

## NEWS RELEASE

### New World Bank project to bring electricity to 2,500 Solomon Islands homes

**Honiara, November 11, 2016** – More than 2,500 homes without electricity access in Solomon Islands will soon be able to afford reliable energy connections under a new project agreed between the World Bank and the Government of Solomon Islands.

The **Electricity Access Expansion Project** will be funded through a US\$2.5 million grant from the Global Partnership on Output-based Aid (GPOBA), through a contribution from the Australian Government's Department of Foreign Affairs and Trade and Sweden's International Development Cooperation Agency. The project is now moving directly towards implementation, and will support increased electricity access across Solomon Islands through grid extension and the development of mini-grids, directly benefitting approximately 14,250 people in peri-urban and rural areas.

*"Access to basic services such as electricity is crucial to improved quality of life and economic growth," said **Catherine Commander O'Farrell, Head of GPOBA**. "This project will deliver safe, reliable power to Solomon Islanders, who due to the high costs of connections and wiring, are unable to get connected. We are pleased to be deepening our engagement in the Pacific Islands through this project, which aligns with our primary goal at GPOBA – ensuring that basic services are extended to low-income households."*

Energy supply is particularly challenging in Solomon Islands given its relatively small population scattered across more than 90 islands spread across many thousands of kilometers. The Solomons is almost completely dependent on imported diesel fuel for generating power. As a result, most households are reliant on less reliable, more costly and potentially dangerous alternative energy sources such as kerosene lamps, candles, and diesel-backed generators.

The main obstacle keeping more households from accessing electricity is the high initial connection cost. This project has been designed using output-based aid (OBA) as a subsidy to help buy down the capital costs of service connections and in-house wiring for households in the Honiara grid. The subsidy will be provided to Solomon Power upon confirmation that working electricity connections have been installed. This is an effective way to ensure as many households as possible can finally afford access to a reliable power source.

*"Electricity is absolutely essential to life across the Solomons, yet for many years, the cost of getting connected has been out of reach for far too many Solomon Islanders," said **Guido Rurangwa, World Bank Country Representative for Solomon Islands and Vanuatu**. "We're proud to be working alongside Solomon Power to ensure more than 14,000 people can be get connected."*

The **Electricity Access Expansion Project**, implemented by the state-owned utility [Solomon Power](#), complements the ongoing World Bank-funded [Solomon Islands Sustainable Energy Project](#), which has been instrumental in improving the operational efficiency, system reliability and financial sustainability of Solomon Power. As a result, Solomon Power has recently started to invest in strengthening and expanding its electricity grid network. Solomon Power has an ambitious goal to double the number of customers from 15,500 to 30,000 by 2021 and this project will contribute to helping Solomon Power meet this goal. The project also strengthens GPOBA's portfolio in applying OBA schemes in small island states in the Pacific, and builds on experiences and achievements of the active Vanuatu Improved Electricity Access Project.

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*GPOBA, a global partnership program founded in 2003 and administered by the World Bank, is a multi-donor trust fund used to develop output and results-based aid approaches to provide basic services in infrastructure, health and education. It has a portfolio of 47 OBA pilot projects with US\$234 million in commitments, serving approximately nine million people in marginalized communities.*

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For more information on GPOBA, visit: [www.gpoba.org](http://www.gpoba.org)

For more information about the World Bank's work in the Pacific Islands, visit: [www.worldbank.org/pacificislands](http://www.worldbank.org/pacificislands)