Solomon Islands: 2021 Commitments
($ million)\(^{a}\)

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
<th>COVID-19 Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>24.42</td>
<td>–</td>
<td>24.42</td>
<td>–</td>
</tr>
<tr>
<td>Grants</td>
<td>39.55</td>
<td>–</td>
<td>39.55</td>
<td>–</td>
</tr>
<tr>
<td>Technical Assistance(^{c})</td>
<td>5.17</td>
<td>0.30</td>
<td>5.48</td>
<td>0.15</td>
</tr>
<tr>
<td>Total</td>
<td>69.14</td>
<td>0.30</td>
<td>69.44</td>
<td>0.15</td>
</tr>
</tbody>
</table>

\(^{a}\) = nil, COVID-19 = coronavirus disease, 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.
\(^{c}\) Numbers may not sum precisely because of rounding.

Solomon Islands: Cumulative Commitments\(^{b,c,d}\)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Amount No. ($ million)(^{e})</th>
<th>% of Total Amount(^{e})</th>
<th>COVID-19 Response ($ million)(^{e})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>20 24.67</td>
<td>4.69</td>
<td>–</td>
</tr>
<tr>
<td>Education</td>
<td>2 2.55</td>
<td>0.49</td>
<td>–</td>
</tr>
<tr>
<td>Energy</td>
<td>16 65.27</td>
<td>12.42</td>
<td>–</td>
</tr>
<tr>
<td>Finance</td>
<td>7 6.36</td>
<td>1.21</td>
<td>0.50</td>
</tr>
<tr>
<td>Health</td>
<td>4 3.58</td>
<td>0.68</td>
<td>2.28</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>2 0.41</td>
<td>0.08</td>
<td>–</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>2 18.42</td>
<td>3.50</td>
<td>–</td>
</tr>
<tr>
<td>Multisector</td>
<td>6 37.28</td>
<td>7.09</td>
<td>–</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>35 103.54</td>
<td>19.70</td>
<td>25.42</td>
</tr>
<tr>
<td>Transport</td>
<td>38 196.02</td>
<td>37.29</td>
<td>–</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
<td>8 67.61</td>
<td>12.86</td>
<td>0.25</td>
</tr>
<tr>
<td>Total</td>
<td>140 525.71</td>
<td>100.00</td>
<td>28.45</td>
</tr>
</tbody>
</table>

\(^{b}\) = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.
\(^{c}\) Includes loans, grants, and TA.
\(^{d}\) Using primary sector in the reporting of commitments.
\(^{e}\) From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
Numbers may not sum precisely because of rounding.

ADB operations in Solomon Islands prioritize transport, urban and social infrastructure, tax reform, and public sector management.

Solomon Islands covers about 28,000 square kilometers of Melanesia in the South Pacific, with around 75% of the population residing in rural areas. The Asian Development Bank (ADB) has been providing support to the country since 1973, with assistance reflecting government priorities in infrastructure development, tax reform, public sector management, urban planning and development, and disaster risk management.

As the country’s economy recovers from the impacts of the coronavirus disease (COVID-19) pandemic, prospects rest primarily in the mining, agriculture, fishing, and tourism sectors. In 2020, ADB committed $20 million to the COVID-19 Rapid Response Program to support the economy and, through Phase 3 of the Pacific Disaster Resilience Program, ADB will provide a $5 million contingent disaster financing grant for early recovery and reconstruction activities following disaster triggered by natural hazards or health emergencies.

To date, ADB has committed 118 public sector loans, grants, and technical assistance totaling $406.1 million to Solomon Islands. Cumulative loan and grant disbursements to Solomon Islands amount to $209.5 million. These were financed by concessional ordinary capital resources, the Asian Development Fund, and other special funds. ADB’s ongoing sovereign portfolio in Solomon Islands includes 4 loans and 9 grants worth $154.6 million.\(^{1}\)

In 2021, ADB committed a $5.5 million grant to boost domestic resource mobilization and $10 million in cofinancing from Australia and New Zealand to support tax reform. ADB also provided additional financing of $4.6 million to improve urban water supply and sanitation and a multitranche finance facility

\(^{1}\) Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.

Published in April 2022
comprising a $74.4 million loan and $74.5 million grant that will construct roads and wharves, with a first tranche committed at $24.4 million in concessional loan and $19.5 million in grant.

ADB supports the Government of Solomon Islands’ National Transport Plan, which seeks to rehabilitate critical transport infrastructure, through a concessional loan of $21 million. ADB has also committed a $12 million grant and $18 million in concessional financing for a project that will supply electricity generated from renewable energy sources to the capital, Honiara. ADB’s $7.9 million grant supports the implementation of grid-connected solar power plants in five provinces.

In 2019, ADB committed $37 million, and $3 million in project readiness financing to improve water and sanitation efficiency, accessibility, and sustainability in urban and peri-urban areas. ADB also committed $16.9 million to the University of the South Pacific to finance the expansion of the university campus in Honiara.

Operational challenges. Solomon Islands is distant from major markets, and transport infrastructure and services are weak. At the same time, the country is vulnerable to natural hazards, and poverty is widespread—characterized by a lack of access to essential services and income-earning opportunities. Creating an environment that fosters inclusive and environmentally sustainable growth remains a challenge, considering that the country has a small domestic market, narrow economic base, and low economic diversification based on agricultural and unsustainable logging as its primary export industry.

Solomon Islands continues to exhibit characteristics of a fragile state and lacks the capacity to provide many of the basic drivers to reduce poverty. COVID-19 and related government-imposed trade and travel restrictions impede the movement of equipment, materials, and workers from overseas, which negatively affects project implementation.

**KNOWLEDGE WORK**

Solomon Islands faces capacity constraints and knowledge gaps affecting public sector management, private sector development, and gender equality. In 2021, the Private Sector Development Initiative published a study that benchmarks women’s business leadership across the Pacific, including a country profile for Solomon Islands. The ADB-supported Pacific Region Infrastructure Facility is assisting the government in updating the Solomon Islands National Infrastructure Investment Pipeline, which outlines significant infrastructure developments in economic and social sectors that are of the highest priority for the government.
FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s partner governments or their agencies, multilateral institutions, and private organizations to participate in ADB projects. The additional funds may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Solomon Islands:

- Sovereign cofinancing: $423.73 million for 15 investment projects and $9.2 million for 13 technical assistance projects since 1983

In 2021, Solomon Islands received a $23.88 million loan cofinancing from the Japan International Cooperation Agency for the COVID-19 Rapid Response Program, and a total of $14.59 million grant cofinancing from the governments of Australia and New Zealand, and the Least Developed Countries Fund for Climate Change under the Global Environment Facility for 2 investment projects.

A summary of projects with cofinancing from 1 January 2017 to 31 December 2021 is available at www.adb.org/offices/pacific/cofinancing#solomon-islands.

FUTURE DIRECTIONS

ADB’s planned support for Solomon Islands aligns with the government’s strategic focus on increased infrastructure development, tax reform, prudent financial management, and strengthening basic health services and education. Substantial investments in the transport sector will improve road and maritime infrastructure in Honiara and the provinces and contribute to better connectivity and economic activity. Investments in social infrastructure will improve health services and create health resilience, while a planned education sector project will support climate-smart citizens and increase students’ employability. A solid waste management project will improve urban service delivery and the quality of life in Honiara. A tax reform project and support to improve public financial management practices will increase domestic revenue mobilization and improve the country’s fiscal situation.
ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,693 staff from 65 of its members as of 31 December 2021.

ADB maximizes the development impact of its assistance to its developing members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB pivoted swiftly to answer the needs of its developing members and will remain agile and responsive in the years ahead. It has started to see the shoots of a green recovery, but the long-term effects of the COVID–19 pandemic, climate change, and the outbreak of conflicts still threaten lives and prosperity. ADB will continue to work closely with members and development partners through these challenges to achieve a better future for all in Asia and the Pacific.

**ADB operations.** In 2021, ADB committed $22.8 billion in loans, grants, equity investments, private sector programs, and technical assistance both to the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $12.9 billion.

As of 31 December 2021, ADB's cumulative commitments in 45 countries stood at $342 billion covering 4,061 loans, $11.7 billion in 521 grants, and $5.2 billion in technical assistance grants, including regional technical assistance grants. In addition to loans, grants, and technical assistance, ADB uses guarantees and equity investments to help its developing member countries.

Total commitments in nonsovereign loans and equity investments from ADB’s own funds in 2021 amounted to $1.2 billion for 35 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2021, ADB mobilized $1.7 billion of long-term project cofinancing and $5.8 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB’s own resources stood at $14 billion as of 31 December 2021.

**FINANCING PARTNERSHIPS**

Total sovereign and nonsovereign cofinancing commitments, 2021

- $12.93 billion for 187 projects, of which:
  - $12.38 billion, 75 investment projects,
  - $134.67 million, 110 technical assistance projects,
  - $422.87 million transaction advisory services for 2 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2021

- $140.43 billion for 3,165 projects, of which:
  - $136.6 billion, 1,098 investment projects,
  - $2.8 billion, 2,061 technical assistance projects,
  - $1.07 billion transaction advisory services for 6 projects.

**PROCUREMENT**

**ADB’s Procurement Contracts, 2021**

**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:

- $22.93 billion in 2020
- $15.6 billion in 2021
- $232.16 billion covering 225,336 contracts, cumulative procurement since 1966

**Consulting Services**

ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $730.78 million in 2020
- $697.03 million in 2021
- $14.86 billion covering 71,348 contracts, cumulative procurement since 1966

Notes: (i) Figures are estimated by ADB unless otherwise stated. *(ii) Data are updated as of 31 December 2021 unless otherwise indicated.*