

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Solomon Islands: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments (\$ million)^a

Product Type	Sovereign	Nonsovereign	Total
Loans	10.00	–	10.00
Grants	16.50	–	16.50
Technical Assistance ^b	3.80	0.27	4.07
Total	30.30	0.27	30.57

– = nil, DMC = developing member country, TA = technical assistance.

Notes:
Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and TA include ADB-administered cofinancing.

^a Numbers may not sum precisely because of rounding.

^b Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

Solomon Islands: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments^{a, b, c, d}

Sector	No.	Total Amount (\$ million) ^a	% of Total Amount ^c	COVID-19 Response (\$ million) ^e
Agriculture, Natural Resources, and Rural Development	20	24.65	5.40	–
Education	2	0.81	0.18	–
Energy	16	63.48	13.91	–
Finance	7	6.14	1.35	0.50
Health	4	3.53	0.77	2.23
Industry and Trade	2	0.19	0.04	–
Information and Communication Technology	2	18.33	4.02	–
Multisector	6	37.28	8.17	–
Public Sector Management	32	87.23	19.12	25.32
Transport	36	151.79	33.27	–
Water and Other Urban Infrastructure and Services	7	62.84	13.77	0.25
Total	134	456.27	100.00	28.30

– = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

^a Grants and TA include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

^e Numbers may not sum precisely because of rounding.

ADB's country operations business plan, 2021–2023 for Solomon Islands will continue to support three priority sectors: transport, public sector management, and urban infrastructure and planning.

SOLOMON ISLANDS

Solomon Islands covers about 28,000 square kilometers of Melanesia in the South Pacific, with around 75% of the population living in villages of just a few hundred people.

The country's economy experienced a significant contraction because of the coronavirus disease pandemic, though a fragile recovery is underway with prospects resting largely on opportunities in mining, agriculture, fishing, and tourism.

The Asian Development Bank (ADB) has been supporting Solomon Islands since 1973. Its assistance has focused on developing infrastructure to support inclusive growth, including transport assets, renewable energy, and water supply and sanitation.

Since 1973, ADB has committed loans totaling \$184.4 million, grants of \$143.4 million, technical assistance worth \$26.1 million, and ADB-administered cofinancing of \$102.5 million for Solomon Islands. Cumulative loan and grant disbursements to Solomon Islands amount to \$205.8 million. These were financed by concessional ordinary capital

resources, the Asian Development Fund, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2020, ADB approved a \$1.5 million grant from the [Asia Pacific Disaster Response Fund](#) as well as provided \$1.8 million of technical assistance to support Solomon Islands in preparing and responding to the COVID-19 pandemic. The \$20 million [COVID-19 Fiscal Response Program](#) was also committed in 2020 and supports the Government of Solomon Islands' health response and economic stimulus package.

With its population dispersed over more than 900 small islands, transport is a



key development priority for Solomon Islands. ADB supports the government's National Transport Plan, which calls for integrated planning, environmental and social sustainability, and disaster-resilient infrastructure.

The Sustainable Transport Infrastructure Improvement Program is strengthening country systems to deliver the National Transport Plan and aligning government funding with development partner assistance through the National Transport Fund.

In 2018, ADB committed a \$6 million grant for the Transport Sector Project Development Facility. Financed from the Asian Development Fund, the facility supports feasibility studies, detailed designs, procurement protocols, and social and environmental safeguards for priority road and maritime projects.

ADB committed a \$12 million grant and \$18 million in concessional financing to support the implementation of the Tina River Hydropower Project. The project will supply electricity generated from renewable sources to Honiara. Meanwhile, ADB's \$7.91 million grant for the Solar Power Development Project is supporting the implementation of grid-connected solar power plants and will increase the supply of clean electricity, reducing the need for costly shipments of diesel to provincial centers.

In 2019, ADB committed the Urban Water Supply and Sanitation Sector Project, which aims to improve the efficiency, accessibility, and sustainability of safe water and sanitation for the around 141,000 people living in urban and peri-urban areas.

The bank also signed a \$3 million loan and a \$3 million grant agreement with Solomon Islands as part of its regional program on disaster resilience in the Pacific. The facility was disbursed in response to the COVID-19 pandemic in 2020. In the next phase of the contingent disaster facility, a \$5 million grant will help improve the country's preparedness for disasters triggered by health-related emergencies or natural hazards.

The Higher Education in the Pacific Investment Program supports the expansion of the University of South Pacific campus in Solomon Islands. The program will also enhance technology-based distance learning programs.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments in loans and equity investments from ADB's own funds in 2020 amounted to \$1.4 billion for 38 transactions in economic and social infrastructure, finance sector, and agribusiness.

ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB mobilized \$1.9 billion of long-term project cofinancing and \$3.3 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$14.3 billion as of 31 December 2020.

PARTNERSHIPS

ADB works closely with government departments on development strategy across a range of sectors, and coordinates closely with other development partners in Solomon Islands, including the governments of Australia, New Zealand, and Japan, the European Union, and the World Bank.

The bank also participates in Solomon Islands' Core Economic Working Group. This group encourages the government and its development partners to engage in dialogue and to confirm support for medium-term public sector management and economic reforms.

ADB's Pacific Private Sector Development Initiative, cofinanced by the governments of Australia and New Zealand, has been active in Solomon Islands since 2008. This regional initiative works to reduce constraints to doing business, incentivize entrepreneurship

Solomon Islands: Evaluation Results for Sovereign and Nonsovereign Operations, 2011–2020

	Total Number of Validated and Evaluated Projects and Programs	Evaluation Ratings		
		Highly successful and successful	Less than successful	Unsuccessful
Sovereign Operations	6	4	1	1
Nonsovereign Operations	-	-	-	-

- = nil, IED = Independent Evaluation Department.

Note: The figures indicate the number of sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2010 to 30 June 2020. See evaluations related to Solomon Islands.

Source: IED success rate database (as of 31 December 2020).

Solomon Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2019–2020

No. of Ongoing Loans ^a (as of 31 Dec 2020)	2019 (\$ million)		2020 (\$ million)	
	2019 (\$ million)	2020 (\$ million)	2019 (\$ million)	2020 (\$ million)
Contract Awards ^{b,c}	18.00	3.25	18.00	3.25
Disbursements ^b	3.91	18.33	3.91	18.33
No. of Ongoing Grants ^{a,d} (as of 31 Dec 2020)	8		8	
Contract Awards ^{b,c,d}	20.24	3.25	20.24	3.25
Disbursements ^{b,d}	2.60	18.37	2.60	18.37
At Risk Projects (%) (as of 31 Dec 2020)	-		-	

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based, results-based, and financial intermediation/credit loans and grants.

^d Includes only Asian Development Fund and other ADB special funds.

Solomon Islands: Projects Cofinanced, 1 January 2016–31 December 2020

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign	6	261.30
Loans	2	153.10
Grants	5	103.70
Technical Assistance	1	4.50

Solomon Islands: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2019		2020		Cumulative (as of 31 Dec 2020)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	3.92	0.03	29.99	0.13	134.20	0.06
Consulting Services	0.06	0.01	0.14	0.02	7.26	0.05
Total Procurement	3.98	0.03	30.13	0.13	141.46	0.06

Top 5 Contractors/Suppliers from Solomon Islands Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2016–31 December 2020

Contractor/Supplier	Sector	Contract Amount (\$ million)
IDC Shipping Co. Ltd.	TRA	0.34
Azimuth Surveys	ENE	0.17
Anolpha Enterprises Ltd.	TRA	0.13
ELA Motors (SI)	WUS	0.06
United Auto	WUS	0.06
Others		55.59
Total		56.35

ENE = energy, TRA = transport, WUS = water and other urban infrastructure and services.

Top 5 Consultants from Solomon Islands Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2016–31 December 2020

Consultant	Sector	Contract Amount (\$ million)
Kramer Ausenco (Solomon Is.) Ltd.	EDU	1.66
Individual Consultants		0.93
Total		2.58

EDU = education.

and investment, foster new business models, and remove barriers to women's full participation in the economy.

ADB also supports Solomon Islands through the [Pacific Region Infrastructure Facility](#), which provides technical advice on infrastructure development and sustainable infrastructure management and enhances the coordination of development partner investments in the Pacific.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other [nonsovereign cofinancing](#) such as [B loans](#), [risk transfer arrangements](#), [parallel loans and equity](#), [guarantee cofinancing](#), and cofinancing for transactions under ADB's [Trade and Supply Chain Finance Program](#) and [Microfinance Program](#).

ADB began cofinancing operations in Solomon Islands in 1983. Since then, sovereign cofinancing commitments for Solomon Islands have amounted to \$385.27 million for 13 investment projects and \$9.2 million for 13 technical assistance projects.

In 2020, Solomon Islands received \$15 million loan cofinancing from the World Bank for the Urban Water Supply and Sanitation Sector Project.

A summary of projects with cofinancing from 1 January 2016 to 31 December

2020 is available at www.adb.org/offices/pacific/cofinancing#solomon-islands.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from all ADB members.

Share of ADB's Procurement Contracts

[Goods, Works, and Related Services](#)

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$14.19 billion in 2019 and \$22.79 billion in 2020. Cumulative procurement since 1966 has been \$216.35 billion covering 222,415 contracts.

For contractors and suppliers from Solomon Islands, 682 contracts worth \$134.2 million have been awarded since 1973.

[Consulting Services](#)

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$756.72 million in 2019 and \$732.11 million in 2020. Cumulative procurement since 1966 has been \$14.13 billion covering 67,086 contracts.

For consultants from Solomon Islands, 130 contracts worth \$7.26 million have been awarded since 1973.

OPERATIONAL CHALLENGES

Solomon Islands continues to exhibit characteristics of a fragile state and its structures lack the capacity to provide many of the basic drivers to reduce poverty. The country is remote from major markets and has low levels of human development, a small domestic market, and a narrow economic base. It is also affected by disasters caused by natural hazards. Key development challenges include generating sustainable economic growth, building fiscal buffers to respond to shocks, and improving government capacity to implement projects. Despite the progress made under the Regional Assistance Mission to Solomon Islands, ADB and other development partners continue to face the challenges of working in a post-conflict environment while trying to implement projects.

FUTURE DIRECTIONS

ADB's [country operations business plan, 2021–2023](#) for Solomon Islands will continue to support three priority sectors: transport, public sector management, and urban infrastructure and planning. A land and maritime project is proposed to improve roads and wharves across the country. ADB will continue to support recovery from the COVID-19 pandemic and implement necessary reforms through a series of policy-based operations and a proposed project to increase domestic revenue mobilization. Health and education have been identified as additional areas for potential involvement.



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Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

ABOUT SOLOMON ISLANDS AND ADB

ADB Membership

Joined 1973

Shareholding and Voting Power

Number of shares held: 708 (0.007% of total shares)
Votes: 39,822 (0.299% of total membership,
0.460% of total regional membership)

*Overall capital subscription: \$10.2 million

*Paid-in capital subscription: \$0.5 million

*United States dollar figures are valued at rate as of 31 December 2020.

Harry Degruit Kuma is the Governor and **McKinnie Dentana** is the Alternate Governor for Solomon Islands in ADB.

Tony McDonald is the Director and **David Cavanaugh** is the Alternate Director representing Solomon Islands on the ADB Board of Directors.

Lotte Schou-Zibell is the ADB Regional Director of the Pacific Liaison and Coordination Office. The office was opened in 2005 and is ADB's representative office in Sydney, Australia. It acts as the focal point for liaison with the governments of Australia and New Zealand as well as with development organizations and nongovernment organizations based in those two countries. The office engages in policy dialogue, country partnership strategy development and programming, portfolio management, and knowledge-based solutions for Nauru, Solomon Islands, and Vanuatu. The liaison and coordination office is also responsible for finance sector development and private sector development across all 14 of ADB's Pacific developing member countries.

The ADB Pacific Country Office in Solomon Islands strengthens the bank's presence in the country, working to enhance the relationship between ADB and the government, improve development partner coordination, and help build local capacity in the design and implementation of ADB-supported projects.

The Solomon Islands government agency handling ADB affairs is the Ministry of Finance and Treasury.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from Asia and the Pacific and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2020, lending volume was \$26.9 billion (149 projects), with technical assistance at \$293.56 million (275 projects) and grant-financed projects at \$1.08 billion (62 projects). In addition, \$16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB's annual lending volume averaged \$19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$805.5 million and \$230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were \$323.17 billion in loans for 3,369 projects in 44 countries, \$11.3 billion in 495 grants, and \$5.01 billion in technical assistance grants, including regional technical assistance grants.

Notes:

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars. Data are updated as of 31 December 2020 unless otherwise indicated.