphasis should be put on information sharing and all RTCs should be made aware of the structure of programmes offered by fellow RTCs.

4.4.2 Technical Assistance

In January 1993, a contract was entered into by the Project with the British Volunteer Service Overseas organisation to provide the services of a Project Coordinator to assist SIARTC in the implementation of the project. The role of the TA was to assist in project coordination and provide accounting services and financial control.

The first TA was in place for 12 months. She became pregnant and a replacement took over in March 1994 and remained in place until the end of March 1997. A total of S\$ 350 495 (82 500 ECU) or approximately S\$ 7 500 (1 800 ECU) per month was spent on Technical Assistance. This covered a salary, living expenses, local travel and an annual return air fare.

Given the objectives and activities of the project the amount and nature of the TA provided was not sufficient for successful implementation. As has been seen no TA was provided in the field of training and curriculum development during the first three years of the project, a fact which has adversely affected project effectiveness. In particular the project is well behind schedule in the area of curriculum development.

Following the recommendations of the MTR, a local training expert was seconded from SICHE. The positive contribution this has had on the project is analysed in the sections of this chapter dealing with staff training and curriculum development.

In the fields in which TA was provided (project coordination, accounting services and financial control), efficiency has been unequal. The services provided during the first twelve months appear to have been inadequate. Those provided during the three years to 31 March 1997 seem to have been much more efficient in the field of accounting and financial control, although still inadequate in terms of overall organisation and control (project coordination).

During the first 12 months there was not enough control on the appropriateness of expenditure. The TA was effectively rubber stamping all demands and, as has been seen, the revolving loan fund was not implemented correctly. In terms of project focus and direction, there was very little input in terms of advice from the TA. Weak management and

control, and a lack of direction during this early period, has plagued the project throughout.

Inadequate design and the fact that the project was to be "implemented by the RTCs themselves" can only have contributed to this situation.

Following the appointment of the second TA, financial control and the quality of accounting and reporting was greatly improved. Expenditure has been carefully monitored in order to conform with project policy and European Development Fund (EDF) procedures. It is, however, felt that the project still lacked in focus and direction in terms of overall coordination. This situation did not improve following the MTR (there was only improvement in the specific fields of training and curriculum development).

The terms of reference for the TA indicate that the Project Coordinator should "oversee all project activities" and "establish and maintain guidelines for the operation of the project". It is felt that not enough direction was given to the project by the TA. Certainly not enough visits to RTCs were undertaken by the TA to adequately oversee project activities, this despite a significant project travel budget.

It is, also felt that the TA did not adequately train staff in accounting matters. The hand over of accounts was rushed, when the TA left, leading to the current situation where the accounting system has virtually broken down.

These problems were largely created by the personal differences between the TA and SIARTC Coordinators. The second TA was a highly professional administrator and her counterparts were Solomon Island young men. The first of 4 years experience with SIARTC was resentful of her professionalism and eventually had to be discharged for lack of integrity. The second was lacking the necessary potential and resigned within months of the departure of the TA, leaving a gap that almost caused paralysis.

The project would have been more effective had there been a strong leader in overall control of policy and decision making. Ideally this role should have been played by the TA, however extenuating circumstances meant that this was not possible. Firstly, it was never clarified who was in overall charge of the project. In the absence of job descriptions, there was confusion between the roles of the TA, identified in the TOR as the Project Coordinator, and the SIARTC Coordinator. Secondly, the personal differences between these two individuals meant that agreement on project implementation could rarely be reached.

4.4.3 Rural Training Centres

Rural Training Centres are non-formal educational institutions that train young men and women from rural areas who have dropped out of the formal education system by providing them with appropriate skills to work in and develop their villages.

The concept grew from rural-based church pastoral centres and developed steadily through the 1970s and 1980s as population grew rapidly, school drop-outs increased and new pressures pervaded rural communities.

At the beginning of the project there were 24 recognised RTCs, and new centres were established during the project. In all 29 RTCs received significant funds ranging from SI\$ 39 000 to SI\$ 181 000, or an average of SI\$ 87 000 (21 750 ECU). Three other new RTCs received less than SI\$ 10 000. 13 small bible schools, offering some vocational training, have also received assistance. Currently, two RTCs have temporarily suspended their activities due to internal problems (Padamoi, Nawote).

RTCs are present in all provinces except Central. Many are located in very isolated places and are only accessible by sea, footpath or tracks suitable for 4-wheel drive vehicles. Of the 30 major RTCs, 24 are under the control of one of the five main churches - Anglican, Catholic, United (Methodist), Seventh Day Adventist and South Seas Evangelical Church. The remaining six are community-based but do have links with the churches. All RTCs except four provide residential facilities for their trainees. The size of RTCs varies considerably; the largest ones have a budget of over SI\$ 300 000 (75 000 ECU); others function with less than SI\$ 50 000.

The role of vocational training in the RTCs also varies a great deal. Small community-based RTCs do nothing but vocational training in short courses/workshops. The church-supported residential RTCs always include an element of Christian education or bible studies. This can range from 10% to 90% of the activity. In the majority of larger well-established RTCs, vocational training represents at least 75% of total study time. The number of students in residential RTCs varies from 25 to over 200 and they do two to four year courses covering skills in a variety of areas (agriculture, carpentry, home economics...) as well as general support studies in English, Maths and Bookkeeping.

The wide range of skills taught in these RTCs is linked to the long duration of the trainees stay and to the fact that many RTCs draw students from several provinces or even nation wide. It is more difficult in these circumstances to respond to specific skill needs of local communities or small regions than in the case of community-based RTCs. The efficiency of doing very long studies is debatable although there can be positive spin-off effects in character building and attitude changing.

Some RTCs are now favouring shorter, specialised block courses for specific skills such as house building, poultry raising or gardening. This

strategy allows trainees to return to their villages more quickly in order to apply their skills. There is less risk of trainees losing contact with their communities or having problems in reintegrating. They can also return to an RTC later to learn more advanced skills.

The long and short courses should be considered as complementary. Further research needs to be done in the Solomon islands on the real impact in village communities of trainees who have followed long or short courses. Because there is almost no follow-up of RTC graduates (except a questionnaire sent out by SIARTC in 1996), information on the application of skills is still fragmentary. A greater knowledge of this would help in the formulation of future strategies for rural development.

RTCs are, in many cases, having difficulties in three main areas - financial equilibrium, management and staffing. Having income meet expenditure or leave some surplus for reinvestment in materials or equipment is a major battle for RTCs. In short, all are struggling to make ends meet. This is the factor that most threatens the sustainability of RTCs in the long term. It is examined in more detail in section VII of the report.

Management skills have been notoriously lacking in many RTCs. A few of the more successful RTCs do keep adequate accounts and records but in the majority of cases these are not sufficiently detailed and auditing is weak, if not non-existent. There is no requirement from SIARTC for RTCs to produce timely accounts and reports. Accountability of principals depends on the strength of supervisory bodies of the churches or communities. The efficiency with which RTCs are managed depends to a great extent on the personal dynamism of the principal.

The level of book-keeping and proper accounting in RTCs varies. A few of the more successful RTCs keep adequate accounts and records, however the majority of RTCs do not keep sufficiently detailed accounts. In most cases only a cash book is used and there is no audit trail. Inventories of equipment were often lacking and many principals who had taken up their duties in the last two years were unaware of what their predecessors had bought or done. Continuity has been affected.

Future emphasis must be put on requiring RTCs to up-grade their accounting capabilities. Weaknesses in planning and organisational skills were notable in the early phases of the project. RTCs had difficulties in effectively using the funds allocated by the project.

Both the Bamford report and the MTR recommended management training for RTC principals and administrators and the subject has been discussed at principals' conferences. The holding of a workshop on "Management for Principals of RTCs" in July 1996 attracted 26 participants, although not all were principals, and gave positive feedback. A follow-up is planned for

January 1998 and a management manual is being prepared with outside help (see Annex 8).

One of the factors that has affected the management and organisation of RTCs has been a considerable turnover of principals. Greater stability in this function is highly desirable. Where principals are strong and efficient, the credibility and reputation of RTCs has spread rapidly. In other words, the success of an RTC depends very much on the management capabilities of principals and administrators.

The high turnover of staff is another worrying feature of RTCs (see 4.1.3). This should be the subject of urgent discussion with MEHRD. To attract instructors of quality and stabilise their position, it will be necessary to upgrade their status and employment conditions.

The possibility of establishing a system of "certified RTC instructors" should be examined (e.g. recognised trade certification, successful participation in SIARTC-organised instructional skills workshops, minimum hours of service, official inspection in the work place). This would have to be accompanied by a uniform and guaranteed minimum salary scale. Since significant payment increases will be beyond the capacity of most RTCs, MEHRD should examine the possibility of the government contributing part of the salary as a recognition of the vital role RTCs are playing in the non-formal education system. Part, or all, of the present grants given by MEHRD to RTCs could be channelled into support for certified staff giving instruction in vocational skills. Non certified staff would remain on current conditions offered by individual RTCs but would have an incentive to improve their qualifications.

It should also be taken into account that it is not always easy to get staff with family responsibilities to stay in isolated RTCs where extra amenities are minimal and access is difficult.

Finally, many RTCs have been considerably helped by the presence of Peace Corps volunteers. Their contribution in teaching English, Maths, Bookkeeping and basic business skills, as well as vocational skills when qualified, has strengthened training programmes and reinforced RTCs reputations. It is highly desirable that RTCs maintain this strong relationship.

RTCs have proved to be an efficient means of transmitting needed skills to youth for the benefit of rural communities. They are well integrated into the rural environment. Their influence and calibre can, nevertheless, be greater in the future with accountable management, better qualified staff versed in modern training techniques, improved course material, adaptation of instruction to real community needs and a systematic follow-up of graduates when they return to their villages. All will have to strive to

widen their resource base by seeking new innovative income-generating activities.

4.5 MONITORING AND EVALUATION

The monitoring of progress in the implementation of project activities came under the responsibility of the Project Steering Committee, the composition of which was spelt out in the project financing agreement as well as the fact that it should meet at quarterly intervals.

The PSC was slack in respecting this timetable during 1993 and 1994, meetings being held only when the need arose. Periodicity improved after the mid-term review and remained fairly close to what had initially been foreseen. Meetings were chaired by MEHRD and were well attended by all the concerned parties. Minutes were kept and provide a valuable insight into the way the project evolved. A representative from the local delegation of the European Union attended all meetings and was able to monitor activities and expenditure. Annual reports were produced for each of the first three years of the project and also provide very useful detail on expenditure and the need to adjust the projects orientation. From 1 November 1995 until 31 January 1997, quarterly reports were prepared to monitor project expenditure.

The MEHRD has been kept aware of all project developments and has closely followed the evolution of SIARTC. Copies of all the above reports were also sent to the Commission in Brussels. The desk officer in charge of Solomon Islands projects in headquarters and an administrator for Education and Training in charge of the Pacific sector have also visited the Solomon Islands and seen RTCs first hand.

Globally, the monitoring of the main lines of expenditure and orientation of activities has been adequate. Information has been used to establish the Annual Work Programmes and adjust budget lines and this has been done in concertation between the EU delegation, SIARTC, MEHRD and the Ministry of Finance. The MTR report recommendations were closely examined and discussed by the PSC and direction was given to SIARTC to implement those that were retained as improving the efficiency of the project.

4.6 COST - BENEFIT ANALYSIS

The next page presents the main results of the project. These are compared with the overall cost of the project and the cost of individual project components.

V EFFECTIVENESS

5.1 PROJECT RESULTS

Two results to be achieved during the project are indicated in the Financing Agreement and reproduced, along with two additions, in the Logical Framework Analysis Matrix (LFAM) established by the Delegation in November 1993. Further additional results were included in the LFAM prepared by the MTR in February 1995. The analysis of results in this section of the report is based on the later document.

- **Improved quality of training at RTCs**

Thanks to efforts undertaken to upgrade the technical skills of RTC instructors through their participation in numerous specialised workshops and courses, as well as their instructional skills, it is generally felt that the quality of training delivered by RTCs has improved. This has been aided by a better supply of tools and equipment bought with project funds and improvements in RTC infrastructures

- **Increased number of people trained at RTCs with skills in demand.**

The financing agreement indicated that the number of graduates "is expected to increase to 1000 a year over the three year period of the project, representing an increase of about 25%". The figure given appears to have been arbitrarily decided and did not take into account the differences between graduates of long and short courses; this quantitative target was not mentioned in the LFAM.

The numbers trained every year in long courses at each RTC tend to remain fairly stable because of the limitations on residential capacity. Small increases in capacity at some RTCs and the development of several new RTCs have led to a modest increase in annual numbers trained, estimated at about 10% over the life of the project.

Numbers trained in short courses appear to have significantly increased as the result of funds made available by the project for this type of activity. Unfortunately, reporting on these courses has been inadequate and no exact figures can be given. An estimate based on partial information suggests that about 2300 persons attended this type of course over a four year period.

The vocational training given is considered to be relevant to the basic skills in demand in village communities. It has effectively enabled many graduates to find opportunities for self-employment in their communities,

according to credit facilities, personal initiative and local market possibilities. Paid employment opportunities have proven to be rare.

- **Improved management of RTCs**

Very deficient in the early stages of the project because of principals' weak management skills and inadequate project control by SIARTC, this aspect has shown signs of improvement over the last year. Whilst management weaknesses are still apparent in some RTCs (poor bookkeeping, lack of accountability), the delivery of a management training course for principals has had beneficial effects. Further improvement in the management of RTC can be expected.

- **Core curriculum developed appropriate to actual needs and core curriculum for at least five subjects**

Curriculum development activities started slowly and with an erroneous strategy. Corrective actions have been taken. Core curriculum under development is appropriate to actual needs in RTCs but, so far, only two course guides have been produced. Two others are still under preparation and work is being initiated on a fifth subject. The anticipated results will not be fully achieved until 1998.

- **Enhanced capacity of establishing and managing income generating activities.**

Income generating activities are vital for the survival of many RTCs. Funds made available through the project have substantially helped in establishing such activities. Although there have been some notable failures, the majority of income generating activities have been appropriately conceived, established and managed. Capacity for continuing to develop these activities and enlarge the resource base of RTCs has been effectively enhanced.

- **Improved access to credit facilities for young entrepreneurs (male and female)**

The DBSI credit scheme has improved access to credit facilities for young entrepreneurs, compared with the situation prior to the project. However, physical and administrative hurdles in getting a loan have proved hard to overcome and less than 15% of applicants have succeeded in this enterprise. A quarter of the loans have been taken up by women. The repayment performance has deteriorated, with arrears currently amounting to 43% of the portfolio. The effectiveness varies according to the different regions.

- **Cadre of teacher trainers**

Since the secondment of a training specialist to SIARTC at the beginning of 1996, a cadre for teacher training has been introduced and teaching skills workshops have been appropriately delivered and evaluated. This is an on-going action which is proving to be effective in improving the quality of training in RTCs.

The effectiveness in attaining the anticipated results of the project set out in the LFAM has to be judged according to qualitative criteria except for the one pertaining to curriculum development. In all cases, the results concern actions which will continue after the project ends and they should be considered globally as having contributed to meeting the project purpose and overall objectives.

5.2 ACHIEVEMENTS

Since both the project purpose and overall objectives are open ended in the sense that there is no absolute level of attainment indicated, judgement on whether progress has been made in achieving them can also only be qualitative.

The project purpose as stated in the LFAM is to:

- improve the educational and skill levels of rural youth;
- increase the capacity for employment creation;
- improve livelihood and living standards in rural communities and stabilise rural population.

In all these areas, the project has helped achieve a better level than was the case at its onset. Feedback as gathered in questionnaires distributed to RTC graduates by SIARTC indicates that trainees having gone through RTCs feel that their educational and skill levels have improved and that the skills obtained in RTCs have increased their capacity to create self-employment. The actions undertaken by the project in favour of RTCs have therefore achieved benefits for rural youth. By the same token the project has contributed to an improvement in livelihood and living standards in those rural communities in direct contact with RTCs or which have had youth attend RTCs. The project alone cannot stabilise rural population but through the provision of assistance for developing skills needed in rural areas, it has achieved positive effects. Most RTC graduates have returned to their communities.

The overall objectives indicated in the LFAM were to "contribute to economic development through investment in human capital and encouragement of young entrepreneurs". The project has achieved positive results through its support for better skilled trainees coming out of RTCs and its efforts to provide them with credit facilities in order to seize income generating opportunities. There are now more young entrepreneurs in

rural areas than when the project was initiated and they are contributing to improve services available to local communities in each of the country's provinces.

5.3 ACCOMPANYING MEASURES

The project has been operating within a weak framework of government support and policy for the non-formal education sector. This has reduced the potential effectiveness and impact of the programme. On the other hand the Project complements the activities of other donors, who have supported RTCs. Canadian, Japanese and New Zealand funds, amongst others, have provided infrastructure and equipment in many RTCs, in some cases matching the EC contribution. Peace Corps volunteers have also played a very important role in ensuring that the services provided by the Project are maximised.

There is no inter-relationship between the RTC project and other EDF supported activities. Although the provision of training in areas such as fisheries, forestry and road building would seem to complement other EDF projects, there has been no policy to inter-relate the projects and indeed there has been little training in these areas. This can only have reduced the potential effectiveness and impact of the project. Initiatives to identify training areas that complement the needs of regional projects and other activities, such as commodity collecting need to be undertaken.

VI IMPACT

This chapter analyses the overall macro-economic and social effect of the project.

In terms of the economic development of the country (the overall objective of the project) the short term impact has been minimal. The beneficiaries targeted by the project do not play an important role in the economy of the country and the majority, being still in their early twenties, have yet to reach positions where their contributions are noticed. However, this is a grass roots development project and as such can only be expected to have an impact on sustainable and economic social development in the medium and long term (10 - 50 years).

RTCs have had an important impact on the social environment. They have contributed to the improvement of living conditions in villages; have helped to install moral values in young people; have helped to maintain traditional methods of survival in a subsistence environment; have helped to provide adequate income to a minority of those attending (estimated 13%, based on SIARTC questionnaire); and have had a small positive effect on the problem of urban drift. By assisting RTCs, the EC project has contributed to this impact.

In terms of income generation an analysis of the SIARTC questionnaire provides the following information regarding RTC graduates:

Those earning less than SIs 1 000 (250 ECU) per year:

49%

Those earning between SIs 1 000 and 5 000 (1 250 ECU) per year:

38%

Those earning over SIs 5 000 per year:

13%

The average income for RTC graduates is SIs 2 800 (700 ECU) per year, or SIs 230 per month. This is above average for those living in the rural areas. Virtually all those who responded to the questionnaire found their experience gained in RTCs useful for day to day living.

A minority of graduates, approximately 10 - 15% are now able to generate above average incomes having attended RTCs. Approximately 40 (out of some 5 000) are running successful projects, having attended RTCs and using the DBSI credit scheme. On a basis of the SIARTC graduate

questionnaire it would appear that a further 13% of those attending RTCs are using their acquired vocational skill or knowledge to generate a good income. The majority of those students attending RTCs, however, are not earning good incomes, but are surviving well within the village community.

The main impact of the EC project has been to bring the issue of RTCs to the notice of the Government, other donors and in some respect to the public at large. Without the EC project it is likely that vocational training would have remained in the background of development issues in the Solomon Islands.

VII SUSTAINABILITY

7.1 RURAL TRAINING CENTRES

RTCs are well implanted in rural areas and there are no other viable alternatives to the type of vocational skills training that they are providing to those who have dropped out of the formal education system. Generally, they do not have problems in obtaining the services of persons with the required vocational skills to act as instructors, although there are difficulties in keeping them in the long term.

The main problem that will affect sustainability of RTCs is financial. Excluding funds received from the project since 1993, the RTCs' revenue base consists of fees paid by trainees; RTC enterprises generated income; grants from MEHRD; assistance from some of the mother churches and diverse overseas donors related to church groups. Indirect revenue (savings) comes from occasional assistance provided by volunteer groups from Australia, New-Zealand, Britain, Canada and Japan for infrastructure work and from donations for specific equipment or buildings from overseas governments.

Revenue from fees paid by trainees does not in most cases cover the real cost of accommodating and feeding trainees who reside in the RTCs. In many RTCs, annual fees range between SI\$ 200 (50 ECU) and SI\$ 400 (100 ECU). They can go as low as SI\$ 100 (25 ECU) or as high as SI\$ 900 (225 ECU). For trainees coming from villages on the margin of the monetary economy, such sums are very important. To pay them requires considerable efforts (and sacrifices) from families and communities. Therefore, RTCs must be very cautious when envisaging any increase in fees. The contribution of fees to each RTCs budget varies greatly. It is often less than 25%. In the case of one of the largest RTCs with amongst the highest fees, this contribution comes to just over 50% of revenue. Clearly RTCs are condemned to find supplementary sources of income if they are to sustain their activities.

Income-generating enterprises have become the most popular path towards self-reliance and have received a strong impulsion thanks to the project funds earmarked for this activity (see 4.3.2). All RTCs visited praised the financial help received from the project in this area. RTCs have opened trade stores, developed agricultural and livestock projects, gone into making honey or coconut oil and produced handicrafts or furniture. There have been many innovations in finding new sources of income, many successes - and a few notable failures.

However, in spite of all their goodwill, many RTCs are limited as to what they can do by their isolation, the immense difficulties of transport and lack of local or regional markets with sufficient buying power. Efforts should be pursued but few RTCs would be able to survive just on enterprise activities. Residential RTCs are more favoured than community-based ones in that they have a "captive labour force" with which many activities can be developed.

Financial support from churches varies greatly according to the denomination. However, none can afford to give more than partial help. The Church of Melanesia (Anglican) and the United Church (Methodist) subsidise running costs of their RTCs in various proportions, sometimes exceeding 50%, depending on what other sources of revenue the RTCs may have. This also depends on the relationship between religious education and vocational skills training. Overseas congregations or organisations linked to these churches furnish substantial contributions which can also come in the form of volunteer aid. The Catholic-based RTCs link with the local dioceses to receive funds whenever possible but such direct assistance also fluctuates and is more readily available for pastoral training. Some also maintain direct links with overseas groups. The SDA Church which has the two largest RTCs in terms of student numbers contributes staff salaries (both religious education and vocational skills). Finally the South Seas Evangelical Church which controls six RTCs (including the group of bible schools as one) does not provide direct assistance to vocational skills training which must live by its own means. Several RTCs would not survive if the mother Church stopped its contributions.

The government's financial assistance to RTCs (SIS 500 000 - 125 000 ECU per annum) varies between a maximum of SIS 25 000 (6 250 ECU) and a minimum of SIS 8000 (2000 ECU), following a classification of RTCs established by MEHRD. All RTCs hope that this assistance (1% of the national education budget) could be increased with greater recognition of the role RTCs play in rural development. As mentioned in 4.1.3 above, maintaining better qualified, more permanent vocational skills training staff is an area where a new approach for government contributions warrants examination.

Volunteers from several countries and direct assistance from foreign governments have also contributed significantly to developing RTCs' infrastructure and buying essential equipment. Because of their isolation, many RTCs have to count on the activity of their mother churches or SIARTC to mobilise such support.

The funds received from the project have been the single most important outside contribution to RTCs. Considered as a blessing by a good number of principals, it has substantially assisted them in areas where their own resources were insufficient, as explained in section IV of the report. The key question is whether RTCs can sustain their activity after the project.

The evaluation mission is of the opinion that most RTCs will manage to survive without the project's assistance since the movement has strong grassroots support. It is nevertheless likely that there will be stagnation in vocational skills training or cutbacks in activity, especially in RTCs that have limited possibilities for income generating enterprises.

It is doubtful that church support can be increased beyond its current level; increased government support, while valuable, would not alone solve all problems; outside government or private donor support (which the RTC movement must continue to actively seek) will be a useful complement but never the core of revenue; fee increases can only be modest.

In these circumstances, management will have to attain new levels of efficiency. Planning will have to improve and priority objectives set. RTCs will not be able to increase their capacity at a time when demand for their training is increasing.

7.2 SOLOMON ISLANDS ASSOCIATION OF RURAL TRAINING CENTRES (SIARTC)

Through having lost the sources of financial support that sustained it during its initial years and having failed to ensure new funding (including promised support from MEHRD), SIARTC has gradually come to be almost totally dependent on project funds. This is a situation that was never intended during the design of the project. The aim was that EC funds should supplement rather than supplant existing funding. Currently, the only independent funds come from fees RTC members are supposed to pay to SIARTC. Few, in fact, do so. Only SI\$ 4400 (1100 ECU) have been received from this source since the start of the project. The amount due should have been around SI\$ 40 000 (10 000 ECU).

At present, then, without project funds, SIARTC would not be able to maintain any administrative staff or pay administrative costs. It might be able to survive as an association just for occasional meetings of RTC principals, as long as RTCs paid travel costs, but it would be almost powerless to act - an empty shell.

This situation is extremely critical given the proximity of the end of the project. It must be treated with the greatest urgency. The annual funding need is about SI\$ 200 000 (50 000 ECU), including the Staff Training Coordinator's salary. Should no other sources of funding be forthcoming, it is most probable that SIARTC will be obliged to disband. This would be a serious blow to the RTC movement as a whole and to activities such as staff training and curriculum development which still require consolidation and which are coordinated by SIARTC.

Moreover SIARTC's viability as an institution is also uncertain. The lack of any permanent organisational structure and high staff turnover mean that no institutional capacity is being built. The TA has been a temporary role by nature of the contract with the EU, other administration officers (coordinator, assistant coordinator, small business advisor, staff training coordinator) are all paid employees who are looking to further their careers. The vast discrepancy between salaries of those employed has also caused unrest and contributed to the resignation of the last Coordinator who complained that his salary was 3 times lower than that of the Staff Training Coordinator, as was the case with the Technical Assistant.

The lack of sustainability has also its causes in the changing policies and structures of government. There has never been a practical emphasis on rural training in succeeding ministries, although this may be coming to an end now.

For long term sustainability there must be a clearer structure of rural training authorities from which SIARTC itself should be composed. The churches, who are the main supporters of rural training and are the primary contacts with the grass-roots activities of village life, and the relevant division for Rural Training within MEHRD should form the basis for such a structure.

7.3 PROJECT ACTIVITIES

The sustainability of project activities depends on funds being available, on their being a demand for the activities and on there being an organisation capable of implementing the activities. The sustainability of the benefits of the activities is, however, related to the nature of the activity and its effectiveness.

The sustainability of the different project activities and their benefits are analysed below. This evaluation has shown that there is a demand for all the project activities. Hence analysis of their sustainability is limited to discussing funding and implementation.

Curriculum Development, Staff Training, Workshops and Courses

These activities are purely developmental and not designed to generate any significant degree of income. Through the sale of teachers handbooks, text books and charging discretionary fees for training and participation in workshops, perhaps 10% of the cost of the activities may be recuperated. Trying to generate any more than this would jeopardise the developmental impact of the project. In other words external funding needs to be found for these activities to be continued. Based on current project expenditure

some 200 000 ECU per year is required for these activities to be maintained and in particular for the curriculum development to be completed.

In terms of continued implementation, the current operational structure is the only one that can realistically be envisaged. That is, a Staff Training Coordinator working with individual course developers and with SICHE for organising workshops and staff training. The Staff Training Coordinator would also need permanent administrative support and his own operating budget. The administrative support would not necessarily have to come from an independent organisation such as SIARTC.

If completed and put into use, benefits should continue to be derived from the new curriculum for possibly the next twenty years. As yet however there has been no benefit from curriculum development and unless the activity is sustained there is a risk that there will be no benefit from what has already been achieved. Benefits derived from training are by the nature of the activity sustainable, however due to the relatively large staff turnover in RTCs there will always be a demand for staff training and workshops.

Materials and Equipment

The provision of funds for the purchase of materials and equipment will also need donor or Government funding if it is to be continued. The current projects provides an annual budget of some 60 000 ECU for this activity. As has been seen this activity has resulted in the construction of buildings and the supply of essential equipment. Benefits should therefore be sustained for up to ten years or more.

Income Generating Activities and Revolving Loans

The revolving loans have not achieved any degree of sustainability and there has been no significant degree of reinvestment in the provision of funds for income generating activities. These funds have, however, contributed to the sustainability of RTCs. Whilst it is recommended to discontinue the provision of a revolving loan, to maintain the RTC Enterprise fund would require external funding of some 50 000 ECU per year.

Overall, to sustain the activities of the project an annual budget of some 460 000 ECU needs to be found and distributed in the following manner :

	ECU
SIARTC (operating costs and salaries)	50 000
TA	100 000
Curriculum development, Staff Training, Workshops and Courses	200 000
Materials and Equipment	60 000

Income generating activities	50 000
TOTAL	460 000

VIII DBSI CREDIT SCHEME

The loan fund consists of a revolving capital fund of S\$ 750 000 (187 500 ECU) which is available for loan disbursement, exclusively to RTC graduates, and an EC designated guarantee fund of S\$ 750 000 (187 500). The DBSI receives all the interest on the guarantee fund (estimated at 8% per annum) and half the interest on the loan amount for administering the fund. S\$ 80 000 (20 000 ECU) would be a conservative estimate of the amount of interest earned by the DBSI every year for administering this fund. Compared to the DBSI's total loan portfolio, the RTC loans are small and represent less than 1%.

To date there have been 85 loans valued at S\$ 610 544 (152 636 ECU) The total number of applications for loans is in the region of 200 and it is estimated that there have been over 1 000 enquiries. Loan repayments to the end of May 1997 amount to S\$ 194 468 (48 617 ECU) and the current amount of arrears is over 43% of the portfolio. Loan repayments are made monthly and an account is said to be in arrears if repayments have not been made in over a month. There is currently S\$ 333 924 (83 481 ECU) left in the capital fund for on-lending.

The DBSI has not been able to provide sufficient details on the operation of the Credit Scheme for interested parties to adequately monitor the scheme. Despite requesting data on issues such as the number of functioning projects, SIARTC were never provided with sufficient information. The evaluation team was told that there were no details on the amount of loan applications from Guadalcanal, Munda and Choiseul, and the 1996 annual report has yet to be finalised. The estimated figure of 200 loan applications is based on statistics provided by the loans department, however this figure varies wildly with estimates received from other DBSI staff and branch managers which put the figure as high as 800.

It should be noted that of the 85 loans, less than 40 are for graduates that attended an RTC during the period covered by the project. The rest have been provided to graduates that attended RTCs prior to 1993. The most common projects for which loans are taken are running trade stores (25%), retailing petrol (21%), sewing projects (12%), furniture making and carpentry (8%) and timber milling (7%).

DBSI statistical data indicates that of the 85 loans that have been approved, 40 are for projects that are either functioning well (project is generating income and loan is being repaid) of which there are 19, or the project is functioning well and the loan is in arrears of which there are 21. The

remaining 45 loans have been defaulted and in most cases the project has been abandoned.

The effectiveness of the DBSI credit scheme has largely depended on the regions where the scheme is in operation. In the less populated regions of Makira and Western Province the scheme has met with relative success. Graduates are running successful projects and are generally able to pay back their loans. This has been due to the close professional relationships developed between the sub-branch managers and the RTC graduates.

In the more populated regions of Guadalcanal and Malaita the scheme has not worked and the administration of the project by the DBSI must be brought into question. In these regions the RTC portfolio is only 1% of total loans and a low priority is given to management of the RTC loans. Branch managers have no time to meet graduates or visit the projects and consequently repayments run into arrears. Due to the large percentage of arrears the DBSI has currently suspended the branches in Guadalcanal and Malaita from further lending.

In trying to obtain and service loans graduates are faced with several hurdles. The criteria for loan approval is strict (less than 15% of loans are approved). The DBSI only has 3 branches and 4 sub-branches currently operating in the Solomon Islands and two of the branches have been suspended from the scheme. The time taken to process loan applications often takes more than 3 months. Once a loan has been taken graduates are faced with the problem of physically communicating with the nearest branch every month to repay the loan. In this sense the appropriateness of the DBSI to continue running the scheme in its current format is doubtful and indeed the DBSI have not as yet taken a decision on whether they wish to continue to administer the scheme.

Concerning the current Memorandum of Understanding several points are worthy of note. Firstly the Guarantee Fund belongs to the EC, although no certificate has ever been produced, and can be withdrawn at any time. Secondly, the mechanism by which loan approvals were to be made at branch offices after an initial three months, presumably to speed up the application process, never actually happened. Finally the MOU states that the DBSI will provide workshops on the scheme if asked to by individual RTCs. It is unlikely that RTCs were made aware of this and to date no workshops have taken place.

The success stories show that with close monitoring of graduates and projects and with more efficient administration a Savings Scheme can be beneficial to RTC graduates and complements support to RTCs.

There is a danger that with the end of the EC Project, the loan fund, which stands at approximately SI\$ 1 million (250 000 ECU) will be forgotten. It is vital that this fund continues to benefit RTC graduates. Therefore an

urgent decision needs to be made by the NAO, in close collaboration with the Delegation as to whether they wish to continue to run the fund through the DBSI or whether they wish the fund to be run through another organisation.

Continuing to run the fund through the DBSI will require agreement on the part of the DBSI and we recommend the drawing up of a new memorandum of understanding. The new MOU should require the immediate write off of bad debts, thus admitting the two suspended branches back into the scheme. The length of time between loan repayments needs to be increased to allow for quarterly or six monthly repayments. A portion of the interest earned on the fund should be apportioned to each branch and sub-branch to cover travel costs to visit projects. A sum of SI\$ 6 000 (1 500 ECU) per year apportioned to each branch and sub branch should adequately cover the costs of monitoring projects.

The fact that the DBSI has been running the scheme, albeit inefficiently, and still has much of the capital to lend out, would appear to make it more favourable for the fund to be left in their hands.

The provision of credit for graduates is valid and complements the other activities of the project. However, the organisation through which a scheme is operated must be in much closer contact with RTCs and with the graduates. Branch managers must be prepared to visit both RTCs and their clients.

IX RELATIONSHIP WITH SICHE

The Solomon Islands College of Higher Education (SICHE) is, amongst other functions, the foremost technical training organisation in the country with qualified instructional staff and well equipped workshops. It naturally became a privileged partner of SIARTC from the early days of the project. Staff from SICHE ran *ad hoc* workshops for RTCs, funded by the project, or staff were sent from RTCs, with project funds, to follow various courses in SICHE (e.g. outboard motor maintenance, electrical wiring, carpentry/joinery, chain saws, timber grading,...).

It was not, however, until 1995 that a formal Memorandum of Understanding (MOU) was agreed upon between SICHE and SIARTC to cover the calendar year 1996. This had the advantage of fixing a fee structure for services rendered, thereby aiding financial planning for proposed courses or workshops. A second MOU was subsequently drawn up to cover the period from 1 April 1997 to 31 December 1997.

So far the MOU has worked conveniently for the two parties and SICHE has been fundamental in organising instructional skills and technical upgrading workshops and courses. The direction of SICHE indicated that cooperation with RTCs had left a positive impression and that the aim was to enhance the capacity of RTCs and not change them. SICHE's capabilities in specific fields such as Adult Learners Training and Distance Learning are also considered to offer potentialities for greater cooperation with RTCs. As well, personal bonds between SICHE and RTC staff have been reinforced through the participation of many RTC instructors in SICHE actions during the life of the project. It should also be mentioned that it is not rare for good RTC graduates to seek higher qualifications in SICHE leading to trade certification or entry into the formal education system as teachers. Generally, in these cases, such graduates do not return to their villages. Although this may be contrary to the fundamental purpose of RTCs, it is obviously beneficial for the economy as a whole.

Opinions were expressed during the mission's stay that the cost of running courses in SICHE is rather too high (SI\$ 650 (160 ECU) per teaching day for a group size of 20), and that SIARTC should endeavour, in the event of an extension of the MOU, to re-negotiate this rate which is not adapted to non-commercial organisations. Costs charged by SICHE should be graduated to correspond to the nature of the services provided (e.g. number of instructors effectively required, hours of instruction).

During 1996, there were observations that the training offered by SICHE (coming from the formal education sector) was not always well adapted to the specific needs of RTCs. Consequently, efforts have been made under

the auspices of the Staff Training Coordinator, himself seconded from SICHE to SIARTC under terms laid out in the MOU, to have the SICHE instructors made more familiar with conditions in RTCs and the real needs of RTC staff before intervening in workshops or courses, thereby giving greater relevancy to the training.

Clearly, RTCs through SIARTC will still require technical support from SICHE in order to continue upgrading the quality of training. However, without further funding from an external source, it is highly unlikely that SIARTC will be able to maintain its present close relationship with SICHE beyond the expiry date of the current MOU. It is therefore imperative that the modalities of future cooperation be examined in coordination with MEHRD, so that training priorities can be set according to the financial possibilities of the RTC sector.

X RELATIONSHIP WITH GOVERNMENT'S HRD PROGRAMME

Human resource development has long been a cornerstone of government policy and programmes and benefited from EU assistance prior to the present project. Particular emphasis has been placed on strengthening manpower planning and local community development, especially in rural areas. Education and training have been seen as fundamental elements in achieving significant advances in these areas. Rural Training Centres have progressively come to be considered as appropriate vectors of human resource development, thereby linking into rural community development objectives.

Nevertheless, most of the government's financial efforts have had to go towards satisfying a rapidly expanding demand for sound basic education through the provision of primary and secondary schools in more and more rural areas. Such formal education is recognised as the right of every Solomon Islands citizen and crucial for long-term development of the country.

Although non-formal education such as that offered by RTCs for out-of-school population is well accepted by the government as the natural complement to the formal system and as being in harmony with development objectives for rural inhabitants, it has so far very much been the poor parent in annual MEHRD expenditure, receiving just 2% of the budget.

One of the goals of the Ministry is however to strengthen and facilitate it's Community Education Division (CED), so that it is able to provide opportunities for community and out-of-school education through RTCs and other associated organisations. Links between the Community Education Division, SIARTC and individual RTCs are well established. The latter receive direct annual financial assistance from MEHRD through CED, in a range from SI\$ 8000 - SI\$ 25 000, depending on CED's classification of each RTC.

A draft national policy for non-formal education has been prepared. It states that non-formal education "can be concerned with occupational skills or with subjects such as literacy or citizenship but would best be linked to better and more varied uses of local resources, to enhance people's livelihoods and to improve the quality of their lives". This clearly identifies HRD policies as being in favour of local community development. The draft policy calls for people's participation in non-formal education and

states that this approach "offers government a chance to reach out to it's people without at the same time calling for huge budgetary increases".

The relationship between the project's support for RTCs as key actors in non-formal education and government's HRD programmes with an accent on local community development is strong. The project has provided relevant assistance in reinforcing human resource development in rural areas.

XI CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

This has been a highly relevant project and has, to an extent, achieved many positive results. Quality of training and living conditions have improved in RTCs. The range of vocational training has improved and there are now more RTCs in operation than at the beginning of the project. There have been an estimated 40 success stories, where RTC graduates have obtained loans, are running income generating projects and are repaying their loans.

The main impact of RTCs is to have increased the range of skills available to villages and to have improved the quality of life for graduates in particular and village communities in general. By assisting RTCs the project has contributed to this impact. The main impact of the EC project has been to increase awareness at all levels of the need for RTCs in the Solomon Islands.

The project could have been much more effective had there been adequate planning and design, had sufficient TA been provided and had the management and organisation of SIARTC had more authority, direction and focus. These weaknesses have lead to curriculum development and training being well behind schedule and to continued inadequacy in terms of RTC management, reporting and accountability.

RECOMMENDATIONS

The following operational recommendations are with a view to increasing the project's efficiency and effectiveness. Recommendations of a broader nature, relevant to the design and implementation of similar EDF projects are identified in the next chapter.

- 1 Every effort must be made to retain the services of the Staff Training Coordinator in SIARTC and funding for this post must be sought urgently since the present contract terminates on 31 December 1997. Failure to renew this post would severely affect staff training and curriculum development activities.
- 2 An adequate travel budget must be provided to enable the Staff Training Coordinator to visit all active RTCs at least once a year in order to follow up and advise on instructional practices, help implementation of new curricula and gather information on local training needs and conditions.

Whenever possible, the Staff Training Coordinator should be accompanied by an officer from the Community Education Division of MEHRD.

- 3 Curriculum development must be pursued as a priority task under the coordination of the Staff Training Coordinator with the aim of completing course guides, instructors and trainees manuals in the fields of carpentry, agriculture, mechanics, home economics and basic management skills including bookkeeping by mid-1998. Funding should be sought to compensate specialists actively involved in carrying out this work and to enable them to meet at least once every three months for one-week curriculum development coordination meetings.
- 4 Once the second part of the instructional skills course is completed for the current group of instructors undergoing this training, no further training in this field should be given before (i) an analysis is carried out to determine how many of those who have so far taken part in this activity are still actively working in RTCs and (ii) an improved reporting and record system supplying information on each RTC vocational skills instructor is developed jointly by SIARTC and MEHRD so that a more stringent screening of candidates for courses can be carried out.
- 5 Organisation of SIARTC's central administration must be reinforced by the recruitment of a top grade administrator capable of keeping tight control on accounting matters and obtaining detailed business plans and reports (financial and other) from RTCs. The administrator should preferably have experience in the field of training and be prepared to travel regularly to RTCs to provide support and assess needs. This position should complement the role of the Staff Training Coordinator.
- 6 Given the almost total dependence of SIARTC on project funds and the proximity of termination of the project, efforts must be undertaken very urgently to contact possible new sources of funding, in coordination with MEHRD, without which there is every likelihood SIARTC will cease its functions.
- 7 Revision of membership rules of SIARTC should be undertaken so that only RTCs offering 75% of their annual work programme in vocational skills training be admitted as full members with voting rights. RTCs offering lesser percentage should be offered associate membership and observers status at Annual General Meetings of SIARTC.
- 8 Every effort should be made within the limits of funding available to SIARTC to maintain the annual RTC principals conferences which have proved to be a useful vehicle for exchanging information and experiences as well as for launching debates on strategic themes of interest for all RTCs.

- 9 Given the importance of RTCs to be as self reliant as possible, all RTCs should be invited to share experiences on RTC enterprises and develop new strategies through the organisation by SIARTC of a seminar on this theme.
- 10 Attention should be given in the future work programme of SIARTC to preparing a guide containing all relevant information (programmes, capacity, fees, etc.) on each RTC member for distribution to all members and outside organisations.
- 11 Given the high turnover of instructors in RTCs and the resultant loss of investments made in training, a priority must be to examine a reform of the status of RTC instructors so that they are recognised by certification and have guaranteed minimum employment conditions.
- 12 The Memorandum of Understanding linking SICHE to SIARTC should be revised so that costs charged by SICHE correspond more closely with the nature of the services provided (e.g. number of instructors used, hours of instruction).
- 13 Links should be established between SIARTC, MEHRD and the UNDP/UNIDO small rural business project so that advisors from this can undertake actions in favour of RTCs and their graduates.
- 14 RTC Principals must be encouraged to present reports, detailing business plans and past uses of assets, to submit annual accounts and to maintain stock inventories. This should be a prerequisite for any individual funding.
- 15 The problem of theft in RTCs needs to be raised, preferably at the next Principal's conference. Appropriate measures need to be taken by RTCs to address this problem.
- 16 RTCs should make use of the clause in the DBSI MOU and request DBSI officials to make presentations in the RTCs.
- 17 Urgent action needs to be taken by the Delegation with regards to the DBSI Credit Scheme, which has effectively come to a halt:
 - (i) Firstly, a decision needs to be taken between the DBSI and the Delegation as to whether the DBSI should continue to run the scheme. If the DBSI does not wish to continue or can not guarantee to improve monitoring and efficiency, particularly in Guadalcanal and Malaita, then the guarantee fund (SI\$ 750 000) should be transferred to another organisation such as the Solomon Island Credit Union League.
 - (ii) If the DBSI wishes to continue running the scheme and agreement can be reached on improving efficiency then a new MOU needs to be written up

and there should be an immediate write off of bad debts, in order to make the branches in Malaita and Guadalcanal re-operational.

- (iii) The time allowed between regular repayments needs to be extended, a gap of three months between each payment is suggested and should be stated in the MOU.
 - (iv) Branch managers should be required to visit RTC clients at least twice a year, this too should be stated in the MOU.
 - (v) The clause in the MOU, stating that DBSI officials will visit RTCs if requested should be maintained.
 - (vi) The MOU should state that a minimum of 20 loans are authorised every year, until the fund is exhausted. This should guarantee that benefit is derived for the next 7 - 10 years.
 - (vii) The DBSI should carry out the exercise of calculating the cost of running the scheme. Any difference between this amount and the estimated earnings on interest (SIS 80 000) should be allocated to branches to cover the cost of travel.
 - (viii) The current strict criteria for which loans are obtained should be maintained.
- 18 The design of any future should programme should be carried out in close cooperation with the educational controlling authorities of the main churches and with the relevant department within MEHRD.
- 19 To sustain the activities of the project an annual budget of some 460 000 ECU needs to be found and distributed in the following manner :

	ECU
SIARTC (operating costs and salaries)	50 000
TA	100 000
Curriculum development, Staff Training, Workshops and Courses	200 000
Materials and Equipment	60 000
Income generating activities	50 000
TOTAL	460 000

XII LESSONS LEARNED

The lessons to be learned from the evaluation of this project should be considered when designing and implementing projects of a similar nature.

Preparation and design

- 1 A needs identification and design study should be undertaken for every project where new activities are being implemented and the project purposes are new. An investment of up to 10 % of the project value for carrying out a project design can be regarded as cost beneficial, particularly in determining the requirements in terms of Technical Assistance.

Relevance

- 2 Revolving Funds are not appropriate for grass-roots projects of this nature. For cash Revolving Funds to operate successfully both lenders and users need to have a basic understanding of cost accounting. A more basic system whereby RTCs provide goods, the cost of which can be repaid when value has been added and the end product has been sold, is however feasible.
- 3 The success of Credit Schemes is dependent on the suitability of the organisations that are chosen to administer the schemes. For rural development projects it is important that the Organisation is tailored to dealing with village communities, and has enough branches to service villages throughout the country.

Efficiency

- 4 Where local travel is expensive and the project is dispersed throughout the country, an adequate budget must be provided to enable technical staff to visit all active RTCs at least once a year in order to follow up and advise on instructional practices, help implementation of new curricula and gather information on local training needs and conditions. To encourage Government involvement technical staff should, if possible, be accompanied by Government officials, perhaps on a cost sharing basis.
- 5 Where training of instructors is a project activity a reporting and record system supplying information on each RTC vocational skills instructor should be developed so that a more stringent screening of candidates for courses can be carried out.

- 6 Similar projects should be managed by a top grade administrator capable of keeping tight control on accounting matters and obtaining detailed business plans and reports (financial and other) from RTCs. The administrator should preferably have experience in the field of training and be prepared to travel regularly to RTCs to provide support and assess needs.
- 7 Project beneficiaries must be encouraged to account for their use of project funds. This should be a prerequisite for future funding.

Effectiveness

- 8 Where there is an overlap between EDF and other donor projects in terms of activities and beneficiaries, it is important that there is coordination between the EDF projects and between other donors. Effort should be made to inter-relate activities so as to maximise the effectiveness of each project.
- 9 To encourage an increase in vocational training RTCs should offer 75% of their annual work programme in vocational skills training before they can benefit from Project funds.
- 10 Every effort should be made to maintain the annual RTC principals conferences which have proved to be a useful vehicle for exchanging information and experiences as well as for launching debates on strategic themes of interest for all RTCs. To increase overall sustainability project beneficiaries should be encouraged to share their experiences on generating funds.
- 11 To increase the standard of teaching in RTCs Governments should be encouraged to recognise the status of RTC instructors through certification and eventually through contribution to salaries.