

## **Solomon Islands**

### **Tina River Hydropower Development Project**

**June 20, 2017**

#### **Chair Summary\***

Executive Directors approved an IDA credit in the amount of US\$23.375 million equivalent and an IDA grant in the amount of SDR7.480 million (US\$10.255 million equivalent) to Solomon Islands for the Tina River Hydropower Development Project (IDA/R2017-0192), on the terms and conditions set out in the President's Memorandum, including the waiver.

Directors expressed broad support for the Project and appreciated its potential to significantly increase the share of renewable energy and reduce greenhouse gas emissions. Directors also noted the expected contribution to addressing Solomon Islands' reliance on imported fuel for electricity generation, its high tariff and the low electrification rate. Directors acknowledged that while the cost of the project is high, they recognized the high cost environment common to small island countries, and the expected outcome of tariff reduction and increased electrification.

As an example of the Infrastructure Cascade and in line with the Small States Roadmap, Directors welcomed the World Bank Group collaboration to facilitate private sector participation and leverage co-financing from development partners. Given the complex implementation and financing arrangements, Directors encouraged the Bank to continue taking the lead to coordinate the project activities. They urged the Bank to strengthen institutional capacity and mitigate social and environmental risks. They recognized the risks and uncertainty regarding the large set of implementing entities, partners, and co-financing, and called for strong collaboration among stakeholders and exploration of mitigating plans for alternative financing. Finally, they encouraged strong support in monitoring implementation and evaluating the results of the project.

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\*This summary is not an approved record.