Table 6: Annual Borrowing 2025-2027

2025-2027 Annual Borrowing Plan, Authorised and In-Pipeline for DMAC Consideration

Borrowing Proposals	End 2024 Undisbursed Balance (SBD) - Est	2025 ABL SBD($m)	2026 ABL SBD ($m)	2027 ABL SBD ($m)	End 2027 Undisbursed Balances
SIG Direct Borrowing - ABL		**900.00**	**920.00**	**940.00**	
A. DMAC Approved & Pipeline Loan Funded Projects					
External Loans					
ADB Senior Secondary Edu Project (US$10m)	83.6	3.7	8.6	7.8	63.5
ADB Solar Power Project SPEEI (US10m)	83.6	7.5	6.7	8.4	61.0
ADB UWSSSP1 (US$28m)	214.05	8.8	11.3	23.5	170.5
ADB Integrated Solid Waste Project (US$6.93m)	57.9	4.6	11.6	24.8	16.9
ADB Policy Based Loan Subprogram 2 (US$30m)	0.0	0.0	0.0	0.0	0.0
ADB Policy Based Loan Subprogram 3 (US$10m) - **New**	83.6	0.0	72.4	0.0	11.2
ADB Tina River Hydro Power Project (US$18m)	150.5	56.3	72.4	14.0	7.8
ADFD Tina River Hydro Power Project (US$15m)	125.4	21.1	28.5	42.5	33.3
EDCF Tina River Hydro Power Project (US$31.6m)	209.0	20.5	65.3	76.3	46.9
Exim China PRC SINBIP (CNY 449.8m)	353.7	105.0	74.0	86.0	88.7
GCF Tina River Hydro Power Project (US$70m)	370.4	94.0	113.0	130.2	33.2
IFAD AIM Project (US$9.62m)	80.43	3.7	6.8	8.8	61.1
IFAD Performance Based Loan (USD 7.5m)	19.2	4.3	5.3	1.0	8.6
IDA UWSSSP I (US$15m)	94.48	2.0	8.2	12.5	71.8
IDA UWSSSP II (US$13m)	108.7	13.5	16.4	15.7	63.1
IDA CAUSE II (US$13.2m)	110.37	6.8	11.3	14.5	77.8
IDA SIRAP II (US$48.97m)	215.64	9.8	10.7	15.4	179.7
IDA SIRAP III (US$20m) - **New**	208.33	4.8	8.6	21.4	173.5
IDA Tina River Hydro Power Project (US$21.3m)	98.66	35.0	42.0	21.6	0.0
World Bank SIART - (US$4.4m)	25.75	4.5	9.5	10.0	1.8
WB Integrated Eco Development and Resilience (US$4.4m)	22.99	3.3	6.8	4.0	8.9
SFD Rural Electrication Project (USD $10m) - **New**	83.61	3.0	5.3	4.5	70.8
Total External Loans	**2,424.43**	**412.10**	**594.70**	**542.96**	**874.67**
Domestic Borrowing					
SIG Development Bonds (Development projects)	300	300.0	300.0	300.0	*0*
WBG Sovereign guarantee -PPG (US$20m) - **New**	167	167.0	-	-	*0*
Total Domestic Borrowing	**467.0**	**467.0**	**300.0**	**300.0**	***0***
TOTAL SIG DIRECT BORROWING (EXTERNAL + DOMESTIC)	**2,891.43**	**879.10**	**894.70**	**842.96**	**-**
B. Government guarantee Proposals/On-Lend	**729.17**	**21.7**	**21.74**	**69.1**	
SICC Submarine Cable (US$22.4m)	187.5	16.3	12.4	45.2	**113.60**
Tina Hydro (additional - US$65m)	541.67	5.4	9.3	23.9	**503.03**
C. Pipelines	**1723.9**	**0.0**	**33.6**	**78.0**	**1,612.30**
Bina Harbor Project (US$200m)	1,665.6	0.0	0.0	25.00	1,640.6
Pacific Clean Energy - Solar Power (US$7m)	58.3	0.0	3.60	3.00	51.7
Henderson Airport Runaway Extension (US$40m)	315.0	0.0	10.00	20.00	285.0
DALA Rd, Malaita (AUD70m)	375.0	0.0	20.0	30.0	325.0
ABL Baseline [Total SIG Borrowing = A+B+C]		**900.80**	**950.04**	**990.06**	
Project Debt Servicing (Principal only)		-250.49	-186.65	-204.56	
Net Government Borrowing		**650.31**	**763.39**	**785.50**	
Balanced Annual Borrowing Limit (Amount Available)		**250.49**	**186.65**	**204.56**	**0.00**

46.0 Based on the current macroeconomic projections for the Fiscal Year 2025-27 projections, the total gross financing requirement is estimated at SBD $900 million for FY2025, $920 million for FY2026 and $940 million for FY2027. This ceiling is intended to be secured through a combination of domestic and external funding sources. Out of the SBD $900 million (USD$112 million) for financing in FY2025, 40% amounting to $300 million, is proposed to be acquired from the domestic market, while the remaining 60%, equivalent to SBD $578 million, will be sourced from abroad.

Treasury bills will be raised from time to time to address any liquidity constraints while Developmental bonds will be averaging $300 million on annual basis will be raised in the local capital market. These numbers are tentative and will be revised on annual basis to be consistent with Medium Term Fiscal framework.

47.0 ***Domestic Issuance:*** SIG plans to issue $300 million worth of medium to long-term Bonds for the next 3 years. The maturities of these bonds range from 2 years to 15 years with coupon rates to be determined by demand from investors. Planned floatation by SIG is detailed below:

- Floatation Frequency: Monthly floatation of SBD$50m
- First Month of Auction: May 2025
- Last month of Auction: November 2025
- Maturities (years): 2,3,5,7,10 and 15 years
- Bond yields: Range between 2.5% (2yrs) and 7% (15 yrs)
- Use of Funds: Financing of developmental projects earmarked in 2025 budget

External Loan Drawdown

The pipelines and ongoing projects that have been earmark for FY2025 comprise of:

- World Bank Sovereign Guarantee Loan (US$30m) – the local currency bond backed by WB will be raised towards the 2nd half of 2025. The guarantee by the World Bank will reinvigorate the local bond market and may trigger rise in demand of bond as its issued at commercial rates.
- Budget Policy Loan from World Bank – SIG anticipates the Bank to provide US$10 million loan for budget support.
- Tina Hydro Power Project – the 15-Megawatt power project has made considerable progress in 2024 and we expect drawdown to be around >$100 million for FY2025. To support power demand in Honiara, SIG will commence drawdown of Rural electrification projects that are funded by ADB (US$10m) and Saudi Fund for Development (US$10m). These two loans will be effective in March 2025.
- Ongoing projects – the lists of projects in Table 6 have been approved by DMAC in 2024 and previous years, but no drawdown yet. SIG anticipates most of these projects to roll out effectively in Q1 and throughout the year. As common for all bilateral and multilateral projects, drawdown will depend on implementation on the ground