

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Solomon Islands: 2015 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
-	-	0.08	0.29	0.36

- = nil.

Note: Grants and technical assistance include cofinancing.

Solomon Islands: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b}

Sector	No.	Total Amount (\$ million) ^c	% ^c
Agriculture, Natural Resources, and Rural Development	20	24.49	8.89
Education	2	0.75	0.27
Energy	11	24.72	8.98
Finance	7	5.29	1.92
Health	2	0.55	0.20
Industry and Trade	2	0.12	0.04
Information and Communication Technology	2	18.00	6.54
Multisector	6	36.99	13.43
Public Sector Management	25	43.51	15.80
Transport	32	119.15	43.26
Water and Other Urban Infrastructure and Services	3	1.82	0.66
Total	112	275.39	100.00

^a Grants and technical assistance include cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Total may not add up because of rounding.

Since Solomon Islands joined ADB in 1973, the country has received over \$275 million in loans, grants, and technical assistance.

SOLOMON ISLANDS

Comprising six large islands, dozens of smaller islands, and hundreds of islets and atolls, Solomon Islands covers about 28,000 square kilometers of Melanesia. Around 85% of the population of 528,000 lives in widely dispersed villages of just a few hundred people each.

A key development challenge for the Government of Solomon Islands is controlling recurrent expenditure amid modest growth in revenues. The economy is based on primary commodities, and alternative opportunities to generate income are scarce. Economic growth prospects rest on the private sector and on developments in mining, agriculture, and fishing, with some potential for tourism.

The Asian Development Bank (ADB) has been working with Solomon Islands since 1973 and has approved 18 loan projects totaling \$102.42 million, 13 grant projects totaling \$147.08 million, and 73 technical assistance projects totaling \$25.90 million.

Cumulative disbursements to Solomon Islands for lending and grants financed by the [Asian Development Fund](#) and other special funds amount to \$126.1 million.

ADB-SUPPORTED PROJECTS AND PROGRAMS

With such a widely dispersed population, the transport sector 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 an infrastructure base that is resilient to natural disasters and climate change.

The first two phases of the [Solomon Islands Road Improvement Project](#)



rehabilitated approximately 131 kilometers of roads and replaced or upgraded 84 water crossings. The project has also featured the increased participation of women, both as workers and contractors. The Transport Sector Development Project is supporting the Ministry of Infrastructure Development (MID) to efficiently and effectively implement infrastructure projects. The project is also building the capacity of MID staff, national consultants and contractors, and community groups to maintain and rehabilitate transport infrastructure. The Transport Sector Flood Recovery Project is helping to reconstruct bridges and road sections damaged after the April 2014 floods in Guadalcanal and Honiara. Importantly for an island nation, the Domestic Maritime Support (Sector) Project aims to create more frequent and reliable shipping services, improve market access, and expand rural production.

For energy security, the Provincial Renewable Energy Project will reduce power costs by replacing diesel fuel with hydropower. Access to power will also be broadened through the expansion of the country's distribution grids.

The Pacific Private Sector Development Initiative has been active in Solomon Islands since 2008. This technical assistance covers financing growth, including reform in secured transactions and business law. Support under the initiative is also targeting state-owned enterprise reform, as well as pilot projects to help empower women.

Assistance is also being provided to strengthen financial inclusion, particularly the availability of financing for selected smallholder farmers and small rural businesses. The technical assistance is also promoting financial literacy and capacity, and helping to safeguard consumer interests in branchless banking.

ADB has approved sovereign finance for a project to construct a submarine cable system that will deliver affordable, high-speed internet services to the people of Solomon Islands. ADB is also supporting the development of the University of the South Pacific campus in Honiara.

COFINANCING

Cofinancing operations 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 official loans and grants, technical assistance, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program.

From 1970 to the end of 2015, cumulative direct value-added official cofinancing for Solomon Islands amounted to \$128.5 million for 8 investment projects and \$4.7 million for 12 technical assistance projects.

In 2015, Solomon Islands received \$0.3 million grant cofinancing from the Government of New Zealand for additional cofinancing for the Domestic Maritime Support (Sector) Project.

A summary of projects with cofinancing from 1 January 2011 to 31 December 2015 is available at www.adb.org/countries/solomon-islands/cofinancing

PARTNERSHIPS

In 2008, ADB and the World Bank established a development coordination office in Honiara, to strengthen

Solomon Islands: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2009	100.0	1
2015	100.0	1
Total	100.0	2

- = nil.

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2015.

Solomon Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2014–2015

	No. of Ongoing Loans (as of 31 Dec 2015)	
	2014 (\$ million)	2015 (\$ million)
Contract Awards/Commitments ^{a,b}	-	0.04
Disbursements ^a	-	0.03
	No. of Ongoing Grants (as of 31 Dec 2015) ^c	
	2014 (\$ million)	2015 (\$ million)
Contract Awards/Commitments ^{a,b}	1.75	2.81
Disbursements ^a	6.99	3.17
Actual Problem Projects (%)	-	

- = nil.

Note: Totals may not add up because of rounding.

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

^b Excludes policy-based lending/grants.

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

Solomon Islands: Projects Cofinanced, 1 January 2011–31 December 2015

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	3	17.40
Grants	3	17.40
Technical Assistance Grants	4	1.85

^a A project with more than one source of cofinancing is counted once.

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

Item	2014				Cumulative (as of 31 Dec 2015)	
	2014		2015		Amount (\$ million)	% of Total
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total		
Goods, Works, and Related Services	0.66	0.01	0.73	0.01	66.24	0.05
Consulting Services	0.05	0.01	0.10	0.02	5.19	0.05
Total Procurement	0.71	0.01	0.83	0.01	71.43	0.05

Top 5 Contractors/Suppliers from Solomon Islands Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2011–31 December 2015

Contractor/Supplier	Sector	Contract Amount (\$ million)
Dalgro (SI) Limited	TRA	16.72
Isabel Development Co., Ltd.	TRA	0.99
Blue Ocean Shipping	TRA	0.99
Maopa Shipping Services	TRA	0.79
Pacific Ace	TRA	0.74
Others		13.36
Total		33.59

TRA = Transport.

Top 5 Consultants from Solomon Islands Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2011–31 December 2015

Consultant	Sector	Contract Amount (\$ million)
Islander Road Works	TRA	0.39
Kramer Ausenco (SI) Ltd	TRA	0.35
Survey & Spatial Solution	TRA	0.32
Dregar Consulting Group	TRA	0.31
Morris And Sojnocki Chartered Accountants	TRA	0.05
Individual Consultants		1.18
Others		0.02
Total		2.61

TRA = Transport.

partnerships with the government and better liaise with other stakeholders. In 2016, the office will be upgraded to an extended mission, strengthening ADB's presence on the ground.

ADB works closely with the MID on transport infrastructure; the Ministry of Commerce, Industry, and Employment on private sector development; the Ministry of Development Planning and Aid Coordination on development strategy; and the Ministry of Mines, Energy, and Rural Electrification on renewable energy.

The ADB country program in Solomon Islands is closely coordinated with other development partners, including Australia, the European Union, New Zealand, and the World Bank. ADB partners with Australia, the European Union, and New Zealand on project financing. ADB also participates in the country's 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 reform.

PROCUREMENT

Share of ADB's Procurement Contracts

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 were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Procurement contracts for goods, works, and related services under loan and grant operations totaled \$8.4 billion in 2014 and \$11.12 billion in 2015. Cumulative procurement, as of 31 December 2015, was \$145.92 billion.

Procurement contracts for consulting services under loan, grant, and technical assistance operations totaled \$556.05 million in 2014 and \$637.4 million in 2015. Cumulative procurement, as of 31 December 2015, was \$10.64 billion.

Goods, Works, and Related Services

From 1 January 1966 to 31 December 2015, contractors and suppliers were involved in 199,625 contracts for goods, works, and related services under ADB loan and grant projects worth \$145.92 billion. During the same period, 645 contracts were awarded to contractors and suppliers from Solomon Islands worth \$66.24 million.

Consulting Services

From 1 January 1966 to 31 December 2015, consultants were involved in 48,767 contracts for consulting services under ADB loan, grant, and technical assistance projects worth \$10.64 billion. During the same period, 112 contracts were awarded to consultants from Solomon Islands worth \$5.19 million.

OPERATIONAL CHALLENGES

Generating sustainable economic growth remains a key challenge for Solomon Islands. The country continues to exhibit characteristics of a fragile state, and its structures lack the capacity to provide many of the basic drivers to reduce poverty. Solomon Islands has low levels of human development, a small domestic market, and a narrow economic base. The country is far from major markets, its population is widely dispersed, transport infrastructure is weak (although steadily improving), transport costs are high, and transport services are irregular. Solomon Islands has also been afflicted by major natural disasters, most recently in 2014 and 2015. 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 focus on energy, information and communication technology, private sector development, public sector management, and transport remains relevant in the context of government priorities and the support provided by other development partners.

The [country partnership strategy \(CPS\)](#), 2012–2016 is aligned with the government's National Development

Strategy (NDS), 2011–2020. The government is now revising the NDS to cover 2016–2035, and ADB is supporting this work.

ADB is preparing the CPS, 2017–2021 for Solomon Islands. It is proposed that the new CPS continue the role of ADB as the lead development partner in the country's

transport sector. ADB assistance in transport infrastructure and related capacity building is acknowledged as being essential to revitalizing the economy and providing access to basic services.

As a key member of the Core Economic Working Group, ADB will continue

to focus on economic and financial reform in Solomon Islands. Support for selected projects in the energy sector, complementing the efforts of other development partners, will also be provided.



ABOUT SOLOMON ISLANDS AND ADB

ADB Membership

Joined 1973

Shareholding and Voting Power

Number of shares held: 708 (0.007% of total shares)
Votes: 40,272 (0.304% of total membership,
0.466% of total regional membership)

Overall capital subscription: \$9.82 million
Paid-in capital subscription: \$0.49 million

Mathew Fox is the Director and **Richard Sisson** is the Alternate Director representing Solomon Islands on the ADB Board of Directors.

The Pacific Liaison and Coordination Office was opened in 2005 and provides the primary operational link for activities between ADB and the governments of the subregion, the private sector, civil society stakeholders, and development partners. The office engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Nauru, Solomon Islands, and Vanuatu.

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 67 members, 48 from the region 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 (TA). In 2015, lending volume was \$15.45 billion (107 projects), with TA at \$141.30 million (199 projects) and grant-financed projects at \$365.15 million (17 projects). In addition, \$10.74 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2011 to 31 December 2015, ADB's annual lending volume averaged \$12.93 billion. In addition, investment grants and TA funded by ADB and Special Funds resources averaged \$580.66 million and \$150.23 million in TA over the same period. As of 31 December 2015, the cumulative totals excluding cofinancing were \$231.53 billion in loans for 2,822 projects in 44 countries, \$7.23 billion in 274 grants, and \$3.90 billion in TA grants, including regional TA grants.

CONTACTS

Pacific Liaison and Coordination Office

Level 20, 45 Clarence Street
Sydney, NSW Australia 2000
Tel +61 2 8270 9444
Fax +61 2 8270 9445
adbplco@adb.org
www.adb.org/solomon-islands

Solomon Islands Development Coordination Office

Mud Alley, Honiara
Solomon Islands
Tel +677 21444
Fax +677 21448

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444

Ministry of Finance and Treasury

P. O. Box 26, Honiara
Solomon Islands
Tel +677 21058/21074
Fax +677 27855

Useful ADB websites

Asian Development Bank
www.adb.org

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

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

Depository Libraries
www.adb.org/publications/depositories

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics