

Solomon Islands: Development Policy Operation 1**SUMMARY OF DISCUSSION*****Meeting of the Executive Directors****April 26, 2012**

The Executive Directors approved a grant in the amount of SDR1.3 million (US\$2 million equivalent) to Solomon Islands for a first Development Policy Operation on the payment terms and conditions set out in the President's Memorandum (IDA/R2012-0082).

Directors expressed support for the development objectives of the operation and for its programmatic design. Directors also commended the Solomon Island authorities for their progress in restoring political and economic stability, their achievement in debt reduction and for rebuilding internal and external buffers following the global economic crisis.

Directors noted the establishment of the government-led, multi-donor, Core Economic Working Group tasked with coordinating policy dialogue and provision of aid in support of the government's Economic and Financial Reform Program. Directors also noted that substantial risks remain with regard to frequent changes of government and low government capacity but expressed satisfaction that adequate mitigating measures are in place. The need to improve institutional structure and build capacity was emphasized.

*This summary is not an approved record.