



<b>1. CPS Data</b>		
<b>Country: Solomon Islands</b>		
<b>CPS Year:</b> FY13	<b>CPS Period:</b> FY13 – FY17	
<b>CLR Period:</b> FY13-FY17	<b>Date of this review:</b> July 23, 2018	
<b>2. Ratings</b>		
	<b>CLR Rating</b>	<b>IEG Rating</b>
<b>Development Outcome:</b>	<i>Satisfactory</i>	<i>Moderately Satisfactory</i>
<b>WBG Performance:</b>	<i>Fair</i>	<i>Good</i>
<b>3. Executive Summary</b>		
<p>i. This review of the Solomon Islands Completion and Learning Review (CLR) of the World Bank Group’s (WBG)<sup>1</sup> Country Partnership Strategy (CPS) covers the CPS period, FY13-FY17, and the Performance and Learning Review (PLR) of August 2016. This is the first CPS for Solomon Islands following an Interim Strategy Note (ISN) in 2010.</p> <p>ii. Solomon Islands is a small, remote archipelago in the South Pacific, with a population of 599,419 in 2016. It is a lower-middle-income country with a GNI per capita of US\$1,880 in 2016. Between 2013 and 2016, its economy grew at an annual average rate of 2.8 percent while population grew at an annual average rate of 2.1 percent. Economic growth has been driven mostly by logging, services, and agriculture. Solomon is classified as a Fragile and Conflict-Affected State (FCS).<sup>2</sup> The poverty head count ratio using the national poverty line was 12.7 percent in 2013, with a quarter of the population living below US\$1.90 a day (2011 PPP). The last estimate for the Gini index was 37 in 2013 (a decline from 46 in 2005). Solomon Islands ranked 156 of 188 countries in the 2015 Human Development Index (HDI), putting it in the low human development category.</p> <p>iii. The CPS pillars and objectives were broadly aligned with the government’s National Development Strategy (NDS), 2011-2020 and the NDS, 2016-2035, launched in April 2016 by the new government elected in 2014. The CPS program focused on two broad themes (or focus areas): (i) strengthening economic resiliency, and (ii) improving service provision. Two cross-cutting policy areas of embedding institutional resilience and addressing gender inequalities were envisaged to cut across the two broad themes. The CPS sought to consolidate gains made under the ISN, and build on WBG’s expertise and experience in other fragile and conflict-affected environments.</p> <p>iv. At the beginning of the CPS period, lending commitments were \$19 million consisting of six operations in the form of five Investment Project Financing (IPF), including one Additional</p>		

<sup>1</sup> MIGA was not part of the CPS.

<sup>2</sup> Conflict in the Solomon Islands resulted from inequitable distribution of natural resources, land disputes, and frustration with local-center relations—including poor service delivery and insufficient infrastructure spending—which combined to undermine national cohesion. Civil conflict broke out in 1998 and did not abate until external forces restored peace in 2003.

<b>CLR Reviewed by</b>	<b>Panel Reviewed by</b>	<b>CLR Review Manager/Coordinator</b>
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Financing, and one Development Policy Financing (DPF). During the CPS period, new lending commitments amounted to \$78.8 million, higher than originally planned (\$45 million). New lending commitments comprised nine operations in the form of six IPFs—including two additional Financing, and one regional operation—and two DPFs, covering macro, trade and investment, environment and natural resources, rural development, and energy and extractives. Energy and extractives accounted for 60 percent of new commitments. IDA allocation for Solomon Islands leveraged financing from the regional IDA program and IDA's Crisis Response Window (CRW), and from other development partners (co-financing and parallel financing). A stand-alone DPF (FY15) responded to the consequences of the April 2014 floods—in addition to addressing fiscal issues and private sector investment. During the CPS period, twelve trust-funded activities (TFs) were approved for a total of US\$35.2 million, complementing IDA operations in rural development, community resilience to climate change and disaster risk, and energy. During the CPS period, IFC made a total net commitment of US\$14 million to two companies in the fishing industry. IFC also approved new advisory service projects in mobile banking, the fishing industry, investment climate, and business taxation amounting to US\$8.2 million of IFC funds.

v. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the ten objectives, six were rated Achieved or Mostly Achieved, and four Partially Achieved or Not Achieved. Under Focus Area I, there was substantial progress in enhancing resilience to climate change, improving access to and reduced costs of ICT services, increasing production capacity in the fishing industry, and improving efficiency of expenditure management. The deterioration of the fiscal stance in 2017 indicates that progress in this area needs to be consolidated further. There was limited progress in improving the reliability and efficiency of energy supply and promoting development of agricultural commercialization among small farmers; and little progress in strengthening the regulatory framework of the mining industry. Under Focus Area II, the program contributed to increasing access to infrastructure and services in rural communities, and access to employment opportunities for the urban population. However, there was limited progress in improving government support for establishing functioning local justice mechanisms.

vi. On balance, IEG rates WBG performance as **Good**. The CPS addressed key challenges facing the country, and was congruent with the government's national development strategy and aligned with the WBG's twin corporate goals. Coming after a two-year Interim Strategy Note, however, the original program design was not sufficiently selective—with 13 objectives and 24 indicators—in the context of a fragile state with a constrained administrative capacity. ASA was broadly aligned with the planned program but actual delivery did not cover key areas of the program, such as energy. The CPS and PLR appropriately identified risks, but the WBG could not adequately manage the risks due to weak implementation capacity, and led to implementation difficulties, particularly in rural development and energy. Moreover, macroeconomic risks have not been mitigated well through IMF dialogue as expected under the WBG program. In fact, risks have increased as the budget deficit widened in 2017. Portfolio performance at exit was better on average than the East Asia and Pacific (EAP) region and the Bank averages. The scaling up of the lending program to 10 operations in 2017 (from six operations in 2013), had implications on the active portfolio performance. During the CPS period, the active portfolio showed signs of deterioration as measured by the percentage of projects at risk (by number of projects and commitment volume) compared to the EAP and Bank averages. At the PLR, the Bank demonstrated flexibility by responding appropriately to the flooding in 2014 through a DPO operation, and by consolidating the number of objectives (from 13 to 10) and indicators (from 24 to 18), and linking them more directly to WBG interventions. Still, adjustments were not sufficient to correct the original design shortcomings. Overall, there was good synergy between the Bank and IFC which produced good results in ICT and fisheries. Close collaboration with other donors allowed the WBG to work in areas where it has comparative advantage and leveraged IDA resources through co-financing and parallel financing in key areas. There were no Inspection Panel cases filed during the CPS period. While there were two complaints to INT on fiduciary issues, these were not turned to cases.



vii. The CLR contains relevant lessons: (i) project preparation and implementation were affected by low technical capacity, lack of knowledge of fiduciary procedures, geographic dispersion, limited Bank supervision and rotation of task team leaders, suggesting the need for greater efforts to ensure project readiness before implementation begins; (ii) client capacity constraints requires Bank support to help the government adapt to recent innovations and changes in Bank engagement modalities (for example, on procurement and environmental and social framework); (iii) in community-driven development (CDD) projects, such as the Rural Development Project, simplified implementation procedures and central technical support would help mitigate the challenges of service delivery in remote rural areas and outer islands; (iv) the WBG should explore options for consolidating community based investment activities in the future; (v) communication is vital to strengthen project ownership and participation; (vi) land acquisition and land use arrangements can delay implementation of investment projects if not conducted properly; (vii) for WBG engagement in the mining sector to have impact, a strong government champion is required; and (viii) budget support to fragile states needs to be a key element of a package that includes evidence-based policy dialogue, analytical work, and technical assistance and capacity building activities.

viii. IEG adds the following lessons:

- For countries transitioning from fragility to development, scaling up the lending portfolio without the accompanying increase in administrative and implementation capacity could undermine achievement of sustainable results. In the case of Solomon Islands, the rapid scaling up of the lending portfolio facilitated by increased financing from IDA and other development partners--within a nascent client institutional capacity—led to implementation problems in key areas of the WBG program and deterioration of the active portfolio. Going forward, implementation problems will need to be addressed through improved project design and implementation support in line with client capacity, to ensure sustained achievement of results in the next CPF.
- In Fragile and Conflict-Affected States, strong IFC and IDA collaboration can leverage IDA financing and lead to positive results. In Solomon Islands, there was strong Bank and IFC collaboration, with IFC supporting three of the ten CPS objectives (fisheries, ICT, and energy), through investments and advisory services. The collaboration was appropriately captured in the CPS results framework and contributed to achievements in CPS outcomes especially in fisheries and ICT.

#### 4. Strategic Focus

Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** Solomon Islands is a Fragile and Conflict-Affected State (FCS) that experienced significant civil unrest during 1998-2003, which was brought to an end by international intervention in 2003. Notwithstanding relative peace and stability during the CPS period, challenges remain for increasing the productivity and resilience of smallholder agriculture and fisheries, enhancing connectivity of urban centers to the rest of the country, improving mining governance and spreading its benefits to the rest of the economy, and strengthening local level institutions. Per capita aid flows to Solomon Islands are among the highest globally, with aid amounting to about a third of annual GDP with Australia as the largest donor. The WBG program had two broad themes: (i) strengthening economic resiliency, and (ii) improving service provision. The WBG strategy and objectives were broadly congruent with the government's National Development Strategy (NDS) (2011-2020), and the NDS 2016-2035 launched in April 2016 by the new government elected in 2014.<sup>3</sup> For instance, Objective 4 aimed to promote agricultural commercialization among

<sup>3</sup> The government's National Development Strategy 2011-2020 had the overarching aim of building better lives for all Solomon Islanders and three broad goals (i) increasing social and economic opportunities, (ii) securing sustainable growth, and (iii) maintaining stability and peace.



small-holder farmers was linked to the government's objective of increasing social and economic opportunities. The emphasis on developing greater resilience of rural communities to climate change, natural hazards, and catastrophic disasters (Objective 8) was directly linked to the government's National Disaster Risk Management Plan and the National Climate Change Policy. However, there have been several challenges to achieving these objectives, including weak local capacity, a geographically dispersed country, and social tensions among different social and ethnic groups.<sup>4</sup>

2. **Relevance of Design.** The proposed WBG interventions could reasonably be expected to contribute towards the achievement of the CPS objectives and the country's development goals, with some exceptions. The combination of IDA resources with trust funds and IFC investments was appropriate for the program. Trust-funded activities were well integrated with the lending and knowledge portfolios, especially in the areas of rural development, fisheries, climate change, and local governance. IFC complemented well the work of IDA in Focus Area 1 (fisheries and energy) by focusing on investment and advisory services (AS) that contributed to expanding fisheries production capacity and power generation. Good collaboration with other development partners allowed the WBG to work in areas where it has comparative advantage and value added. The actual ASA program was broadly aligned with the planned program but did not cover key areas of the program, such as energy. It also failed to develop up-to-date poverty data, which is essential to underpin WBG's interventions. There were areas of the original program—business environment and gender, which were later dropped at PLR stage—where the program intended to achieve results without the appropriate interventions or partnerships with other donors.

#### Selectivity

3. The CPS program selectivity was mixed. It was selective by having two focus areas that addressed key challenges facing the country and reflected the government's strategy. The areas selected took into account the work of other development partners and concentrated on the WBG's comparative advantage. However, the WBG program was not selective in terms of the number of objectives and indicators, and interventions which proved too demanding for an FCS country with a constrained administrative capacity and modest experience implementing WBG programs. The original program design had 13 objectives and 24 indicators, with some objectives and indicators not well supported by appropriate interventions. The planned IDA lending for the CPS period was scaled up both in terms of number of projects and commitments (excluding trust funded activities which also increased during the CPS period). At the end of the CPS period, there were 10 active operations in 2017 (from 6 operations in 2013) which resulted in implementation delays and affected the delivery of results for some program objectives. At PLR stage, adjustments were made to the results framework to align the program with implementation capacity and realities on the ground by reducing the number of objectives and indicators; but changes were insufficient to correct shortcomings in the original design.

#### Alignment

4. The program was well aligned with WBG's corporate twin goals of reducing extreme poverty and boosting shared prosperity. The CPS objectives and interventions contributed directly and indirectly to the twin goals. Under Focus Area 1, support for expanding the production capacity in fisheries could help generate employment growth and raise incomes for the poorest 40 percent of the population. Under Focus Area II, improving public service provision—including increased access to infrastructure and services in rural communities, where the poor are concentrated, and access to employment opportunities—could conceivably contribute to the reduction of extreme poverty and increase shared prosperity.

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<sup>4</sup> Solomon Islands comprises an archipelago of 997 islands with a total land area of 29,900 square kilometers spread over 1.34 million square kilometers of ocean, an area larger than France, Germany and Poland combined.

## 5. Development Outcome

### Overview of Achievement by Objective:

#### **Focus Area I: Strengthening Economic Resilience**

5. Focus Area I had seven objectives: (i) improve the efficiency of expenditure management, (ii) strengthen the regulatory framework of the mining sector, (iii) increase production capacity of fishing industry, (iv) promote agricultural commercialization among small-holder farmers, (v) improve reliability and efficiency of energy supply, (vi) improve access and reduce cost of ICT services, and (vii) improve resilience to climate change and natural hazards.

#### **Objective 1: Improve the efficiency of expenditure management**

6. This objective was supported through a series of Development Policy Operations (DPO) (FY12, FY14), a stand-alone Recovery DPO (FY15) and non-lending technical assistance on Line Ministry Expenditure Analyses (FY13). This objective had two indicators.

- Number of ministries spending over 10 percent of their original allocations decreases from baseline of 10 in 2011 through to 2017: This indicator was reformulated at the PLR. The original CPS target was to increase the number of spending units that do not deviate by more than 10 percent from the original allocations (from 9 to 14). The PLR did not provide a numerical target. The ICRR for the DPO series reports that the number of expenditure units where expenditure did not deviate by more than 10 percent decreased from 10 in 2013 to 7 in 2014. *Not Verified.*
- Ministerial expenditure briefs included in Volume 1 of the annual budget documentation produced using new data analysis tools. This indicator was added at the PLR. According to the CLR, one-page expenditure briefs for all ministries (and expenditure heads) have been included in the annual documentation—Volume 1 since 2014. IEG verified that this was the case for the 2016 budget by checking the published budget on the web. *Achieved*

7. The second indicator does not sufficiently capture improvements in efficiency of expenditure management *per se*. Additional information from the ICRR for the DPO series I and II and the Recovery DPO indicates broad progress in the quality of expenditure management through improved budget accounting for closer tracking of expenditures, broader budget consultations, greater control of tax and wage expenditures, improved procurement transparency, and improvements in addressing SOE debts. However, the ICRR also notes that the extent to which closer congruence between planned and realized expenditures is unclear. On balance, IEG rates Objective 1 as **Mostly Achieved**.

#### **Objective 2: Strengthen the regulatory framework of the mining industry**

8. This objective was supported through the DPO series (FY12/FY14) and Recovery DPO (FY15), and non-lending technical assistance on Civil Society Organizations Engagement in Extractive Industries Transparency Initiative (FY16). The objective had two indicators.

- EITI validation achieved: The CLR reports that in March 2017 the International EITI Board found that Solomon Islands had made limited progress in implementing the 2016 EITI standard which resulted in its suspension from EITI. In this regard, Solomon Islands was requested to take corrective actions which will be assessed in the next validation process which commenced on March 2018. *Not Achieved*
- Updated mineral development law and regulations in place: The CLR reports that the National Minerals Policy (NMP) was drafted and approved by the Cabinet in March 2017; but the Mining Law was not amended as the NMP regulations are being drafted in early 2018. *Partially Achieved*

9. IEG rates Objective 2 as **Not Achieved**.





### **Objective 3: Increase production capacity of fishing industry**

10. This objective was supported through the Pacific Regional Ocean-scape program (FY15), and IFC senior loans for a net commitment of US\$14 million in the fisheries industry.<sup>5</sup> IFC also provided a number of advisory services in SolTuna to decrease absenteeism, improve financial literacy, and reduce employee turnover. The Bank prepared a TA on Pacific Gender Indicators in Fisheries (FY15). This objective had two indicators.

- SolTuna employees increase: 2,000 workers (from baseline of 1,413 in 2013) were employed by SolTuna as of May 2017—in line with the target—of which 64 percent are women (compared to the target of 65 percent).<sup>6</sup> *Achieved*
- SolTuna processing plant capacity increased: Processing capacity of SolTuna as of August 2016 increased to 100-105 metric tons per day against a target of 110-115 metric tons per day by 2017 (from baseline of 90 MT in 2013).<sup>7</sup> The CLR reports that as of May 2017 processing capacity is 120 metric tons per day. IEG could not verify this information. *Mostly Achieved*

11. On balance, IEG rates Objective 3 as **Mostly Achieved**.

### **Objective 4: Promote agricultural commercialization among small-holder farmers**

12. This objective, with one indicator, was supported through the Rural Development Program project (FY14).

- Number of agribusiness partnerships established: The CLR reports that the Bank's support to the Ministry of Agriculture and Livestock (MAL) helped establish 20 new agriculture partnerships. The management report (ISR) of the April 2018 for the FY14 project confirms that 23 agribusiness partnerships were established (against a target of 46) as of February 2018. Data on the benefits of these partnerships in terms of increased technology adoption and production is yet to be collected by the project. *Partially Achieved*

13. The agribusiness partnerships are important steps towards promoting agricultural commercialization among small-holder farmers. On balance, IEG rates this objective as **Partially Achieved**.

### **Objective 5: Improve reliability and efficiency of energy supply**

14. This objective, with three indicators, was supported through the Sustainable Energy Project (FY09), including Additional Financing (FY14), the Tina River Hydropower Project (FY17), and the Electricity Access Expansion project (FY17). IFC provided advisory services on the preparation of the hydropower development project.

- Average outage for each customer served on the Honiara grid reduced from 10 to 3 hours: The CLR reports that the average outage duration in Honiara is now 3 hours (from 10 hours). The latest ISR of the Sustainable Energy Project (FY09) reports that the system average interruption frequency index decreased from 816 minutes in December 2007 to 21.20 minutes in January 2018, and that the system average interruption duration index decreased from 51,840 minutes to 1,871 minutes over the same period. *Not verified*.
- Maintain or reduce domestic tariffs: The CLR reports that new tariffs introduced in January 2017 show a 20 percent decrease in tariffs for large commercial customers and a 4-10 percent decrease in tariffs for residential customers. IEG could not verify this information. *Not Verified*
- System losses reduced from 20 percent to 12 percent: The April 2018 ISR of the FY09 project reports a reduction in system losses to 18 percent (versus the target of 12 percent). *Partially Achieved*



15. The operations supporting this objective do not monitor the first two indicators. The other indicator was partially achieved. On balance, IEG rates Objective 5 as **Partially Achieved**.

**Objective 6: Improve access and reduce cost of ICT services**

16. This objective, with two indicators, was supported through the Telecommunications and ICT project (FY10). IFC's AS project in mobile banking—jointly with Australia and New Zealand Banking Group (ANZ) and Bank South Pacific (BSP)—complemented Bank efforts in the telecommunications sector.

- Increase in mobile penetration: The ICRR for the FY10 telecommunications and ICT project reports that tele-density (or the number of mobile subscribers per 100 people), increased to 66 percent as of March 31, 2015 (compared to the CPS target of 80 percent target by 2017). *Mostly Achieved*
- Decrease in tariffs for local mobile calls, calls to Australia, and 128kpbs internet access:<sup>8</sup> This second indicator has no baseline and target values. The ICRR for the FY10 reports that the price of a three-minute domestic call was reduced from US\$1.20 in 2010 to US\$0.56 in March 2015, while the price of a three-minute international call to Australia fell from US\$3.60 in 2010 to US\$2.44 in March 2015. The monthly rate for internet services for businesses was reduced from US\$169 in 2010 to US\$108 in March 2015. *Achieved*

17. On balance, IEG rates Objective 6 as **Mostly Achieved**.

**Objective 7: Improve resilience to climate change and natural hazards**

18. This objective was supported through the Increasing Resilience to Climate Change and Natural Hazards project (FY13), the Community Resilience to Climate and Disaster Risk project (FY14), the Pacific Catastrophe Risk Assessment and Financing Initiative (FY13), and TA in the form of a Post Disaster Needs Assessment – Floods (FY13). The objective had two indicators.

- Disaster risk resilience and climate change adaptation incorporated into national and provincial planning baseline in at least two provinces. According to the October 2017 ISR for FY13 project, the 2017 National Disaster Risk Management Plan and its operational arrangements were finalized in March 2017 and rolled out in three provinces. *Achieved*
- Number of people with access to disaster risk and adaptation investments in targeted rural communities: According to the December 2017 ISR for the FY14 project, a total of 42,217 beneficiaries in areas targeted under the program benefited from Climate Change Adaptation and/or Disaster Risk Management investments, (compared with the target of 15,000 by 2017). *Achieved*

19. IEG rates Objective 7 as **Achieved**.

20. On balance, IEG rates Focus Area I as **Moderately Satisfactory**. Of the seven objectives, four were rated Achieved or Mostly Achieved, and three Partially Achieved or Not Achieved. There was substantial progress in enhancing resilience to climate change, improving access to and reduced costs of ICT services, increasing production capacity in the fishing industry, and improving efficiency of expenditure management. However, there was limited progress improving the reliability and

<sup>5</sup> A “senior” loan is considered senior to all other claims against the borrower, which means that in the event of a bankruptcy the senior bank loan is the first to be repaid before all other interested parties receive repayment.

<sup>6</sup> IFC supervision report in May 2018.

<sup>7</sup> “Monitoring Report—Solomon Islands, SolTuna Processing Facility,” USAID: Washington D.C., August 2016.

<sup>8</sup> 128 kilobits per second (kbps) is an intermediate internet speed, acceptable for a small business in Solomon Islands.



efficiency of energy supply and promoting development of agricultural commercialization among small farmers; and little progress in strengthening the regulatory framework of the mining industry.

**Focus Area II: Improving Public Service Provision**

21. This focus area had three objectives: (i) increase access to infrastructure and services in rural communities, (ii) increase access to employment opportunities for the urban population, and (iii) improve government support for establishing functioning local justice mechanisms.

**Objective 8: Increase access to infrastructure and services in rural communities**

22. This objective, with two indicators, was supported through the Rural Development Program (RDP) I (FY08) and II (FY15).

- A reduction in travel time of at least 10 percent to access rural services such as pre-primary and primary school, non-water supply health service, and water supply: The CLR reports reduction in travel time to access improved water sources was reduced by an average of 13.5 percent between 2010 and 2017. The ICR and IEG's Project Performance Assessment Report (PPAR) for RDP I confirm the information provided in the CLR. There is no information on reduction in travel time for pre-primary and primary school, non-water supply health service. Additional information from the ICR and PPAR indicate satisfactory access to water, markets and roads: 71 percent of households reported having satisfactory access to water. Similar results were reported for other infrastructure investments, including access to roads (49.4 percent of villages indicated satisfactory access), and markets (40 percent increase in the proportion of villages with satisfactory access to markets). *Mostly Achieved*
- Additional number of household members have access to community infrastructure or services: The CLR reports that 286,902 people including 100,157 women have benefitted from access to community infrastructure or services. According to the PPAR for RDP1, 198,340 people benefitted from completed infrastructure subprojects compared to the CPS target of 352,509. *Mostly Achieved*

23. IEG rates Objective 8 as **Mostly Achieved**.

**Objective 9: Increase access to employment opportunities for the urban population**

24. This objective, with one indicator, was supported through the Rapid Employment project (FY10), and two Additional Financings (FY16, FY17) of the project, and the Education Skills Advice TA (FY15):

- At least 300,000 additional labor days completed with 50 percent of beneficiaries being women and 33 percent -- youth: The latest November 2017 ISR for the Rapid Employment Project (FY10) reports that 759,272 labor days were generated, of which 402,214 (53 percent) are women and 440,377 (58 percent) are youth. *Achieved*

25. IEG rates Objective 9 as **Achieved**.

**Objective 10: Improve government support for establishing functioning local justice mechanisms**

26. This objective, with one indicator, was supported by the Community Governance project (FY15), and technical assistance on Justice Delivered Locally (FY16) and Managing Grievance and Conflict (FY17). The government is committed to introducing a viable form of community policing across the country, in support of local justice mechanisms.

- Support for community officers reflected in provincial budgetary allocations: The December ISR for the FY15 project reports that two provinces—Makira/Ulawa and Rennell/Belona—reflected in their budgetary allocations support for community officers,





compared with a target of four. Community officers play a key role in the government's efforts to introduce a viable form of community policing. *Partially Achieved*

27. IEG rates Objective 10 as **Partially Achieved**.

28. Focus Area II is rated as **Moderately Satisfactory**. Of the three objectives, two were Achieved or Mostly Achieved and one Partially Achieved. The program contributed to increasing access to infrastructure and services in rural communities, and access to employment opportunities for the urban population. However, there was limited progress in improving government support for establishing functioning local justice mechanisms.

Overall Assessment and Rating

29. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the ten objectives, six were rated Achieved or Mostly Achieved, and four Partially Achieved or Not Achieved. Under Focus Area I, there was substantial progress in enhancing resilience to climate change, improving access to and reduced costs of ICT services, increasing production capacity in the fishing industry, and improving efficiency of expenditure management. However, there was limited progress in improving the reliability and efficiency of energy supply and promoting development of agricultural commercialization among small farmers; and little progress in strengthening the regulatory framework of the mining industry. Under Focus Area II, the program contributed to increasing access to infrastructure and services in rural communities, and access to employment opportunities for the urban population. However, there was limited progress in improving government support for establishing functioning local justice mechanisms.

Objectives	CLR Rating	IEG Rating
<b>Focus Area I: Strengthening Economic Resilience</b>	<i>Satisfactory</i>	<b>Moderately Satisfactory</b>
<i>Objective 1: Improve the efficiency of expenditure management</i>	<i>Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 2: Strengthen the regulatory framework of the mining sector</i>	<i>Partially Achieved</i>	<i>Not Achieved</i>
<i>Objective 3: Increase production capacity in the fishing industry</i>	<i>Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 4: Promote agricultural commercialization among small-holder farmers</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 5: Improve reliability and efficiency of energy supply</i>	<i>Partially Achieved</i>	<i>Partially Achieved</i>
<i>Objective 6: Improve access to and reduce cost of ICT services</i>	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 7: Improve resilience to climate change and natural hazards</i>	<i>Achieved</i>	<i>Achieved</i>
<b>Focus Area II: Improving Public Service Provision</b>	<i>Satisfactory</i>	<b>Moderately Satisfactory</b>
<i>Objective 8: Increase access to infrastructure and services in rural communities</i>	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
<i>Objective 9: Increase access to employment opportunities for the urban population</i>	<i>Achieved</i>	<i>Achieved</i>
<i>Objective 10: Improve government support for establishing functioning local justice mechanisms</i>	<i>Mostly Achieved</i>	<i>Partially Achieved</i>



## 6. WBG Performance

### Lending and Investments

30. At the beginning of the CPS period lending commitments were \$19 million consisting of six operations in the form of five Investment Project Financing (IPF), including one Additional Financing, and one Development Policy Financing (DPF). During the CPS period, new lending commitments amounted to \$78.8 million, higher than originally planned (\$45 million). New lending commitments comprised nine operations in the form of six IPFs—including two Additional Financing and one regional operation—and two DPFs, covering macro, trade and investment, environment and natural resources, rural development, and energy and extractives. Energy and extractives accounted for 60 percent of new commitments. IDA allocation for Solomon Islands was leveraged by financing from the regional IDA program and IDA's Crisis Response Window (CRW), and other development partners (co-financing and parallel financing). A stand-alone DPF (FY15) responded to the consequences of the April 2014 floods—in addition to addressing fiscal issues and private sector investment. During the CPS period, twelve trust-funded activities (TFs) were approved for a total of US\$35.2 million, complementing IDA operations in rural development, community resilience to climate change and disaster risk, and energy.

31. During the CPS period, the Solomon Islands' portfolio performance at exit was better than the EAP and Bank-wide averages. In terms of volume of commitments and number of projects, IEG rated all five closed projects (100 percent) as Moderately Satisfactory or better, compared to the EAP (86.3 percent and 78.7 percent, respectively) and Bank-wide (84.9 percent and 72.8 percent, respectively). The risk to development outcome measured as percent of commitment volume with moderate or lower risk is better for the Solomon Islands (60 percent) than EAP (56 percent) and Bank (54.4 percent) averages. However, in terms of percent of number of projects, Solomon Islands (40 percent) fared less well than both EAP (55 percent) and the Bank (44 percent).

32. Solomon Islands' active Bank portfolio performed less well than EAP and the Bank. The percentage share of projects at risk (by number of projects) averaged 31 percent, higher than EAP (18 percent) and the Bank (21 percent). The percentage share of commitments at risk was also higher in Solomon Islands. Average disbursement ratios were higher in Solomon Islands (24 percent) than EAP (20 percent) and the Bank (21 percent). Self-ratings of ongoing projects were moderately unsatisfactory for two projects (one on regional operation, and another on rural development) that experienced implementation delays due to project readiness issue and overly ambitious objectives. The CLR indicated that, on the whole, Bank portfolio quality was affected by limited supervision, frequent turnover of TTLs, and fragmentation of the lending portfolio.

33. During the CPS period, IFC made a total net commitment of US\$14.0 million to two companies in the fishing industry.<sup>9</sup> Of the \$14 million, US\$9 million in net commitment was allocated to SolTuna, the largest tuna processing facility in the Solomon Islands, and US\$5 million to National Fisheries Development Ltd (NFD), a SolTuna sister company. IFC's US\$9 million net commitment was part of a US\$27 million upgrade and expansion project, which was expected to increase the company's processing capacity to 150 tons per day and strengthen the sustainability of its operations. IFC sought to support the development of the domestic tuna industry to develop export capacity and increase domestic employment in the fishing industry. IFC investments were complemented by AS projects that advised Solomon Islands on supply chain management, and improvements in environmental and safety performance of fishing and processing operations.

### Analytic and Advisory Activities and Services

34. During the CPS period, the Bank delivered a total of 10 ASA products: three Economic and Sector Work (ESW) products and seven Technical Assistance (TA) pieces. Technical assistance covered a wide range of topics, including the justice system, EITI certification, fisheries, public finance management, and post-disaster recovery. The analytical work undertaken by the WBG helped

<sup>9</sup> SolTuna and its sister company NFD.



prepare a Systematic Country Diagnostic Study (SCD) in 2017. ASA was broadly aligned with the planned program (with the exception of a planned poverty mapping and a health governance diagnostic that were not carried out) but actual delivery did not cover key areas of the program such as energy, which was scaled up during the CPS and accounts for 60 percent of the new commitments. A significant additional weakness of the ASA program is lack of up-to-date poverty data (latest data is 2012/2013), and differences in methodology between the 2005/06 HIES and the 2013/14 HIES which do not allow to compare poverty rates between the two exercises. Such shortcomings in the ASA program prevented a full and up-to-date poverty analysis in the SCD and constrained the ability of WBG interventions to address poverty-related issues with analytical support.

35. During the review period, IFC approved five new AS projects amounting to US\$8.2 million of IFC funds. The advisory services aimed at improving the economic potential of the fishing industry, enhancing the payment systems, developing mobile banking, and preparing the hydropower development project. The AS projects were complementary to IFC's investments in the fishing industry and the Bank's projects in the ICT sector. IEG did not validate development effectiveness of any of these AS projects.<sup>10</sup>

#### Results Framework

36. Overall, the results framework reflected well the link between the medium-term country goals, key issues and obstacles, outcomes and intermediate indicators to which WBG expects to contribute, and WBG instruments supporting the program objectives. Yet, the original results framework had some shortcomings, with too many objectives and indicators, with some of them not linked to WBG interventions (for example, objectives on investment climate and gender-related violence) while some Bank operations were too complex in design and implementation arrangements, in the context of the country's nascent implementation capacity.<sup>11</sup> At PLR stage, the results framework was altered to reflect better the scope and link to WBG interventions, and the implementation realities on the ground. The number of objectives was reduced from 13 to 10, and the original indicators from 24 to 18. Even after the PLR modifications, some weaknesses remain including, poorly specified indicators (objective 2 on mining), and weak link between objectives and WBG interventions (objective 5 on energy).

#### Partnerships and Development Partner Coordination

37. The Bank is a key player in the Solomon Islands but not the main one. Australia is by far the most significant donor, and the most influential reflecting in part its geographical proximity to Solomon Islands. The WBG had clear division of labor with other development partners which allowed the Bank to leverage IDA financing. At the beginning of the program, policy discussions between the government and development partners took place within the Core Economic Working Group (CEWG), which was created in 2009 to underpin flexible budget support and assist Solomon Islands to respond to the global economic crisis. During program implementation, the newly elected government developed a new Aid Management and Development Cooperation Policy aimed at bringing the recurrent and development budgets closer together to better reflect the recurrent cost implications of development programs. The WBG has supported the government in coordinating donor meetings without taking the lead. Bank projects have been supported by development partners, either through co-financing or parallel financing. For example, Australia, the EU, and IFAD supported the Rural Development project. The Tina River Hydro Development project is co-financed by several partners including the Green Climate Fund, the Government of Korea and the Asian Development Bank.

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<sup>10</sup> IEG does not validate all IFC advisory and investment projects. It asks IFC to do self-validation of a randomly selected sample.

<sup>11</sup> An example of complexity are the Rural Development Program (RDP) projects (I and II) where the complex and expensive procurement procedures coupled with logistical issues due to the remoteness of islands made the project objectives difficult to achieve. Interventions, including the RDP, also had complex results frameworks.



#### Safeguards and Fiduciary Issues

38. The CLR notes that the Bank provided technical support and safeguards studies to enhance the quality of an operation where safeguard policies were triggered. Based on five closed projects validated by IEG, environmental and social safeguard policies were applied in one of them. Issues related to disputes over community's resources and religious differences hampered full compliance with the triggered policies. Land acquisition was also pointed as an issue in a country where agreement with tribal leaders is critical to validate customary landownership, and the compensation framework. No Inspection Panel cases were filed during the CPS implementation period.

39. There were two complaints to INT on fiduciary issues, but these were not turned into cases.

#### Ownership and Flexibility

40. There was broad alignment between the WBG program and the National Development Strategy. The WBG carried out dialogue with the government as well as roundtables with development partners, civil society, and the private sector during the preparation of the CPS to allow a broad-based perspective on development challenges facing the country. Initially, the government showed broad ownership which enabled implementation of the second development policy operation of a programmatic series. Following elections in late 2014, the new government showed less commitment to the WBG program. The CLR mentions that the government has not been open to reforms in the energy sector, a key area of the WBG program. Moreover, it has shown little interest in maintaining an appropriate macro framework for the WBG program, as manifested by an expansionary fiscal policy which led to a widening of the fiscal deficit and heightening of macroeconomic risks. The WBG demonstrated flexibility at the PLR stage, by recognizing implementation issues and program shortcomings, and taking measures to amend them by consolidating the CPS objectives and indicators. In response to major floods in April 2014, the Bank responded appropriately with a needs assessment and a Recovery DPO.

#### WBG Internal Cooperation

41. There was strong Bank-IFC collaboration, with IFC supporting three of the ten CPS objectives. IFC investment and advisory services complemented WB programs and projects in the fisheries, ICT (mobile banking), and energy sectors. This cooperation was captured appropriately in the results framework. In the energy sector, IFC worked as a transaction advisor to the government in the Tina River Hydro project, and the Bank was the lead agency supporting the project preparation, and provided project financing together with other development partners.

#### Risk Identification and Mitigation

42. The CPS and PLR identified as major risks the domestic political context, including governance, macroeconomic instability, institutional capacity for implementation and sustainability, fiduciary risks, and natural hazards and climate change risks. The risks were to be mitigated as follows: (i) On political context, the Bank would engage in areas to mitigate risk of unrest, including in urban land governance and gender; (ii) On macroeconomic risks, the Bank relied on dialogue with IMF and other donors to encourage policy change that would help to re-build internal and external buffers; (iii) On institutional capacity and fiduciary risks, the Bank would try to calibrate engagements according to the existing capacity; (iv) On natural hazards and climate change, the Bank would continue its work on climate change and disaster risk management at the community level.

43. Macroeconomic risks (increased budget deficits—reduced financial buffers) and institutional capacity risks materialized, and mitigating measures under the WBG program proved insufficient to offset them. Although the Bank has significant experience and expertise in fragile and conflict-affected states, it had difficulties in managing institutional capacity risk in Solomon Islands. The scale-up of a portfolio with complex operations (design and institutional arrangements) did not appropriately recognize institutional capacity constraints, given the fragile and conflict-affected state environment of the country. This led to severe limitations in the implementation of some projects, particularly in rural development and energy. Addressing these capacity constraints will require an emphasis on capacity building and training. Macroeconomic risks have not been mitigated well through IMF dialogue, and



policy reforms supported by the DPOs have been insufficient to mitigate such risks. In fact, risks have increased as the budget deficit widened in 2017 and is projected by the IMF to widen further.

#### Overall Assessment and Rating

44. On balance, IEG rates WBG performance as **Good**. The CPS addressed key challenges facing the country, and was congruent with the government's national development strategy and aligned with the WBG's twin corporate goals. Coming after a two-year Interim Strategy Note, however, the original program design was not sufficiently selective—with thirteen objectives and 24 indicators—in the context of a fragile state with a constrained administrative capacity. ASA was broadly aligned with the planned program but actual delivery did not cover key areas of the program, such as energy. The CPS and PLR appropriately identified risks, but the WBG could not adequately manage the risks due to weak implementation capacity, and led to implementation difficulties, particularly in rural development and energy. Moreover, macroeconomic risks have not been mitigated well through the IMF dialogue as expected under the WBG program. In fact, risks have increased as the budget deficit widened in 2017. Portfolio performance at exit was better on average than the East Asia and Pacific (EAP) region and the Bank. The scaling up of the lending program to 10 operations in 2017 (from six operations in 2013), partly in response to the 2014 flooding, had implications on the active portfolio performance. During the CPS period, the active portfolio showed signs of deterioration as measured by the percentage of projects at risk (by number of projects and commitment volume) compared to the EAP and Bank averages. At the PLR, the Bank demonstrated flexibility by responding appropriately to the flooding in 2014 through a DPO operation, and by consolidating the number of objectives (from 13 to 10) and indicators (from 18 to 24), and linking them more directly to WBG interventions. Still, adjustments were not sufficient to correct the original design shortcomings. Overall, there was good synergy between the Bank and IFC which produced good results in ICT and fisheries. Close collaboration with other donors allowed the WBG to work in areas where it has comparative advantage and leveraged IDA resources through co-financing and parallel financing in key areas. There were no Inspection Panel cases filed during the CPS period. While there were two complaints to INT on fiduciary issues, these were not turned to cases.

### **7. Assessment of CLR Completion Report**

45. The CLR is clear and concise, and provides a good discussion of the CPS achievements and WBG performance. However, the CLR ratings could have followed more closely the IEG-WBG Shared Approach on Assessing Country Engagement. For instance, the rating for each objective was based on the achievement of targets (table 2), not on the achievement of objectives per the Shared Approach. Overall, WBG performance rating relied heavily on the performance of the active portfolio (para 26) without taking into consideration other elements of the CPS design and implementation per the Shared Approach. The CLR could have provided more information on the role played by ASA in the WBG program and the dissemination of the economic sector work. Moreover, there is no discussion on safeguards and fiduciary issues. It would have been useful to have a more robust discussion on the rationale for the portfolio scale-up in Solomon Islands, and the lessons for other fragile and conflict-affected states.

### **8. Findings and Lessons**

46. The CLR contains relevant lessons: (i) project preparation and implementation were affected by low technical capacity, lack of knowledge of fiduciary procedures, geographic dispersion, limited Bank supervision and rotation of task team leaders, suggesting the need for greater efforts to ensure project readiness before implementation begins; (ii) client capacity constraints requires Bank support to help the government adapt to recent innovations and changes in Bank engagement modalities (for example, on procurement and environmental and social framework); (iii) in community-driven development (CDD) projects, such as the Rural Development Project, simplified implementation procedures and central technical support would help mitigate the challenges of service delivery in remote rural areas and outer islands; (iv) the WBG should explore options for consolidating community based investment activities in the future; (v) communication is vital to strengthen project





ownership and participation; (vi) land acquisition and land use arrangements can delay implementation of investment projects if not conducted properly; (vii) for WBG engagement in the mining sector to have impact, a strong government champion is required; and (viii) budget support to fragile states needs to be a key element of a package that includes evidence-based policy dialogue, analytical work, and technical assistance and capacity building activities.

47. IEG adds the following lessons:

- For countries transitioning from fragility to development, scaling up the lending portfolio without the accompanying increase in administrative and implementation capacity could undermine achievement of sustainable results. In the case of Solomon Islands, the rapid scaling up of the lending portfolio facilitated by increased financing from IDA and other development partners--within a nascent client institutional capacity—led to implementation problems in key areas of the WBG program and deterioration of the active portfolio. Going forward, implementation problems will need to be addressed through improved project design and implementation support in line with client capacity, to ensure sustained achievement of results in the next CPF.
- In Fragile and Conflict-Affected States, strong IFC and IDA collaboration can leverage IDA financing and lead to positive results. In Solomon Islands, there was strong Bank and IFC collaboration, with IFC supporting three of the ten CPS objectives (fisheries, ICT, and energy), through investments and advisory services. The collaboration was appropriately captured in the CPS results framework and contributed to achievements in CPS outcomes especially in fisheries and ICT.



- Annex Table 1: Summary of Achievements of CPS Objectives – Solomon Islands**
- Annex Table 2: Solomon Islands Planned and Actual Lending, FY13-FY17**
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- Annex Table 11: Economic and Social Indicators for Solomon Islands, FY13-16\*\***
- Annex Table 12: List of IFC Investments in Solomon Islands**
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- Annex Table 14: IFC net commitment activity in Solomon Islands, FY13 - FY17**
- Annex Table 15: List of Active MIGA Activities in Solomon Islands, FY13-17**





**Annex Table 1: Summary of Achievements of CPS Objectives – Solomon Islands**

	CPS FY13-FY17: Focus area I: <i>Strengthening Economic Resilience</i>	Actual Results	IEG Comments
<b>Major Outcome Measures</b>	<b>CPS Objective 1: Improved efficiency of expenditure management</b>		
	<p><u>Indicator 1:</u> Number of ministries spending over 10% of their original allocations decreases from a baseline of 10 in 2011 through to 2017</p> <p>Baseline: 10 (2011) Target: decrease (2017)</p>	<p>The Development Policy Operation (DPO) Series (<a href="#">P126740, FY12</a>, <a href="#">P143242, FY14</a>, <a href="#">P149886, FY15</a> : <a href="#">IEG: MS</a>) supported this outcome; the series aimed to : i) improve the quality of public financial management; ii) improve the financial management of key State-Owned Enterprises (SOE); and iii) improve extractive revenue transparency. A WB Non-Lending Technical Assistance (NLTA) (<a href="#">Completion Summary</a>) on Line Ministry Expenditure Analyses (P130825, <a href="#">FY13</a>) also supported this objective.</p> <p><a href="#">IEG ICRR: S</a> of the DPO Series 1 and 2 stated that the number of expenditure heads where expenditures do not deviate by more than 10 percent from approved allocations increased to 15 by 2012 before falling to 10 in 2013 and 7 in 2014.</p> <p><b>Not Achieved</b></p>	<p>This indicator has been added during the PLR.</p> <p>Before the PLR, the original indicator was: <i>The number of ministries that do not deviate by more than 10% from original allocations approved by Parliament.</i> Baseline: 9 Target: 14</p>
	<p><u>Indicator 2:</u> Number of ministerial expenditure briefs included in Volume 1 of the annual budget documentation produced using new data analysis tools</p> <p>Baseline: 0 (2012) Target: 28 (2017)</p>	<p>This indicator was also supported by the DPO series and the NLTA report above.</p> <p>According to the CLR, one-page expenditure briefs for all ministries (and expenditure heads) have been included in the annual documentation –Volume 1 for every year since 2014.</p> <p><a href="#">IEG ICRR: S</a> of the DPO Series 1 and 2 reports that since 2011 (for the 2012 budget), the Government includes individual ministerial expenditure briefs in budget documents.</p> <p><b>Achieved</b></p>	<p>This indicator was added at PLR stage.</p>
<b>CPS Objective 2: Strengthened regulatory framework in the mining sector</b>			
	<p><u>Indicator 1:</u> EITI validation achieved</p> <p>Baseline: candidate status Target: validation process recognizes moderate progress</p>	<p>The Solomon Islands Recovery DPO (P149886, FY15) supported this outcome; with an objective of improved management of public expenditure and debt; ii) strengthened management of extractive industries; and iii) better conditions for private sector investment.</p> <p>The NLTA (P131459, FY16) Solomon Islands Civil Society Organizations (CSO) Engagement in Extractive Industries Transparency Initiative (EITI) supported</p>	<p>Outcome revised, at PLR stage, from <i>Enhanced regulatory framework, public sector capacity and community benefits in the mining sector</i></p> <p>The original target, before the PLR, was “certification”.</p>



	CPS FY13-FY17: Focus area I: <i>Strengthening Economic Resilience</i>	Actual Results	IEG Comments
		<p>this outcome to Strengthen CSO contributions to EITI implementation process by facilitating CSO participation in the National Stakeholder Group (NSG).</p> <p>The National Mining Forum <a href="#">Final Report</a> was released last October 2015 and <a href="#">a completion summary for the P131459, FY16</a> has been prepared and submitted.</p> <p>Based from the CLR, EITI validation began in 2016, and on March 8, 2017 the <a href="#">International EITI Board found that progress in implementing the EITI Standard was inadequate</a>. A significant aspect of the requirement has not been implemented and the broader objective of the requirement is far from fulfilled.</p> <p><b>Not Achieved</b></p>	
	<p><u>Indicator 2:</u> Updated mineral development, law and regulations in place</p> <p>Baseline: No Mineral policy Target: Mineral policy in place and amendments to the Mining Law drafted</p>	<p>The WB NLTA P131459, FY16 also supported this objective. Around 200 participants from all provinces across Solomon Islands attended the forum and a <a href="#">Report</a> was prepared.</p> <p>The CLR reports that consultations for a National Minerals Policy (NMP) took place in several provinces in October 2016, and the NMP drafted and approved by Cabinet in March 2017. <a href="#">Information</a> from the Solomon Islands Extractive Industries Transparency Initiative (SIEITI) indicates that the Government had launched the National Mineral Policy 2017-2012 in June 2017.</p> <p>However, amendments to the Mining law were not made, as the <a href="#">NMP regulations</a> are being drafted in early 2018.</p> <p><b>Partially Achieved</b></p>	<p>Baseline and target changed during the PLR, the original baseline was: <i>Baseline: outdated law, title management, fiscal regime and landowner engagement mechanisms</i></p>
<b>CPS Objective 3: Increased production capacity of fishing industry</b>			
	<p><u>Indicator 1:</u> SolTuna employees increase</p> <p>Baseline: 1,473 (2012) Target: 2,000, 65% of which are women (2017)</p>	<p>This objective was supported through the Pacific Regional Oceanscape program (PROP) (P151777, FY15).</p> <p>This indicator is not being monitored and reported by project P151777.</p> <p>The NLTA P146728 (FY15) <a href="#">Pacific Gender Indicators in Fisheries, which</a>, produced the report <a href="#">Toward Gender-Equitable Fisheries Management in Solomon Islands</a></p>	<p>Objective 3 was revised during PLR from the original <i>Increase local economic benefits from fishing industry by increased on-shore production capacity to Increased production capacity of fishing industry</i></p>





	CPS FY13-FY17: Focus area I: <i>Strengthening Economic Resilience</i>	Actual Results	IEG Comments
		<p>(<a href="#">completion summary</a>) also supported this objective.</p> <p>The CLR states that as of May 2017, the number of SolTuna employees increased to 2000 of which 64% are women. IFC lent SolTuna US\$10 million as part of a US\$27 million upgrade and expansion project, expected to increase the company's processing capacity to 150 tons per day and strengthen sustainability of its operations. IFC's supervision report in May 2018 confirms that the a total number of employees are over 2,000.</p> <p>IFC has implemented a number of advisory services in SolTuna (<a href="#">Case study – SolTuna Tuna processing, Solomon Islands</a>) to decrease absenteeism, improve financial literacy and reduce employee turnover. According to this September 2016 Case study, SolTuna employs over 1,800 workers, 64% of whom are women.</p> <p><b>Achieved</b></p>	<p>The following indicators were dropped at PLR stage: <u>Indicator:</u> <i>SolTuna processing plant</i> <i>Baseline:</i> 7,223 <i>Target:</i> 20,465 metric tons per year</p> <p><u>Indicator:</u> <i>SolTuna taxes paid increase</i> <i>Baseline:</i> from \$0 to <i>Target:</i> US\$2.1 million per year</p> <p><u>Indicator:</u> <i>SolTuna wages and benefits paid increase</i> <i>Baseline:</i> US\$3.3 million <i>Target:</i> US\$6.2 million</p>
	<p><u>Indicator 2:</u> SolTuna processing plant capacity increased</p> <p>Baseline: 90 MT per day (2012) Target: 110-115 MT per day by 2017</p>	<p>According to the CLR, SolTuna processing capacity increased to 120 MT per day.</p> <p>The CLR reports that as of May 2017 processing capacity is 120 metric tons per day. IEG was not able to verify this latest production capacity.</p> <p>A monitoring report from USAID indicates that processing capacity as of August 2016 was 100-105 metric tons per day against a target of 110-115 metric tons per day by 2017. IFC's US\$9 million net commitment was part of a US\$27 million upgrade and expansion project, which was expected to increase the company's processing capacity to 150 tons per day and strengthen the sustainability of its operations.</p> <p><b>Mostly Achieved</b></p>	<p>Monitoring Report—Solomon Islands, SolTuna Processing Facility," USAID: Washington D.C., August 2016.</p>
<b>CPS Objective 4: Promote agricultural commercialization among small holder farmers</b>			
	<p><u>Indicator:</u> Number of agribusiness partnerships established</p> <p>Baseline: 0 (2015) Target: 46 (2017)</p>	<p>This objective is supported by the <a href="#">P149282, FY15 Rural Development Program II</a> whose objective is to improve basic</p> <p>According to the November 2017 management supervision report (<a href="#">ISR: MU</a>).</p>	<p>The original Objective 4: <i>Increased productivity in key cash crops (cocoa and coconut)</i> changed during the PLR and the following</p>



	CPS FY13-FY17: Focus area I: <i>Strengthening Economic Resilience</i>	Actual Results	IEG Comments
		<p>the actual number of agribusiness established is 20.</p> <p><b>Partially Achieved</b></p>	<p>indicators dropped during the PLR: <u>Indicator:</u> Increased cocoa production Baseline: 6,000 Target: 8,000 metric tons/ year <u>Indicator:</u> A 20% increase in the number of households who have received and found agriculture advice useful Baseline is 0, impact evaluation will measure response to advice provided) <u>Indicator:</u> 30% increase in total value of turnover of 58 RDP- supported rural businesses</p>
<b>CPS Objective 5: Improved reliability and efficiency of energy supply</b>			
	<p><u>Indicator 1:</u> Average outage for each customer served on the Honiara grid reduced from</p> <p>Baseline: 10 hours (2012) Target: 3 hours (2017)</p>	<p>According to the CLR - Average outage duration in Honiara now at 3 hours which IEG could not verify.</p> <p>The outcome was supported by the following operations:</p> <ul style="list-style-type: none"> <li>– <a href="#">P161319 Tina River Hydro Development (FY17) ISR: MS</a> report of November 2017 with an objective to increase the share of renewable energy through hydropower.</li> <li>– P151618 Electricity Access Expansion (FY16) <a href="#">ISR: MS as of December 2017</a> - <a href="#">P100311, FY09 SB-Solomon Islands Sustainable Energy Project</a> and P146816, FY14 (SISE) AF <a href="#">Project Paper</a> supported this objective which aims to improve operational efficiency, system reliability and financial sustainability of SIEA through improved financial and operational management, reduction of losses, and increased revenue collection. The latest <a href="#">ISR: MS</a> (May 2018) reports that system average interruption frequency index (SAIFI) decreased from 816 minutes to 21.20 minutes between December 2007 and January 2018.</li> </ul> <p><b>Partially Achieved</b></p>	<p>Outcome 5 was Revised during PLR from Lower cost, more reliable electricity, from cleaner energy sources to Improved reliability and efficiency of energy supply</p>



CPS FY13-FY17: Focus area I: <i>Strengthening Economic Resilience</i>	Actual Results	IEG Comments
<p>Indicator 2: Maintain or reduce domestic tariffs (US85c/kwh).</p>	<p>The indicator is also supported by the projects mentioned above.</p> <p>According to the CLR - New tariff released in January 2017 showed a 20% decrease in tariff for large commercial customers and between 4-10% decrease in tariff for residential customers</p> <p>None of the operations supporting this objective report on this indicator.</p> <p><b>Not Verified</b></p>	
<p>Indicator 3: System losses reduced</p> <p>Baseline: around 20% (2012) Target: 12% by 2017</p>	<p>The management supervision report <a href="#">ISR: MS</a> of November 2017 for project P100311 reported system losses of 15%.</p> <p><b>Partially achieved</b></p>	<p>This indicator was added at PLR stage and the following indicator was dropped during PLR: <i>Power Purchase Agreement signed between hydropower developer and SIEA.</i></p>
		<p>The operations supporting objective 5 did not monitor the first two of its three indicators.</p>
<b>CPS Objective 6: Improved access to and reduced cost of ICT services</b>		
<p>Indicator 1: Increase in mobile penetration</p> <p>Baseline: 55% (2012) Target: 80% of population (2017)</p>	<p><a href="#">The Telecommunications &amp; ICT Project P113148</a>, FY10 supported this objective to facilitate increased access to a wide variety of reliable and affordable telecommunications services for the majority of the Solomon Islands population through efficient and well-regulated competition.</p> <p>The IEG <a href="#">ICRR: S</a> reported that tele-density, the number of mobile subscribers per 100 people, increased from 8 percent at project inception to 66 percent at project closure (March 31, 2015)—compared with an 80 percent target by 2017.</p> <p><b>Mostly Achieved</b></p>	<p>Outcome and baseline dropped during PLR <i>Outcome 7. Strengthen the business climate through: Implementation of additional 3</i> <i>Baseline: of 5 doing business regulatory reforms.</i></p>
<p>Indicator 2: Decrease in tariffs for local mobile calls, calls to Australia and 128kpbs internet access</p>	<p>The project P113148 also contributed to this outcome. <a href="#">IEG: S</a> stated that the price of a three-minute domestic call reduced from US\$1.20 at the baseline to US\$0.56 at project closure, and compared to the original target of US\$1.08.</p> <p>The price of a three-minute international call to Australia fell from US\$3.60 at the</p>	



CPS FY13-FY17: Focus area I: <i>Strengthening Economic Resilience</i>	Actual Results	IEG Comments
	<p>baseline to US\$2.44 and as compared to the target of US\$3.06. The monthly rate for internet services for businesses reduced from US\$169 in 2010 to US\$108 in 2015.</p> <p><b>Achieved</b></p>	
<b>CPS Objective 7: Improved resilience to climate change and natural hazards</b>		
<p><u>Indicator 1: Disaster Risk Resilience and climate change adaptation incorporated into national and provincial planning baseline in at least two provinces</u></p> <p>Baseline: 0 (2012) Target: &gt; 2 provinces (2017)</p>	<p>The Increasing Resilience to Climate Change and Natural Hazards project (P129375, FY13) supported this outcome.</p> <p>The <a href="#">ISR: MU</a> of October 2017 stated that the 2017 National Disaster Risk Management Plan and its operational arrangement have been finalized on March 24, 2017 and rolled out in 3 provinces</p> <p>The following interventions also contributed to this outcome: Community Resilience to Climate and Disaster Risk in Solomon Islands Project (P112613, FY14, <a href="#">ISR: MU</a> of December 2017)</p> <ul style="list-style-type: none"> <li>– PDNA Solomon Island Floods April 2014 (P150910, FY13) TA - A <a href="#">Rapid assessment of the Macro and Sectoral Impacts of Flash Floods</a></li> <li>– Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) (P133255, FY13) <a href="#">ICR: S</a></li> </ul> <p><b>Achieved</b></p>	<p>Outcome revised at PLR stage from <i>Improved resilience of rural communities to climate change, natural hazards and catastrophic disasters to Improved resilience to climate change and natural hazards</i></p> <p>The Indicator was revised at PLR from the original indicator: <i>DDR/CCA incorporated into national and provincial planning in at least two provinces</i></p> <p>The following indicator was dropped at PLR: <i>Indicator: Budget and financial regulations accommodate disaster risk provisions Baseline is 0</i></p>
<p><u>Indicator 2: Number of people with access to disaster risk and adaption investments in targeted rural communities</u></p> <p>Baseline: 2000 (2015) Target: 15,000 (2017)</p>	<p>The CLR reports that 45,908 beneficiaries that benefitted from CCA and DRR investments. According to the December 6, 2017 <a href="#">ISR: MU</a> for the Community Resilience to Climate and Disaster Risk project (FY14), 42,217 beneficiaries in areas targeted under the program benefited from Climate Change Adaptation and/or Disaster Risk Management investments.</p> <p>This indicator is supported by the) Increasing Resilience to Climate Change and Natural Hazards project (P129375, FY13) and Community resilience to Climate and disaster risk in Solomon Islands project (P112613, FY14).</p> <p><b>Achieved</b></p>	<p>This indicator was added at PLR stage.</p>



	CPS FY13-FY17: Focus Area II: <i>Improving Public Service Provision</i>	Actual Results	IEG Comments
<p><b>Major Outcome Measures</b></p>	<p><b>CPS Objective 8: Increased access to infrastructure and services in rural communities</b></p>		
	<p><u>Indicator 1:</u> At least a 10% reduction in travel time to access rural services such as: Pre-primary and primary school non-water supply health service, and water supply (G)</p> <p>Baseline: no reduction in travel time (2012) Target: &gt;10% reduction in travel time (2017)</p>	<p>The SB-Rural Development Program (<a href="#">P089297, FY08</a>) and the Rural Development Program II (<a href="#">P149282</a>) (FY15) supported this objective.</p> <p>The ICR and <a href="#">IEG Project Performance Assessment Report (PPAR)</a> for the Rural Development Project, report on reduction in travel time to access improved water sources was reduced by an average of 13.5% (The ICR and PPAR do not report on reduction in travel time for other infrastructure services).</p> <p>Additional information from the ICR and the PPAR for RDP I indicate that following RDP investments 92% increase in number of villages reporting satisfactory access to infrastructure and/or services.</p> <p><b>Mostly Achieved</b></p>	<p>Objective revised at PLR stage from <i>Capacity for collective action and increased access to services for rural communities</i>.</p> <p>The following outcome and indicator were dropped at PLR stage: <i>Outcome 8. Improved expenditure management and poverty focus in key sectors, including health and education</i> <u>Indicator:</u> <i>Number of budget submissions and ministry expenditure reports that use new data analysis tools</i> Baseline: 0 Target: 3</p> <p>Indicators dropped during PLR: <u>Indicator:</u> <i>At least a 5% increase in capacity for collective action</i> <u>Indicator:</u> <i>At least a 5% increase in pre-primary and primary school attendance (G)</i> <u>Indicator:</u> <i>At least a 10% increase in participation in community decision-making on projects.</i></p>
<p><u>Indicator 2:</u> Additional number of household members have access to community infrastructure or services</p> <p>Baseline: 267,509 (o/w 90,473 female) (2015) Target: 352,509 (o/w female: 132,973)</p>	<p>The CLR reports that 286,902 people including 100,157 women have benefitted from access to community infrastructure or services.</p> <p>According to the PPAR, at Rural Development project closure 198,340 people were benefiting from completed infrastructure projects.</p> <p><b>Mostly Achieved</b></p>	<p>Indicator added at PLR stage.</p>	





	CPS FY13-FY17: Focus Area II: <i>Improving Public Service Provision</i>	Actual Results	IEG Comments
<b>CPS Objective 9: Increased access to employment opportunities for urban population</b>			
	<p><u>Indicator:</u> At least 300,000 additional labor days completed (in addition to 324,000 completed by 2012; 50% of beneficiaries are women, 33% youth</p> <p>Baseline: 0 (1012) Target: &gt; 300,000 additional labor days (2017)</p>	<p>The Rapid employment projects (P114987, FY10; P152709, FY16 and P160738, FY17) supported this outcome;</p> <p>The latest Management supervision <a href="#">ISR: S</a> reports of November 2017 for the Project P114987 states that 759,272 labor days generated through of which 402,214 are women and 440,377 are youth.</p> <p>The Education Skills Advice [P147842, FY15) also supported this objective which aims to deliver evidence for investments in strengthened workforce development programs and non-formal literacy programs in Solomon Islands. This project delivered a <a href="#">Workforce Development Report</a> and a <a href="#">Completion Summary</a> that this NLTA delivered evidence for investments in strengthened workforce development programs and non-formal literacy programs in Solomon Islands.</p> <p><b>Achieved</b></p>	
<b>CPS Objective 10: Improved government support for establishment of functioning local justice mechanisms</b>			
	<p><u>Indicator:</u> Support for community officers reflected in provincial budgetary-allocations</p> <p>Baseline is 0 Target: 4 provincial government</p>	<p>The following interventions supported this outcome.</p> <ul style="list-style-type: none"> <li>– The Solomon Islands Community Governance Project (P147005, FY15). Latest Management supervision <a href="#">ISR: MS</a> of December 2017 reported that two provinces reflected in their budgetary allocations support for community officers.</li> <li>– J4P - SI - Justice Delivered Locally NLTA project (P122365, FY16 ) delivered a <a href="#">Report (Completion Summary)</a> and (P132587, FY17) Managing Grievance and Conflict in Solomon. These two ASA aims to inform and support innovation aimed at enhancing access to justice in Solomon Islands and the Pacific.</li> </ul> <p>The Community Governance project—a trust-funded activity—is making progress. The December 2017 supervision report notes that a new province, Malaita, has joined the effort to establish functioning local justice mechanisms through the Bank project, but its recruitment of community</p>	<p>Target added during PLR</p> <p>Dropped during PLR:</p> <p><i>Outcome 13: Enhanced access to services for survivors of GBV</i> <i>Indicator: Pilot delivery modality completed and scaled up</i> <i>Baseline and targets TBD based on GBV service gap analysis - see milestone</i></p>



	<b>CPS FY13-FY17: Focus Area II: <i>Improving Public Service Provision</i></b>	<b>Actual Results</b>	<b>IEG Comments</b>
		<p>officers is still in process and not reflected in the provincial budgetary allocation. The CLR reports—and the December 2017 supervision report confirms—that 59 percent of citizens experienced improvements in the accessibility of community grievance management mechanisms, and 77 percent experienced improvements in such mechanisms.</p> <p><b>Partially Achieved</b></p>	



**Annex Table 2: Solomon Islands Planned and Actual Lending, FY13-FY17**

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed IDA Amount	Proposed IDA Amount	Approved IDA Amount
<b>Project Planned Under CPS/PLR FY14-17</b>					CPS	PLR	
P146021	Rural Development Program (RDP) (AF2 - SI Rural Development Program)	2014	2014	2015	3.5		3.0
P143242**	Development Policy Operation (Solomon Islands DPG-2)	2014	2014	2015	2.0		2.0
DROPPED	Mining Sector Support Phase II	2014			4.0		
P151777	Pacific Regional Oceanscape Program (PROP)	2015	2015	2021	1.0		9.8
P149282	Rural Development Program II	2015	2015	2020	4.0		9.0
P161319	Tina Hydropower Project	2015	2017	2023	4.0		33.6
P152709	Rapid Employment Project II	2016	2016		3.0		1.5
DROPPED	Sustainable Energy II	2016			2.0		
<b>Total Planned</b>					<b>23.5</b>	<b>0</b>	<b>58.9</b>
<b>Unplanned Projects during the CPS Period</b>							
P146816	Solomon Islands Sustainable Energy (SISE), Additional Financing		2014				13.0
P149886	Solomon Islands Recovery DPO		2015	2016			5.0
P160738	RAPID EMPLOYMENT PROJECT AF		2017				1.9
<b>Total Unplanned</b>							<b>19.9</b>
<b>On-going Projects during the CPS/PLR Period</b>			Approval FY	Closing FY			Approved IDA Amount
P089297	SB-Rural Development Program		2008	2015			3.2
P100311	SB-Solomon Islands Sustainable Energy		2009	2019			4.0
P113148	SB: Telecommunications & ICT Project		2010	2015			3.3
P114987	SB - Rapid Employment Project		2010	2019			3.2
P121631**	Additional Financing-Solomon Islands RDP		2011	2015			3.0
P126740**	Solomon Islands Dev Policy Operation 1		2012	2013			2.0
<b>Total On-going</b>							<b>19</b>

Source: Solomon Islands CPS and PLR, WB Business Intelligence Table 2b.1, 2a.4 and 2a.7 as of 3/5/18

\*LIR: Latest internal rating.

\*\* Programmatic Series



**Annex Table 3: Analytical and Advisory Work for Solomon Islands, FY13-FY17**

Proj ID	Economic and Sector Work	Fiscal year	RAS	Output Type	Global Practice
P117718	J4P SoIs Customary Authority	FY15	No	Policy Note	Governance
P131189	Rural Infrastructure in Solomon Islands	FY15	No	Sector or Thematic Study/Note	Social, Urban, Rural and Resilience Global Practice
P120352	Education and Skills Programmatic AAA	FY13	No	Policy Note	Education
Proj ID	Technical Assistance	Fiscal year		Output Type	Global Practice
P122365	SB - Justice Delivered Locally (TF97232)	FY16	No	Sector or Thematic Study/Note	Governance
P131459	Solomon Isl: CSO Engagement in EITI	FY16	No	Not assigned	Energy & Extractives
P131681	Solomon Islands HIES Support	FY15	No	Technical Assistance	Poverty and Equity
P146728	Pacific Gender Indicators in Fisheries	FY15	No	Technical Assistance	Environment & Natural Resources
P147842	Education and Skills Advice	FY15	No	Technical Assistance	Education
P150910	PDNA Solomon Island Floods April 2014	FY15	No	Technical Assistance	Social, Urban, Rural and Resilience Global Practice
P130825	SI Line Ministry Expenditure Analyses	FY13	No	Technical Assistance	Macroeconomics, Trade and Investment

Source: WB Business Intelligence 3/7/18



**Annex Table 4: Trust Funds Active in Solomon Islands, FY13-17**

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P151618	ELECTRICITY ACCESS EXPANSION PROJECT	TF A2923	2017	2018	2,225,000
P152779	Tina River Hydropower Development Project	TF A2871	2017	2018	800,000
P161319	Tina River Hydropower Development Project	TF A1895	2016	2018	1,244,477
P152938	Pacific Islands Regional Oceanscape Program - Solomon Islands	TF 18607	2015	2021	1,370,000
P149282	Solomon Islands Rural Development Program II	TF A5083	2017	2020	5,100,000
	Solomon Islands Rural Development Program II	TF 19256	2015	2020	9,000,000
P147005	Solomon Islands Community Governance Project	TF 18206	2015	2019	3,080,000
P112613	COMMUNITY RESILIENCE TO CLIMATE AND DISASTER RISK IN SOLOMON ISLANDS PROJECT	TF 16614	2014	2019	7,300,000
	COMMUNITY RESILIENCE TO CLIMATE AND DISASTER RISK IN SOLOMON ISLANDS PROJECT	TF 16425	2014	2019	1,800,000
P118757	Solomon Islands - Extractive Industries Transparency Initiative Implementation	TF 15549	2014	2016	350,000
P143772	Improving Services for Victims of Gender Based and Domestic Violence	TF 14049	2013	2016	130,000
P129375	Increasing Resilience to Climate Change and Natural Hazards.	TF 12391	2013	2019	2,730,000
P114987	Rapid Employment Project	TF 96620	2010	2017	3,290,000
	Rapid Employment Project	TF 95966	2010	2017	3,221,250
P113148	SB: Telecommunications and ICT Development Project	TF 96582	2011	2014	3,000,000
	SB: Telecommunications and ICT Development Project	TF 97221	2011	2015	2,740,000
P117978	Solomon Islands: Mining Sector Technical Assistance - Phase I	TF 97135	2011	2014	750,000
P114317	Tina River Hydropower Development Project	TF 96372	2010	2016	4,030,968
	Tina River Hydropower Development Project	TF 96376	2010	2013	628,000
P089297	Rural Development Program	TF 97737	2011	2014	3,000,000
	Rural Development Program	TF 90652	2008	2015	8,604,955
<b>Total</b>					<b>64,394,650</b>

Source: Client Connection as of 3/8/18

\*\* IEG Validates RETF that are 5M and above



**Annex Table 5: IEG Project Ratings for Solomon Islands, FY13-17**

Exit FY	Proj ID	Project name	Total Evaluated (\$M) *	IEG Outcome	IEG Risk to DO
2013	P126740	Solomon Islands Dev Policy Operation 1	1.9	SATISFACTORY	SIGNIFICANT
2015	P089297	SB-Rural Development Program	9.5	MODERATELY SATISFACTORY	MODERATE
2015	P113148	SB: Telecommunications & ICT Project	3.2	SATISFACTORY	MODERATE
2015	P143242	Solomon Islands DPG-2	2.1	SATISFACTORY	SIGNIFICANT
2016	P149886	Solomon Islands Recovery DPO	4.6	MODERATELY SATISFACTORY	SIGNIFICANT
<b>Total</b>			<b>21.3</b>		

Source: AO Key IEG Ratings as of 4/9/18

**Annex Table 6: IEG Project Ratings for Solomon Islands and Comparators, FY13-17**

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Solomon Islands	21.4	5	100.0	100.0	59.6	40.0
EAP	19,934.1	207	86.3	78.7	56.2	55.1
World	98,915.6	1,153	84.9	72.8	54.4	43.7

Source: WB AO as of 4/9/18





**Annex Table 7: Portfolio Status for Solomon Islands and Comparators, FY13-17**

Fiscal year	2013	2014	2015	2016	2017	Ave FY13-17
<b>Solomon Islands</b>						
# Proj	6	8	10	8	10	8
# Proj At Risk	1	1	3	4	4	3
% Proj At Risk	16.7	12.5	30.0	50.0	40.0	31.0
Net Comm Amt	20.1	46.1	58.7	54.9	94.4	55
Comm At Risk	4.0	2.7	10.0	34.1	44.9	19
% Commit at Risk	19.9	5.9	17.1	62.1	47.5	34.9
<b>EAP</b>						
# Proj	351	354	344	337	360	349
# Proj At Risk	66	65	70	56	62	64
% Proj At Risk	18.8	18.4	20.3	16.6	17.2	18.3
Net Comm Amt	30,542.3	31,852.5	32,386.0	33,346.1	35,902.1	32,806
Comm At Risk	5,089.2	5,270.3	6,412.3	4,776.1	5,405.5	5,391
% Commit at Risk	16.7	16.5	19.8	14.3	15.1	16.4
<b>World</b>						
# Proj	1,964	2,048	2,022	1,975	2,072	2,016
# Proj At Risk	414	412	444	422	449	428
% Proj At Risk	21.1	20.1	22.0	21.4	21.7	21.2
Net Comm Amt	176,202.6	192,610.1	201,045.2	220,331.5	224,458.9	202,930
Comm At Risk	40,805.6	40,933.5	45,987.7	44,244.9	52,549.1	44,904
% Commit at Risk	23.2	21.3	22.9	20.1	23.4	22.1

Source: WB BI as of 3/7/18

Note: Only IBRD and IDA Agreement Type are included



**Annex Table 8: Disbursement Ratio for Solomon Islands, FY13-17**

Fiscal Year	2013	2014	2015	2016	2017	Overall Result
<b>Solomon Islands</b>						
Disbursement Ratio	41.9	149.2	17.5	11.2	25.8	24.1
Inv Disb in FY	2.4	5.1	3.7	3.9	8.6	23.9
Inv Tot Undisb Begin FY	5.8	3.4	21.2	35.1	33.4	99.0
<b>EAP</b>						
Disbursement Ratio	19.6	19.9	20.5	19.6	19.1	19.7
Inv Disb in FY	3,232.8	3,539.6	3,670.3	3,797.6	3,615.8	17,856.0
Inv Tot Undisb Begin FY	16,461.7	17,830.8	17,923.6	19,399.7	18,975.9	90,591.6
<b>World</b>						
Disbursement Ratio	20.6	20.8	21.8	19.5	20.5	20.6
Inv Disb in FY	20,510.7	20,757.7	21,853.7	21,152.9	22,129.9	106,404.8
Inv Tot Undisb Begin FY	99,588.3	99,854.3	100,344.9	108,600.3	108,175.4	516,563.2

\* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.

Source: AO disbursement ratio table as of 3/7/18

**Annex Table 9: Net Disbursement and Charges for Solomon Islands, FY13-17**

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY13	4,396,596.1	1,217,358.4	3,179,237.7	-	292,834.6	2,886,403.1
FY14	7,269,606.7	1,592,762.2	5,676,844.5	-	281,817.7	5,395,026.9
FY15	7,848,408.8	1,508,956.6	6,339,452.2	-	263,224.2	6,076,228.0
FY16	3,319,768.2	1,455,300.7	1,864,467.6	-	236,057.6	1,628,410.0
FY17	7,351,160.8	1,427,193.6	5,923,967.2	-	245,859.8	5,678,107.4
<b>Report Total</b>	<b>30,185,540.6</b>	<b>7,201,571.5</b>	<b>22,983,969.1</b>	<b>-</b>	<b>1,319,793.8</b>	<b>21,664,175.3</b>

World Bank Client Connection 3/8/18

**Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid for Solomon Islands**

Development Partners	2013	2014	2015	2016
All Donors, Total	289.83	200.52	190.03	181.5
DAC Countries, Total	257.73	182.12	163.89	152.24
Australia	198.53	138.94	122	108.56
Canada	0.09	0.01	..	0.16
Finland	0.13	0.13	..	..
France	..	0.01	0.02	0.01
Germany	0.1	0.35	0.25	0.36
Greece	..	0.01	..	..
Italy	0.02	0.39	..	0.28



Development Partners	2013	2014	2015	2016
Japan	22.43	11.1	16.82	19.13
Korea	0.83	1.49	2.83	2.44
New Zealand	33.86	26.84	20.28	20.26
Sweden	0	0.06	..	..
United Kingdom	0.67	1.29	0.79	0.15
United States	1.06	1.5	0.9	0.88
Multilaterals, Total	32.46	18.81	22.72	28.79
EU Institutions	8.39	6.35	5.65	1.25
International Monetary Fund, Total	0.23	-1.13	-2.7	-3.44
IMF (Concessional Trust Funds)	0.23	-1.13	-2.7	-3.44
Regional Development Banks, Total	11.94	4.55	1.74	14.92
Asian Development Bank, Total	11.94	4.55	1.74	14.92
AsDB Special Funds	11.94	4.55	1.74	14.92
United Nations, Total	3.84	1.93	2.91	2.94
IFAD	1.46	-0.09	-0.09	0.48
International Labour Organisation [ILO]	0.19	0.26	0.15	0.16
UNDP	1.24	0.97	0.91	0.81
UNICEF	..	..	0.51	0.5
World Health Organisation [WHO]	0.95	0.78	1.42	0.99
World Bank Group, Total	4.27	2.14	7.98	5.4
World Bank, Total	4.27	2.14	7.98	5.4
International Development Association [IDA]	4.27	2.14	7.98	5.4
Other Multilateral, Total	3.79	4.98	7.13	7.73
Adaptation Fund	..	2.02	..	0.42
Climate Investment Funds [CIF]	..	0.22	0.18	..
Global Alliance for Vaccines and Immunization [GAVI]	0.69	0.63	1.46	0.27
Global Environment Facility [GEF]	2.13	1.65	4.43	3.97
Global Fund	0.98	0.46	1.06	3.07
Non-DAC Countries, Total	-0.35	-0.41	3.42	0.47
Israel	..	..	..	0.06
Kuwait	-0.44	-0.44	..	..
Thailand	0.01	..	0.01	0.04
Turkey	0.08	0.03	..	..
United Arab Emirates	..	..	3.41	0.38

Source: OECD Stat, [DAC2a] as of 3/8/18

\* Data only available up to FY16



**Annex Table 11: Economic and Social Indicators for Solomon Islands, FY13-16\*\***

Series Name					Solomon Is.	EAP	World
	2013	2014	2015	2016	Average 2013-2016		
<b>Growth and Inflation</b>							
GDP growth (annual %)	3.0	1.5	3.7	3.0	2.8	4.3	2.7
GDP per capita growth (annual %)	0.8	(0.6)	1.6	0.9	0.7	3.6	1.5
GNI per capita, PPP (current international \$)	2,090.0	2,020.0	2,170.0	2,140.0	2,105.0	15,704.6	15,423.3
GNI per capita, Atlas method (current US\$) (Millions)	1,820.0	1,820.0	1,910.0	1,880.0	1,857.5	9,813.1	10,657.2
Inflation, consumer prices (annual %)	5.4	5.2	(0.6)	..		2.1	2.1
<b>Composition of GDP (%)</b>							
Agriculture, value added (% of GDP)	..	..	..	..		5.4	3.9
Industry, value added (% of GDP)	..	..	..	..		34.7	27.9
Services, etc., value added (% of GDP)	..	..	..	..		59.9	68.2
Gross fixed capital formation (% of GDP)	..	..	..	..		32.0	23.4
Gross domestic savings (% of GDP)	..	..	..	..		34.7	24.8
<b>External Accounts</b>							
Exports of goods and services (% of GDP)	56.4	51.5	46.1	..	51.3	30.8	29.6
Imports of goods and services (% of GDP)	66.8	62.0	54.5	..	61.1	28.9	29.0
Current account balance (% of GDP)	(3.6)	(4.3)	(3.2)	(4.1)			
External debt stocks (% of GNI)	19.4	17.0	18.5	20.8			
Total debt service (% of GNI)	4.2	1.6	1.3	2.0			
Total reserves in months of imports	8.4	8.0	9.0	8.7		15.4	13.3
<b>Fiscal Accounts <sup>1/</sup></b>							
General government revenue (% of GDP)	50.9	47.3	47.9	41.3	46.9		
General government total expenditure (% of GDP)	46.8	45.6	48.2	44.4	46.2		
General government net lending/borrowing (% of GDP)	4.1	1.7	(0.2)	(3.1)	0.6		
General government gross debt (% of GDP)	15.3	12.8	10.1	7.9	11.5		
<b>Health</b>							
Life expectancy at birth, total (years)	69.8	70.2	70.5	..	70.2	75.1	71.7



Series Name					Solomon Is.	EAP	World
	2013	2014	2015	2016	Average 2013-2016		
Immunization, DPT (% of children ages 12-23 months)	94.0	88.0	98.0	99.0	94.8	92.6	85.3
Improved sanitation facilities (% of population with access)	29.2	29.5	29.8	..	29.5	76.4	67.0
Improved water source (% of population with access)	77.2	77.2	77.2	..	77.2	89.0	83.9
Mortality rate, infant (per 1,000 live births)	22.9	22.6	22.2	21.8	22.4	14.5	32.0
<b>Education</b>							
School enrollment, preprimary (% gross)	93.9	97.9	99.8	..		74.6	47.4
School enrollment, primary (% gross)	114.4	113.9	114.3	..	114.2	106.7	104.7
School enrollment, secondary (% gross)	..	..	..	..		88.4	76.1
<b>Population</b>							
Population, total (Millions)	563,513	575,504	587,482	599,419	581,480	2,273,609,956	7,312,300,570
Population growth (annual %)	2.1	2.1	2.1	2.0	2.1	0.7	1.2
Urban population (% of total)	21.4	21.9	22.3	22.8	22.1	56.2	53.6
<b>Poverty</b>							
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	25.1	..	..	..		3.7	10.7
Poverty headcount ratio at national poverty lines (% of pop)	12.7	..	..	..	12.7		
Rural poverty headcount ratio at national poverty lines (% of rural pop)	..	..	..	..			
Urban poverty headcount ratio at national poverty lines (% of urban pop)	..	..	..	..			
GINI index (World Bank estimate)	37.0	..	..	..	37.0		

Source: WB Development Data Platform as of 3/1/18

\*International Monetary Fund, World Economic Outlook Database, October 2017

\*\* Actual data only available up to FY16

**Annex Table 12: List of IFC Investments in Solomon Islands**  
Investments Committed in FY13-FY17

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net	Loan	Net Equity	Net Comm
38435	2017	Active	Agriculture and Forestry	60,000	5,000	-	5,000	-	-	5,000	-	-	5,000
32053	2014	Active	Agriculture and Forestry	10,000	10,000	-	10,000	1,000	-	9,000	-	-	9,000
<b>Sub-Total</b>				<b>70,000</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>1,000</b>	<b>-</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>14,000</b>

Investments Committed pre-FY13 but active during FY13-17

Project ID	CMT FY	Project Status	Primary Sector Name	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net	Loan	Net Equity	Net Comm
<b>Sub-Total</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>				<b>70,000</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>1,000</b>	<b>-</b>	<b>14,000</b>	<b>-</b>	<b>-</b>	<b>14,000</b>

Source: IFC-MIS Extract as of 12/31/17





**Annex Table 13: List of IFC Advisory Services in Solomon Islands  
Advisory Services Approved in FY13-17**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
600678	ANZ Mobile Banking	2015	2019	ACTIVE	FIG	448,479
600678	ANZ Mobile Banking	2015	2019	ACTIVE	FIG	358,783
600678	ANZ Mobile Banking	2015	2019	ACTIVE	FIG	358,783
600678	ANZ Mobile Banking	2015	2019	ACTIVE	FIG	358,783
600678	ANZ Mobile Banking	2015	2019	ACTIVE	FIG	269,087
597367	Pacific Islands Tuna Sector Program	2014	2018	ACTIVE	MAS	1,436,541
597367	Pacific Islands Tuna Sector Program	2014	2018	ACTIVE	MAS	359,135
597507	Pacific Investment Climate Rapid Response	2014	2018	ACTIVE	TAC	2,088,528
599984	BSP Solomon Islands Mobile Banking	2014	2018	ACTIVE	FIG	1,416,012
587627	Solomon Islands Business Taxation	2013	2015	TERMINATED	IC	1,156,427
<b>Sub-Total</b>						<b>8,250,558</b>

**Advisory Services Approved pre-FY13 but active during FY13-17**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
586347	Gold Ridge SCI	2012	2014	TERMINATED	SBA	411,563
596487	DEVCO Pacific PPP Business Promotion Budget	2012	2014	CLOSED	CAS	184,000
28681	Solomon Islands Tina River Hydropower IPP	2010	2018	ACTIVE	CAS	3,041,158
574887	Pacific Telecommunication Impact Study	2010	2013	CLOSED	SBA	481,500
<b>Sub-Total</b>						<b>4,118,221</b>
<b>TOTAL</b>						<b>12,368,779</b>

Source: IFC AS Data as of 1/31/18



**Annex Table 14: IFC net commitment activity in Solomon Islands, FY13 - FY17**

		2013	2014	2015	2016	2017	Total
Agribusiness & Forestry	Animal Protein	-	10,000,000	-	(1,000,000)	5,000,000	<b>14,000,000</b>
<b>Total</b>		-	<b>10,000,000</b>	-	<b>(1,000,000)</b>	<b>5,000,000</b>	<b>14,000,000</b>

Source: IFC MIS as of 3/8/18

**Annex Table 15: List of Active MIGA Activities in Solomon Islands, FY13-17**

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
	No Activities					
<b>Total</b>						-

Source: MIGA 3/8/18