

# A digital transformation journey driven by data since 2020 in Solomon Islands

Authors: François Coupienne and Zoe Victoria Tate, UNCDF  
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Over the past four years, the Government of Solomon Islands (SOI) has accelerated its commitment to the development of its digital economy. The **use of data to prioritise the development of appropriate strategies, policies and regulations** has been at the heart of the Solomon Islands' journey. To date, 110 people from 10 ministries (40% women) in the country have used UNCDF’s [Inclusive Digital Economy Scorecard](#) (IDES) to track the progress of digital transformation and identify barriers to inclusion in the digital economy. This resulted in three policy actions (strategy, policy, regulation) drafted and adopted using IDES data, with a clear focus on improving access to services and driving innovation.

In 2020, under the leadership of the Ministry of Communications and Aviation (MCA) and the Central Bank of Solomon Islands (CBSI), **the country decided to leverage data by using IDES to get a comprehensive view of the level of development of its digital economy and its inclusiveness**. The Solomon Islands was one of four countries worldwide, along with Nepal, Burkina Faso and Uganda, to pilot the tool and use it to support its development with UNCDF. IDES is now being implemented in 25 countries across Africa, Asia and the Pacific.

In early 2021, IDES data (for the year 2020) was collected through a series of collection and validation workshops involving the Prime Minister's Office, Ministry of Communications and Aviation, Central Bank, Ministry of Education, Ministry of Women and Youth, Ministry of National Planning and Development Coordination, Ministry of Health and Ministry of Finance and Treasury. The Solomon Islands was the first country in the Pacific to adopt the tool, which was [officially launched](#) by the Prime Minister of the Solomon Islands, Honorable Manasseh Sogavare on 23 April 2021. The results of the data were summarised in the [IDES report](#) and used by the government to drive various strategic, policy and regulatory changes.

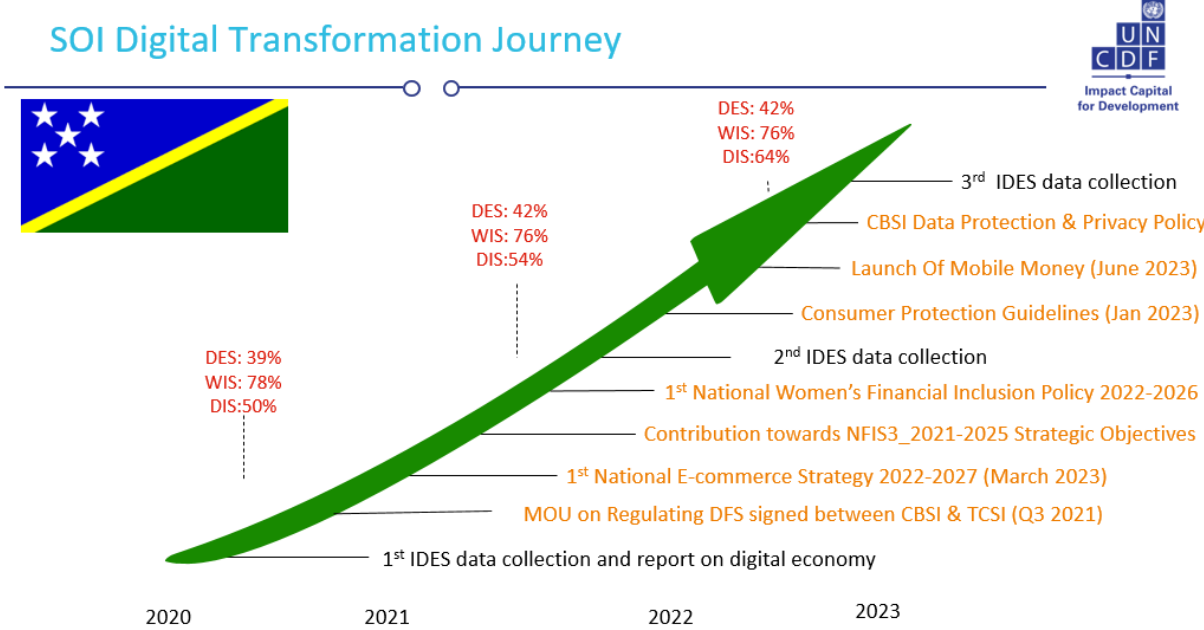


Figure 1: Solomon Islands journey on digital transformation with IDES score over years.

The Digital Economy Score (DES) for Solomon Islands is 39% at the end of [2020](#), indicating that the country is firmly in the [Start-Up stage](#) of a digital economy. By the end of 2022, the DES score was 42%. While the country was connected to the internet backbone via an undersea fibre-optic cable in December 2019, it faces challenges in realising the benefits of this potentially transformative infrastructure. The 49% score for policy and regulation showed that the government had the intention to encourage the development of a digital economy, but key policy and regulatory gaps remained. The detailed scores helped the government to focus on some priority policies and regulations. For example, the National Financial Inclusion Strategy (NFIS) was updated in 2021 using the IDES data. Key changes in the NFIS were based on IDES data on infrastructure (33%), innovation (25%) and skills (49%). **The NFIS identifies digital financial services (DFS) as a key driver for achieving the country's financial inclusion goals.** The NFIS update was then followed by the first **National Women's Financial Inclusion Policy, in response to the 22% inclusion gap for women** in the country.

In 2022 and 2023, IDES data was further collected and validated with increased buy-in and involvement from higher-level government partners. It also helped the government to focus on some key priorities.

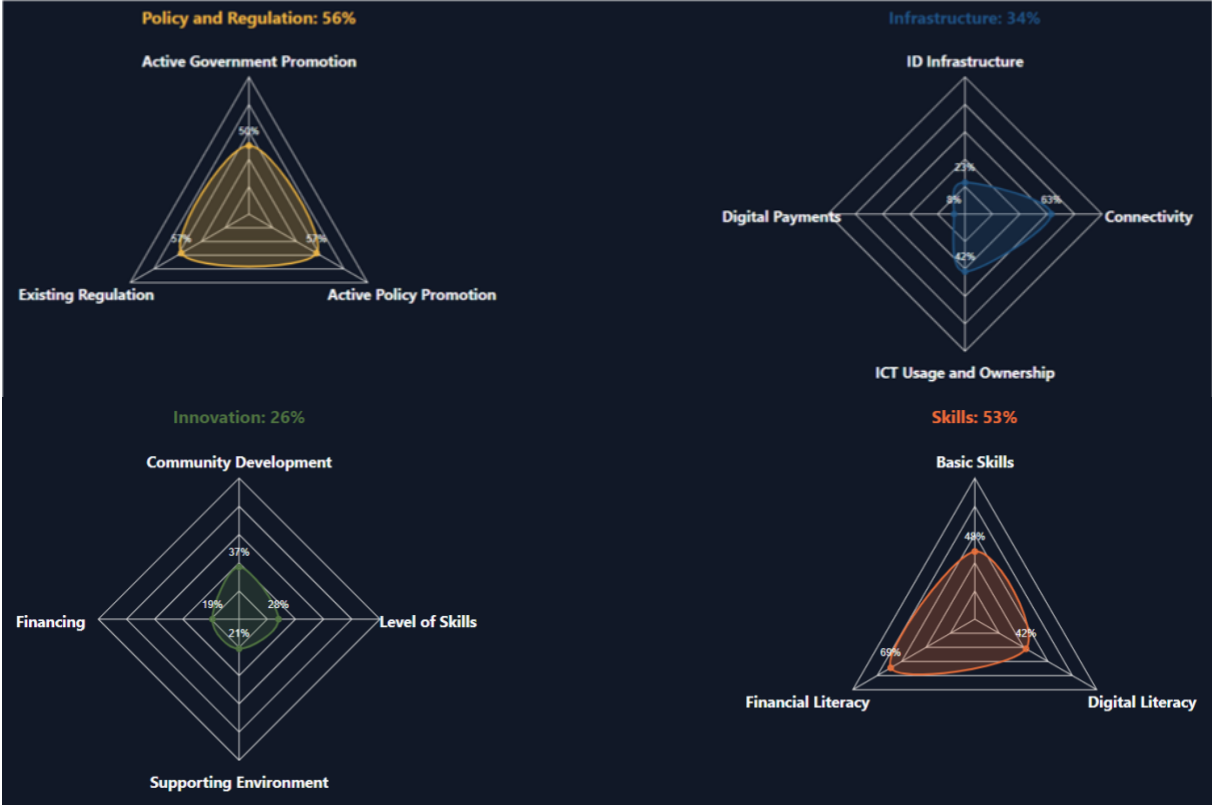


Figure 2: Solomon Islands IDES score on Policy & Regulation, Infrastructure, Innovation and Skills components and sub-components in 2022.

One of these priorities was digital payments. The [2021](#) and [2022](#) IDES data showed a low score for digital payment (6% and 8% respectively). Based on this data and the updated **NFIS, CBSI focused on expanding digital finance in the country by supporting the introduction of mobile money in the country.** CBSI and the Telecommunication Commission of Solomon Islands (TCSI) signed a [Memorandum of Understanding \(MoU\)](#) to strengthen cooperation for the development of digital finance in the country. In 2023, Our Telekom [launched the M-Selen](#) service, the first mobile money service in the country. This has led so

far to the inclusion of 20,000 new users in the digital economy. In response to the low score for innovation, the CBSI launched the regulatory sandbox in April 2022 to encourage more innovators to launch services such as the National Pension Fund's digital microloan that will be piloted this year. In addition, the Ministry of Communication and Aviation has initiated the establishment of a Digital Innovation Unit to drive more support for innovators in the country.

In addition to IDES data, Solomon Islands also uses data from other sources ([GSMA Mobile Connectivity Index](#)) to obtain additional sources and cross-check data. The country is now a model in the region for using data to drive digital transformation. The Solomon Islands has shared its experience with various countries around the world. Other countries in the Pacific, such as Tonga, have leveraged the experience of the Solomon Islands and officially adopted IDES in 2023.

Other international stakeholders also use the Solomon Islands IDES data as a reference. The Alliance for Financial Inclusion (AFI) integrated IDES data in its analysis of regulators' role in women's financial inclusion in its publication "[The role regulators play in closing the financial inclusion gender gap: a case study of the Solomon Islands](#)", as well as GSMA in its publication on mobile money "[Mobile money in the Solomon Islands: Why Our Telekom's launch can improve financial inclusion](#)"

Beyond current initiatives, the Central Bank's National Financial Inclusion Unit also intends to use IDES to inform the development of the next National Financial Inclusion Strategy in 2026. By that time, the multi-year trends that IDES has highlighted will be strategic input in the formulation of financial inclusion and digital economy goals.

In June 2024, the government of Solomon Islands will collect and validate IDES data again to take stock of progress while identifying key priorities for its continued digital transformation and inclusion. Armed with sound data, Solomon Islands is on a firm trajectory towards building a digital economy that is both inclusive and responsive to serve the needs of its people.

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