

---

---

**SIDS DOCK GRANT NUMBER:TF0C3264**

# **Small Island Developing States Initiative Grant Agreement**

**(Electricity Access and Renewable Energy Expansion Project)**

**between**

**SOLOMON ISLANDS**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of the Small Island Developing States (SIDS) DOCK  
Support Program Multi-Donor Trust Fund**

---

---

**SIDS DOCK GRANT NUMBER TF TF0C3264**

**SIDS DOCK GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between SOLOMON ISLANDS (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“IDA” or the “Bank”), acting as administrator of the Small Island Developing States (SIDS) DOCK Support Program Multi-Donor Trust Fund.

WHEREAS:

- (A) pursuant to a: (1) Global Environment Facility (GEF) and Scaling-up Renewable Energy in Low Income Countries Program under the Strategic Climate Fund (SCF Trust Fund) Grant Agreement entered into between the Recipient and IDA (acting as an implementing agency of the GEF and acting as an implementing entity of the SCF Trust Fund), dated July 26, 2018, as amended to the date hereof (Grant Agreement), the Recipient has received a: (a) GEF Grant in the amount of US\$946,745; and (b) SCF Trust Fund Grant in the amount of US\$7,100,000 to assist in financing selected activities of the Electricity Access and Renewable Energy Expansion Project, as described in Schedule 1 to the Grant Agreement (“Original Grant Agreement”); and (2) Financing Agreement, dated July 26, 2018, between the Recipient and IDA, the Recipient has received from IDA: (a) an IDA grant in an amount equivalent to three million four hundred thousand Special Drawing Rights (SDR 3,400,000); and (b) an IDA credit in an amount equivalent to three million nine hundred thousand Special Drawing Rights (SDR 3,900,000) to assist in financing selected activities of the Electricity Access and Renewable Energy Expansion Project, as described in Schedule 1 to Financing Agreement (“Financing Agreement”).
- (B) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement (“Project”), has requested the Bank to extend a grant as provided in Section 3.01 of this Agreement, to assist in the financing of the Project.

NOW, THEREFORE, the Recipient and the Bank hereby agree as follows:

**Article I**  
**Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, in this Agreement or in the Financing Agreement.

**Article II**  
**The Project**

- 2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement, and the Trust Fund Project Agreement.

**Article III**  
**The Grants**

- 3.01. The Bank agrees to extend to the Recipient, a grant in an amount not to exceed one million six hundred thousand United States Dollars (\$1,600,000) (“Grant”) to assist in financing Part 1 of the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grants in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV**  
**Additional Remedies**

- 4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:
- (a) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Trust Fund Project Agreement.
  - (b) The Project Implementing Entity has failed to perform any obligation under the Trust Fund Project Agreement.
  - (c) At any time, the Bank determines that any representative of the Project Implementing Entity, or any other recipient of any proceeds of the Grant has engaged in corrupt, fraudulent, coercive, or collusive practices in connection with the use of the proceeds of the Grant, without the Project Implementing Entity (or any other such recipient) having taken timely and

appropriate action satisfactory to the Bank to address such practices when they occur.

- (d) International Bank for Reconstruction and Development (“IBRD”) or IDA has suspended in whole or in part the right of the Project Implementing Entity to make withdrawals under any agreement with Bank because of a failure by the Project Implementing Entity to perform any of its obligations under such agreement.
- (e) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project can be carried out or that the Project Implementing Entity will be able to perform its obligations under the Trust Fund Project Agreement.
- (f) The Bank has determined after the Effective Date referred to in Section 5.02 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the Bank to suspend the Recipient’s right to make withdrawals of the Grant if this Agreement had been effective on the date such event occurred.
- (g) The Project Implementing Entity (or any other entity responsible for implementing any part of the Project) has, without the consent of the Bank:
  - (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Trust Fund Project Agreement; or
  - (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grants; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the Bank: (A) do not materially and adversely affect the ability of the Project Implementing Entity (or any other entity) to perform any of its obligations arising under or entered into pursuant to the Trust Fund Project Agreement or to achieve the objectives of the Project; and (B) do not materially and adversely affect the financial condition or operation of the Project Implementing Entity (or such other entity).
- (h)
  - (i) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Project Implementing Entity (or of any other entity responsible for implementing any part of the Project);
  - (ii) the Project Implementing Entity (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of this Agreement; or
  - (iii) in the opinion of the Bank, the legal character, ownership or control of the Project Implementing Entity (or of any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of this Agreement and/or the Trust Fund Project Agreement so

as to materially and adversely affect the ability of the Recipient or of the Project Implementing Entity (or such other entity) to perform any of its obligations arising under or entered into pursuant to this Agreement and/or the Trust Fund Project Agreement, or to achieve the objectives of the Project.

- (i) IBRD or IDA has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of any financing made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

#### **Article V Effectiveness; Termination**

5.01 This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.

- (a) (i) The Trust Fund Project Agreement has been executed and delivered by the Project Implementing Entity; and (ii) the Bank has received a legal opinion or certificate satisfactory to the Bank confirming on behalf of the Project Implementing Entity that the Trust Fund Project Agreement has been duly authorized by, and executed and delivered on behalf of the Project Implementing Entity, and is legally binding upon it in accordance with its terms.
- (b) (i) The Trust Fund Subsidiary Agreement has been executed and delivered by the Recipient and the Project Implementing Entity; and (ii) the Bank has received legal opinion(s) or certificate(s) satisfactory to the Bank confirming on behalf of the Recipient and the Project Implementing Entity that the Trust Fund Subsidiary Agreement has been duly authorized by, and executed and delivered on behalf of the Recipient and the Project Implementing Entity, and is legally binding upon each such party in accordance with its terms.

- (c) If the Bank so requests, the condition of the Project Implementing Entity, as represented or warranted to the Bank at the date of the Trust Fund Project Agreement, has undergone no material adverse change after such date.
- 5.02. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.03. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

**Article VI**  
**Recipient’s Representative; Addresses**

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for finance.
- 6.02. For purposes of Section 7.01 of the Standard Conditions:
  - (a) the Recipient’s address is:  
  
Ministry of Finance and Treasury  
P.O. Box 26  
Honiara, Solomon Islands; and
  - (b) the Recipient’s Electronic Address is: Facsimile: 677-27855
- 6.03. For the purpose of Section 7.01 of the Standard Conditions is:
  - (a) the Bank’s address is:  
  
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Bank's Electronic Address is:

Telex:                      Facsimile:  
248423 (MCI) or          1-202-477-6391  
64145 (MCI)

AGREED as of the Signature Date.

SOLOMON ISLANDS

By



\_\_\_\_\_  
Authorized Representative

Name: Harry Kuma

Title: Minister of Finance and Treasury

Date: 07-Dec-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION, acting  
as administrator of the Small Island Developing States (SIDS)  
DOCK Support Program Multi-Donor Trust Fund

By



\_\_\_\_\_  
Authorized Representative

Name: Stephen N. Ndegwa

Title: Country Director, PNG & Pacific Islands

Date: 06-Dec-2023

**SCHEDULE 1**  
**Project Description**

The objective of the Project is to increase access to grid-supplied electricity and increase renewable energy generation in the Recipient's territory.

The Project consists of the parts described in Schedule 1 to the Financing Agreement.



## SCHEDULE 2

### Project Execution

#### **Section I. Implementation Arrangements**

##### **A. Institutional and General Implementation Arrangements**

1. For the implementation of Part 1 of the Project, Section I.A (Institutional Arrangements), Section I.C (Project Implementation Manual) and Section I.E (Safeguards) of Schedule 2 to the Financing Agreement are hereby incorporated by reference and shall apply, *mutatis mutandis*, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, provided that for the purposes of this Agreement: (a) the references to the “Association” in said Sections shall be construed as references to the Bank; and (b) the references to the “Project Agreement” in said Sections shall be construed as references to the Trust Fund Project Agreement.

##### **B. Trust Fund Subsidiary Agreement**

1. To facilitate the carrying out of Part 1 of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under a Trust Fund Subsidiary Agreement between the Recipient and the Project Implementing Entity, under reasonable terms and conditions approved by the Bank, which shall include, *inter alia*:
  - (a) the Recipient shall make available the proceeds of the Grant to the Project Implementing Entity on a grant basis;
  - (b) the Project Implementing Entity shall undertake to carry out the Project with due diligence and efficiency and in accordance with appropriate technical, economic, financial, engineering, managerial, environmental, and social standards and practices acceptable to the Bank, including in accordance with the provisions of this Agreement and the Trust Fund Project Agreement; and
  - (c) the Recipient shall have the right to suspend or terminate the right of the Project Implementing Entity to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Project Implementing Entity’s failure to perform any of its obligations under the Trust Fund Subsidiary Agreement, or the exercise by the Bank of its right to suspend or terminate the right of the Recipient to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, under this Agreement.

2. The Recipient shall exercise its rights under the Trust Fund Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Trust Fund Subsidiary Agreement or any of its provisions.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the SIDS DOCK Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consulting services, non-consulting services, Incremental Operating Costs and Training and Workshops for Part 1 of the Project	1,600,000	100%
<b>TOTAL AMOUNT</b>	<b>1,600,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made: (a) prior to the date of this Agreement; and (b) to finance

any Project activity that the World Bank has financed or agreed to finance under the Financing Agreement or the Original Grant Agreement.

2. The Closing Date is June 30, 2025

## APPENDIX

### Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January, 2011, and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “Incremental Operating Costs” means reasonable expenditures incurred by the Project Implementing Entity on account of implementation and management of the Project (which expenditures would not have been incurred absent of the Project), including the Project Implementing Entity’s staff travel costs, allowances, costs of vehicle rental, fuel and maintenance, bank charges, communication costs, publications and advertising expenses, office supplies and equipment, office rental fees, utilities, and consumables required for holding meetings related to the Project, but excluding salaries, fees, honoraria, bonuses and any other salary supplements of the Project Implementing Entity’s staff.
4. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
5. “Project Implementing Entity” means the Solomon Islands Electricity Authority, as established by the Solomon Islands Electricity Act (CAP 128), or any successor thereto which the Bank has assessed and confirmed in writing is acceptable for the purpose of the Project.
6. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
7. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
8. “Training and Workshops” means the reasonable costs incurred by the Project Implementing Entity for facilitating, conducting, and/or undertaking domestic and overseas training and workshops under the Project, based on terms of reference acceptable to the Bank, including the costs of training or workshop materials; course fees; equipment and venue rental; per diem, accommodation and

transportation for those attending the training or workshop; and reasonable honorarium/stipend of resource persons.

9. “Trust Fund Project Agreement” means the agreement between the Bank and the Project Implementing Entity, entered into in connection with this Agreement, relating to the implementation of Part 1 of the Project, as such agreement may be amended from time to time. “Trust Fund Project Agreement” includes the Standard Conditions as applied to the Trust Fund Project Agreement, and all appendices, schedules and agreements supplemental to the Trust Fund Project Agreement.
10. “Trust Fund Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement that the Recipient enters into with the Project Implementing Entity setting forth the respective obligations of the Recipient and the Project Implementing Entity with respect to the Project, pursuant to which the Recipient shall make the proceeds of the Grants available to the Project Implementing Entity, as such agreement may be amended from time to time.