



Project Data Sheet

Project 57006-001

Project Name

Renewable Energy Development Project

Project Number

57006-001

Country / Economy

- Solomon Islands

Project Status

Proposed

Project Type / Modality of Assistance

- Grant
- Loan

Source of Funding / Amount

Grant: Renewable Energy Development Project

Source	Amount
Asian Development Fund	US\$ 5.00 million

Loan: Renewable Energy Development Project

Source	Amount
Concessional ordinary capital resources lending	US\$ 10.00 million

Operational Priorities

- OP2: Accelerating progress in gender equality
- OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- OP6: Strengthening governance and institutional capacity

Sector / Subsector

- **Energy** / Renewable energy generation - solar

Gender

Effective gender mainstreaming

Description

The proposed project aims to (i) improve energy security by increasing the clean energy share in the country's energy mix, which is dominated by fossil fuel generation (over 97%); and (ii) contribute to sector reforms for better governance and public-private partnership (PPP) enabling environment in the development of renewable

energy.

Project Rationale and Linkage to Country/Regional Strategy

Solomon Islands, a small island developing state, is classified as experiencing fragile and conflict-affected situations. Electricity tariffs in Solomon Islands are among the highest in the world (over \$0.75 per kilowatt-hour [kWh]), and the power supply is most vulnerable to disasters caused by natural hazards. With a generation capacity of 34 megawatt (MW), Solomon Islands Electricity Authority, trading as Solomon Power, is responsible for generation, transmission, and distribution throughout the country. All grid-connected power in the country is diesel-generated, and the share of renewable energy in the generation mix is about 3%. The high dependence on imported fossil fuel (equivalent to 6% of the gross domestic product and about 20% of total imports) imposes a significant burden on foreign exchange reserves, making the country vulnerable to energy supply disruptions and global price fluctuations. To reduce fuel dependency, the government is prioritizing investments in renewable energy for generation. Several renewable energy projects are under development by Solomon Power, including new small solar-diesel hybrid grids and modernization of hydropower plants.

Impact

Energy security enhanced

Outcome

Increased access to renewable energy

Outputs

Clean energy generation commissioned

Energy sector reforms enhanced

Private sector participation in clean energy increased

Geographical Location

Nation-wide

Safeguard Categories

Environment

B

Involuntary Resettlement

C

Indigenous Peoples

C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Contact

Responsible ADB Officer

Abbasov, Rafayil

Responsible ADB Department

Sectors Group

Responsible ADB Division

Agriculture, Food, Nature, and Rural Development Sector Office (SG-AFNR)

Executing Agencies

Ministry of Finance and Treasury

Timetable

Concept Clearance

16 Feb 2023

Fact Finding

25 Sep 2023 to 29 Sep 2023

MRM

-

Approval

-

Last Review Mission

-

Last PDS Update

20 Feb 2023

Funding

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