



Solomon Islands

Smooth Transition Strategy to Support Graduation from Least Developed Country Status

February 2025

Foreword



The Solomon Islands is navigating complex development challenges that have impacted its planned graduation from Least Developed Country (LDC) status, despite meeting the eligibility criteria in two triennial reviews, in 2015 and 2018, based on two the LDC indicators: Human Assets Index and Gross National Income per capita. The country was initially set to graduate at the end of 2024. However, due to the global COVID-19 pandemic, peace and security challenges and subsequent economic shocks, the Solomon Islands' graduation has been further extended through a Cabinet decision in 2023, to take place on 13th December 2027.

The Solomon Islands graduation from the LDC status is a significant milestone in the country's development journey. It is a testament to the progress made in economic growth, human development, and governance over the years which should be recognized as a national pride for the Solomon Islands. However, this transition also presents challenges that require careful planning and strategic actions to sustain the gains achieved and ensure continued progress toward irreversible graduation and sustainable development.

The LDC Smooth Transition Strategy (STS) serves as a comprehensive roadmap for navigating the pre- and post-graduation period, addressing critical areas such as trade, development financing, structural transformation, capacity building, and social resilience. It underscores the importance of securing extended trade preferences, mobilizing financing resources, fostering industrialization, and strengthening institutional capacities.

Despite the improvements in the human asset index and gross national income index, progress in the economic and environmental vulnerability index remains precarious. Hence, the implementation of this strategy is critical as it will enable the country to build on existing progress to address the economic development challenges.

The STS identifies direct impacts of graduation, including those on trade and finance, and proposes measures to mitigate these effects. Additionally, it highlights complementary plans, enabling factors, and the necessary means of implementation to support a smooth transition, including actions that require resource mobilization.

This strategy aligns with the National Development Strategy (NDS) 2016-2035. As a subset of the NDS, the STS is integrated with the national planning framework, including sector and provincial development plans, community initiatives, and government led programs and projects under the medium-term development plan and the annual budget, supported both by the Solomon Islands Government and Development Partners.

The successful implementation of this strategy will require coordinated efforts by all stakeholders, including government line ministries, development partners, provincial governments, the private sector and non-government organizations.

This strategy is built upon the foundation of durable and genuine partnerships. In this regard, I respectfully urge all stakeholders to embrace this strategy its implementation as it will not only achieve its immediate objectives but also contribute meaningfully to the broader goals of the NDS and key international and regional development agendas including the Sustainable Development Goals (SDGs), the Doha Programme of Action (Doha), Antigua and Barbuda Agenda for SIDS and Blue Ocean Strategy.

The development of this strategy is the result of the collective efforts and commitments of all stakeholders, as well as your active participation during the consultation process and the validation workshop. Your invaluable contributions and feedback are sincerely acknowledged with appreciation. I would like to acknowledge the technical assistance provided by the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) as well as the National Technical Advisor for their support and guidance in the development of this strategy.

A handwritten signature in black ink, appearing to read 'Rexson Annex Ramofafia', with a long horizontal line extending to the right.

Hon. Rexson Annex Ramofafia (MP)
Minister for National Planning
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Part I





Context and Background

1.1 Background

Solomon Islands joined the least developed countries (LDCs) category in 1991. A country is assessed for eligibility in the LDC category using three criteria (**Box 1**): human assets, economic and environmental vulnerability and gross national income per capita. The LDC category was created by the United Nations (UN) in 1971 to recognize the need for special support measures to assist eligible countries in their development efforts. In this context, like other LDCs, Solomon Islands has had exclusive access to certain international support measures, mainly in the form of trade preferences and development assistance.

Box 1: LDC graduation criteria

At the 2018 triennial review, where Solomon Islands was found eligible for graduation for the second time, the following three criteria were used:

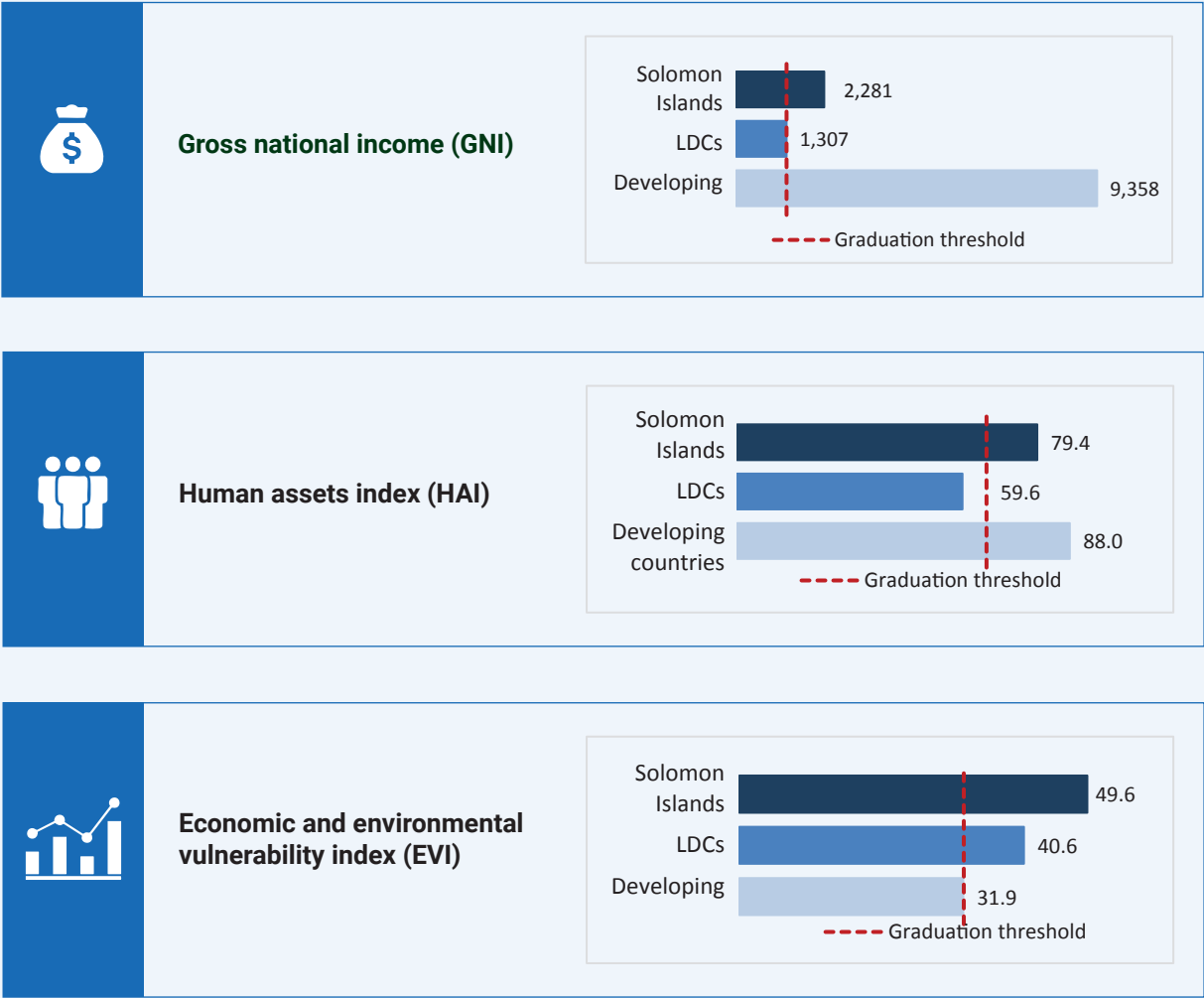
Income criterion, based on a three-year average estimate of GNI per capita for the period 2014-2016, based on the World Bank Atlas method (\$1,230 or above as applied in the 2018 triennial review).

Human Assets Index (HAI) (66 or above) based on indicators of: (a) nutrition: percentage of population undernourished; (b) health: mortality rate for children aged five years or under; (c) education: the gross secondary school enrolment ratio; and (d) adult literacy rate.

Economic Vulnerability Index (EVI) (32 or below) based on indicators of: (a) population size; (b) remoteness; (c) merchandise export concentration; (d) share of agriculture, forestry and fisheries; (e) share of population in low elevated coastal zones; (f) instability of exports of goods and services; (g) victims of natural disasters; and (h) instability of agricultural production. Since then, the components of HAI and EVI have been slightly revised, and EVI was renamed as the "Economic and Environmental Vulnerability Index (EVI)".

Solomon Islands was recommended to graduate from the LDC category based on two consecutive triennial reviews conducted by the UN’s Committee for Development Policy (CDP) in 2015 and 2018, and endorsed by the Economic and Social Council¹ (ECOSOC). This recommendation was based on improvements in the country’s Human Asset Index (HAI) and its Gross National Income, even though the progress in its Economic Vulnerability Index (EVI) remains precarious. A snapshot of the Solomon Islands progress against the LDC graduation criteria is illustrated in **Figure 1**.

Figure 1. Solomon Islands progress against the LDC graduation criteria



Source: CDP 2024 triennial review country profile: Solomon Islands, 2024

The UN General Assembly initially provided Solomon Islands a six-year (2018-2024) preparatory period before its graduation from the LDC status in December 2024. However, due to the global COVID-19 pandemic, peace and security challenges and subsequent economic shocks, Solomon Islands’ graduation had been extended to December 2027. This extension aimed to provide the country with additional time to build on the progress made so far in addressing its development challenges (**Box 2**).

¹ Once endorsed by the ECOSOC, the decision is then referred to the UN General Assembly.

Box 2: Key development challenges

The country's key development challenges include:

Vulnerability to natural disasters and climate change: The country's location makes it highly susceptible to cyclones, earthquakes, floods, and tsunamis. These disasters continue to exert significant damage to the country's fragile economy and infrastructure on regular basis, and climate change is already affecting islands, and expected to exacerbate disaster risks.

Remoteness from large markets and vulnerability to global commodity prices: The geographic isolation of the Solomon Islands increases transportation costs and limits access to major markets. Additionally, the economy is heavily reliant on exports of a few commodities, such as timber and fish, and imports of food and fuel products, making it vulnerable to fluctuations in global prices.

Narrow economic base and low foreign direct investment: The economy is heavily dependent on logging (on the decline) with smaller contributions from fish and palm oil and now gold. Furthermore, attracting foreign investment is challenging due to factors such as poor infrastructure, underdeveloped labour skills, high utility costs, land tenure issues, and limited access to financial capital.

Limited public service delivery due to geographic spread and poor governance: The geographic spread of the islands poses significant logistical challenges to delivering public services to around 80 percent (%) of the population living in rural areas. This is compounded by poor governance issues, which further hinder effective service delivery.

Learning from the experiences of its neighbours like Vanuatu and Samoa who have already graduated, the Solomon Islands Government (SIG) takes the country's graduation seriously.² This is premised on the fact that its EVI still lags behind in terms of progress compared to the GNI and HAI. According to the regional Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI), Solomon Islands is expected to incur an average of USD20 million in losses in a year when a natural disaster like earthquake or cyclone strike. In the next 50 years, the country has a 50% chance of experiencing a loss exceeding USD 240 million and casualties larger than 1,650 people, and a 10% chance of experiencing a loss exceeding USD 527 million and casualties larger than 4,600 people.³

² See GNUT Policy Statements 8.1.5 (d) 'Progress work on a smooth transition strategy towards LDC graduation including implementing targeted capacity-building programmes, fostering partnerships with international organizations, and creating sustainable economic development initiatives to ensure a successful transition out of LDC status'

³ Solomon Islands National Infrastructure Investment Plan (2013).

<https://prdrse4all.spc.int/sites/default/files/13-213231483-solomon-islands-national-infrastructure-investment-plan-2013.pdf>

Furthermore, despite the improved GNI, the country's forecasted economic growth of 2.8%-3.0% in the short to medium term is not convincing enough taking into consideration its fast-growing population of around 2.7% annually.

Taking all of this into consideration, it is critically important that the graduation process is handled carefully. The Government is aware that while there will be some loss of access to some of the international support measures associated with the LDC status, the graduation will also mark a development milestone for Solomon Islands as it transitions into its new status as a developing country. To live up to its new status, it is important that SIG, development partners and citizens takes a resilient, collaborative and whole system approach to work towards the country's graduation in 2027 and beyond. The challenges that come with the graduation needs to be managed carefully and expertly otherwise the country will regress to where it came from or even worse.



1.2 Purpose of the Smooth Transition Strategy

This Smooth Transition Strategy (STS) outlines how the Solomon Islands will manage its graduation process: It

- Identifies direct impacts of graduation, including those on trade and finance (**Part II**)
- Outlines measures to mitigate such impacts (**Part III**)
- Highlights complementary measures, enablers and the relevant means of implementation to support smooth transition, including actions which require resource mobilization (**Part IV**)

1.3 Formulation of the Smooth Transition Strategy: Participatory approach

The STS development process was guided by the Cabinet and adopted a tailored approach that built on existing processes, plans and national systems. This involved extensive consultations⁴ and validation⁵ with Solomon Islands Government, provincial representatives, private sector, and development partners. Further stakeholder consultations between now until 2027 are expected to raise awareness about LDC graduation issues and to mobilise resources for the implementation of this STS.

⁴ Stakeholders' inputs were also collected through the 2024 National Economic Summit and the 2024 Donor Roundtable, and informed by the updated ex-ante assessment by CDP.

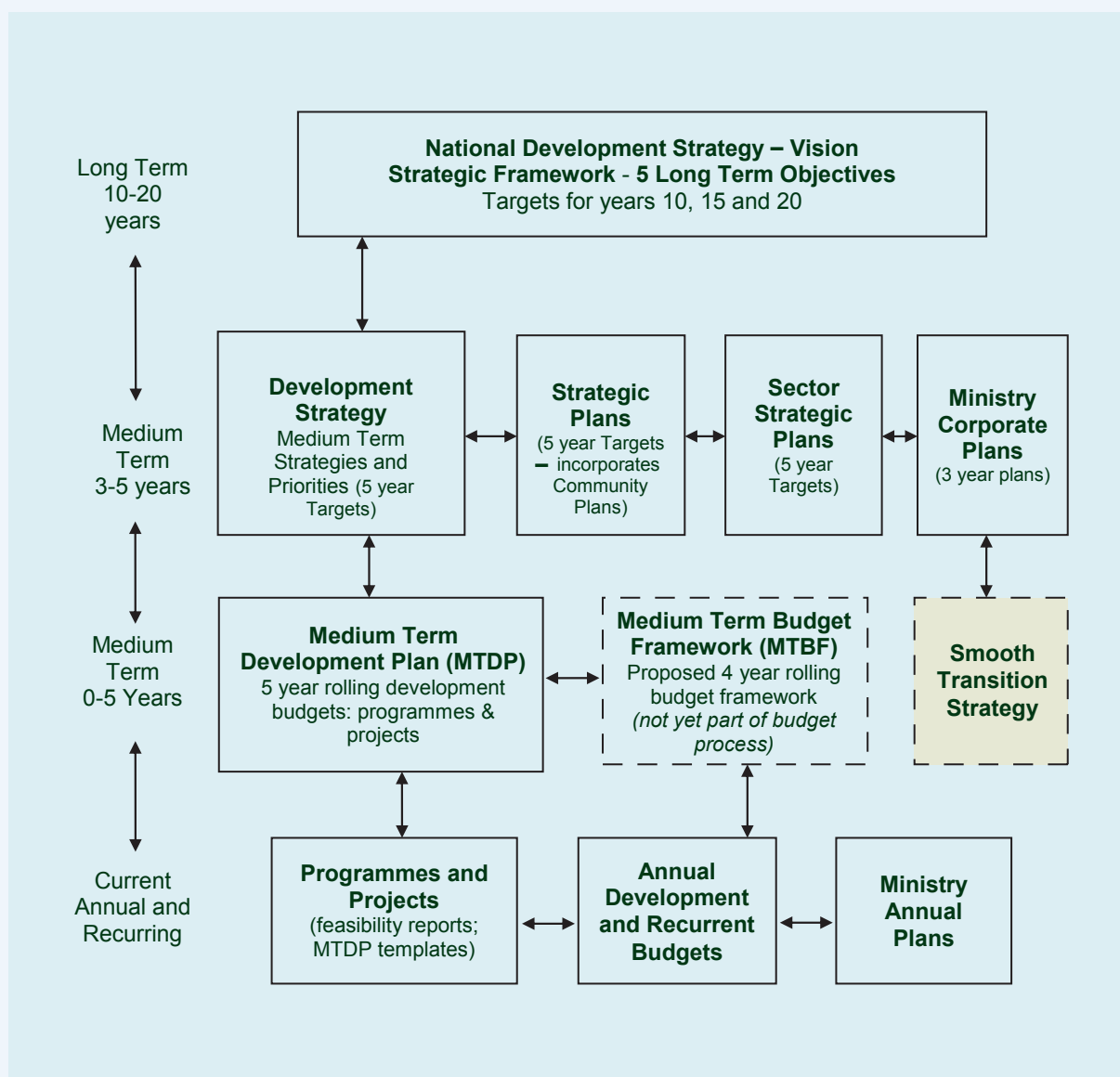
⁵ A national validation workshop "Solomon Islands LDC Smooth Transition Strategy Validation Workshop" involved various national and provincial stakeholders to review a consolidated draft of the STS before a final draft was submitted for cabinet endorsement.

1.4 Use of the current national planning framework

The National Development Strategy 2016-2035 (NDS) provides an overarching roadmap for the development and implementation of this STS.

The STS is a subset of the NDS. It dovetails with the existing national planning framework and associated mechanisms, such as sector plans, provincial development plans, community plans, and programmes and projects included in the medium-term development plan and annual budget by the government and through support of development partners. This framework is illustrated in **Figure 2**.

Figure 2: STS in the Structure of the NDS and Planning Process



Effective implementation through the planning framework requires that all Solomon Islands Government agencies, the private sector, development partners and citizens to take a collaborative and collective approach to work towards the country's graduation in 2027 and beyond.

1.5 Integration of STS into National Budget Process

The STS shall be integrated into the existing planning framework as depicted in **Figure 2**. The STS will explicitly identify LDC graduation-specific measures that are to be implemented by various ministries and departments, particularly those not currently covered in existing sector plans and strategies.

The actions and measures identified in this STS needs to be integrated into relevant ministries' sector plans, which will be assessed through the annual national budget process by MNPDC and incorporated into the medium-term development plan. These initiatives will then be eligible to receive funding through the annual budget. Any initiatives under the STS action matrix that cannot be funded through the Solomon Islands Government budget, can be proposed to development partners for funding support through the established approval process.

1.6 Alignment with the Global and Regional Development Agenda

The NDS has already established linkages and alignment with relevant regional and international agenda. These include the 2030 Agenda for Sustainable Development and the global programmes of action for LDCs and for small islands developing States. **Figure 3** depicts the alignment of the STS with the NDS, sector plans, national budget and to regional and international agendas.

Figure 3: STS in the context of the National Development Strategy, sector plans, national budget and relevant global and regional development agendas



Part II





Implications of Graduation

Part II examines the direct impacts of graduation from LDC status on the international support measures (ISMs) available to Solomon Islands. It summarizes the ISMs for LDCs and how the country currently benefits from ISMs across trade, finance, development assistance, and other areas, and details the expected impacts of graduation on each category.

2.1 International support measures for LDCs

The three categories of international support measures (ISMs) available to Solomon Islands is highlighted in **Table 1** below.

Table 1: Summary of ISMs available to LDCs

Categories	ISMs
Trade	<ul style="list-style-type: none"> • Preferential market access for goods and services • Special and Differential Treatment under World Trade Organisation (WTO) and other regional agreements • Access to Aid for Trade
Development Assistance	<ul style="list-style-type: none"> • Access to grants/budget support, concessional finance (loans) • Technical assistance (TA)
Other Support	<ul style="list-style-type: none"> • Funding for participation in UN meetings, specialised trainings, and others.

2.2 Impact of graduation on trade-related ISMs

2.2.1 Current situation

Solomon Islands has a highly concentrated export structure, both in terms of products and destinations. **Figure 4** indicates that rough wood (logs) continues to dominate export, comprising 61 per cent of total export value in 2022, although this represents a decline from 71 per cent in 2018.

Figure 4. Solomon Islands, shares of exports by product, 2018 and 2022 total



Source: Solomon Islands Ministry of Commerce, Industry, Labour and Immigration, Trade Portal (<https://solomon-islands.tradeportal.org/>), hosted on OEC World, The Observatory of Economic Complexity (OEC) (<https://oec.world/en/profile/country/slb>).

The period between 2018 and 2022 saw a shift in export composition. While rough wood exports decreased, processed fish, palm oil and gold experienced growth, reach 12 per cent, 7 per cent, and 4 percent of total export value, respectively in 2022. The decline in rough wood export value is linked to a reduction in export volume. Export of bauxite, which previously accounted for 6 per cent share, has fallen over the past five years.

In terms of export destinations, **Figure 5** illustrates that China remains the primary importer of Solomon Islands' exports, accounting for 51 per cent of the total value in 2022. China provides Solomon Islands duty-free access to its huge market for 98 per cent of products, which translates to more than 8,000 products eligible for zero per cent import duty.

Figure 5. Values of key exports to major trading partners, 2018 and 2022



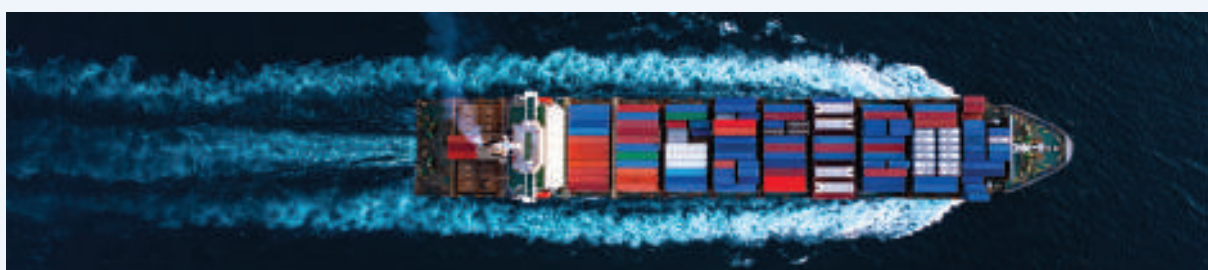
Source: Solomon Islands Ministry of Commerce, Industry, Labour and Immigration, Trade Portal (<https://solomon-islands.tradeportal.org/>), hosted on OEC World, The Observatory of Economic Complexity (OEC) (<https://oec.world/en/profile/country/slb>).



Following China, the other major export markets are India (9 percent), Italy (8 percent), Australia (5 percent), Netherlands (4 percent). While China's share decreased from 68 per cent in 2018 to 51 per cent in 2022, this decline primarily attributed to a reduction in log exports to China, rather than a significant increase in exports to other markets or the growth of additional product exports to third countries.

Solomon Islands already enjoys duty-free quota-free (DFQF) access to major export markets, such as China⁶, EU, UK, Australia, New Zealand⁷, and major economies in the Pacific. The aforementioned DFQF access is independent of LDC-specific international support measures (ISMs) and will remain in place after LDC graduation.

Trade in services are predominantly taking place in telecommunications, finance, transport, and tourism sectors. In addition, through the Labour Mobility Schemes with Australia and New Zealand under the PACER Plus agreement, Solomon Islands workers are employed abroad. The country's current trade in services is not associated with any LDC trade-related ISMs.



2.2.2 Impact of graduation on trade

Noting the analysis on trade-related flows above, **Table 2** depicts the expected impact on trade in goods and services as a result of graduation.

Overall, a large volume of current exports will still enjoy DFQF access to major markets including China, EU, UK, Australia and New Zealand.

Table 2: Summary of expected impacts on trade

Category	Impact
Preferential market access for goods and services	<ul style="list-style-type: none"> • Increase in tariff rate on certain merchandise exports to Republic of Korea, Switzerland, and Japan. • Tariff rates on exports to China, EU, UK, Australia, and New Zealand won't be affected. MFN tariffs in Malaysia, Philippines, Vietnam and Indonesia also won't be affected.
Special and Differential Treatment under WTO Agreements Aid for Trade	<ul style="list-style-type: none"> • No impact is expected on current trade in services. • Special and differential treatment under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) will be lost. • EIF funding will remain accessible until 2032, five years after graduation.

⁶ The dominant export, logs, already faces zero tariffs in China under most-favoured-nation (MFN) rates, applicable to all WTO members. This situation also applies to most exports to other markets, such as Thailand and Japan. For non-log exports, Solomon Islands enjoys the LDC scheme offered by China.

⁷ Solomon Islands benefits from alternative trade agreements, such as the interim Economic Partnership Agreements (iEPA) with the European Union and the United Kingdom, which offer more favourable rules of origin than the LDC scheme, and the PACER Plus agreement with Australia and New Zealand.

Impact on Trade in Goods: As most of the country's export benefit from DFQF schemes outside the LDC trade-related ISM, the overall impact of graduation on trade in goods is limited. Exports to markets such as Malaysia, Philippines, Vietnam and Indonesia will continue to face MFN tariffs and therefore will not have any impact. The primary markets affected by graduation would be Switzerland, the Republic of Korea and Japan (**Table 3**).

Table 3: Expected Impacts on Exports after Graduation

Exported Products (HS4 Code)	Value (percentage of total)	Main Destination (share)	Expected Duty/Tariff Change
Rough wood (4403)	US\$308 million (60.60%)	China (83%)	0% MFN tariff
		India (15%)	0% tariff increase (not utilizing DFQF)
Veneer sheet (4403)	US\$11.6 million (2.28%)	Republic of Korea (87.5%)	2% tariff
		Taiwan province of China (9.81%)	No impact (no DFQF scheme for LDCs)
		Philippines (2.71%)	No impact (no DFQF scheme for LDCs)
Processed fish (1604)	US\$60.8 million (12%)	Italy (69.2%)	0% under IEPA, provided that export standards are met
		Spain (25.2%)	0% under IEPA
Non-fillet frozen fish (0303)	US\$143.3 million (28.10%)	Thailand (29.8%)	0% MFN tariff
		Spain (25.6%)	0% under IEPA
		Ecuador (22.2%)	0% MFN tariff
		Indonesia (11.9%)	No impact (no DFQF scheme for LDCs)
		Italy (7.45%)	0% under IEPA
		Australia (2.93%)	0% under SPARTECA
Coconut oil (1513)	US\$14.7 million (2.90%)	Switzerland (68.6%)	4.1% MFN tariff
		Netherlands (13.9%)	0% under IEPA
		United Kingdom (8.85%)	0% under the UN-Pacific Interim EPA
		New Zealand (4.77%)	0% under PACER Plus
Palm oil (1511)	US\$37.5 million (7.39%)	Australia (3.35%)	0% under PACER Plus
		Netherlands (45.2%)	0% under IEPA
		United Kingdom (38.2%)	0% under the UN-Pacific Interim EPA
		Switzerland (16.6%)	2.3% MNF tariff
Copra (1203)	US\$5.1 million (1%)	Philippines (97.9%)	No impact (no DFQF scheme for LDCs)
Gold (7108)	US\$22.4 million (4.40%)	Australia (73.2%)	0% under PACER Plus
		Hong Kong, China (26.8%)	No impact (no DFQF scheme for LDCs)
Flours, meals and pellets of fish		Japan (46.6%)	3% tariff increase
		Australia (44.9%)	0% under PACER Plus
		Republic of Korea (8.53%)	5% tariff increase
Cocoa beans (1801)	US\$5.8 million (1.15%)	Malaysia (97.5%)	No impact (no DFQF scheme for LDCs)
Processed crustaceans (1605)	US\$6.06 million (1.19%)	Hong Kong, China (98.7%)	No impact (no DFQF scheme for LDCs)

Source: Solomon Islands Ministry of Commerce, Industry, Labour and Immigration.

Impact on Trade in Services: As the country's current trade in services is not associated with any LDC trade-related ISMs, no impact is expected after graduation.

Impact on Special and Differential Treatment: Upon graduation, Solomon Islands will lose special and differential treatment under certain WTO agreements, including the Trade-Related Aspects of Intellectual Property Rights (TRIPS), and requiring higher fees for global intellectual property registration and compliance with previously exempted standards. As a member of World Intellectual Property Organization (WIPO) since 2019, the country can seek WIPO's capacity development support. In the agricultural sector, Solomon Islands may retain some LDC-related benefits, such as longer repayment periods for domestic sources of export financing, by applying for Net Food-Importing Developing Country (NFIDC) status.

Special and differential treatment is also provided under certain regional trade agreements, such as the PACER Plus and the interim Economic Partnership Agreement (iEPA) with the European Union. Graduation could lead to slightly earlier schedules for reduction of import tariff and for application of safeguard measures⁸.

Impact on Aid for Trade: The Solomon Islands has benefited significantly from Aid for Trade, including the Enhanced Integrated Framework (EIF), which has facilitated US\$12 million for trade-related projects and helped establish the country's first National Trade and Policy Framework. While the EIF is specifically for LDCs, the country will retain access for five years after graduation, along with other LDC-specific support from the WTO for three years.

This continued support, including technical assistance and capacity building, is crucial for addressing supply-side constraints, boosting productive capacity. The Solomon Islands also benefits from WTO technical assistance and internship programs, which are not tied to LDC status and will continue to be available.

2.3 Impact of graduation on finance and development assistance-related ISMs

2.3.1 Current situation

The Solomon Islands relies on Official Development Assistance (ODA) to support its development priorities and respond to emergencies. This reliance is evident in the significant contribution of ODA, representing approximately 60-80% of total development funding over the years⁹. Strong partnerships with bilateral and multilateral donors have been crucial in addressing challenges such as nature-induced disasters, civil unrest, and the COVID-19 pandemic.

The deepening engagement with existing partners and the expanding strategic interests in the region indicate a sustained and potentially increased development assistance. This positive outlook is further reinforced by the recent trend of heightened diplomatic presence by several development partners in the Solomon Islands.

⁸ For example, for Solomon Islands, whose graduation is scheduled for 2027, tariff reductions under the PACER Plus agreement will commence in 2028, whereas they would commence in 2031 if Solomon Islands remained an LDC at that time.

⁹ Solomon Islands Aid Management and Development Cooperation Policy and Partnership Framework for Effective Development Cooperation, 2016. pg.7.

Multilateral partners, such as Asian Development Bank and World Bank as well as some bilateral partners, provide budget support, concessional loans, and technical assistance, which have been instrumental in implementing national priorities and responding to crises. Most United Nations entities have prioritized LDCs under strategic plans and/or have special rules for budgetary allocations.

Given its high vulnerability to climate change and natural disasters, Solomon Islands as an LDC is eligible to access certain specialized development assistance. This is provided by, for instance, the Green Climate Fund (GCF), Global Environment Facility (GEF), and the Technology Bank for the LDCs. As of February 2024, Solomon Islands has received around US\$ 33.3 million worth of project support from LDC Fund. There are also two projects worth around US\$111 million currently implemented in the country¹⁰. Most of these projects are grants.

2.3.2 Impact of graduation on finance and development assistance

Table 4: Summary of expected impacts on finance and development assistance

Category	Impact
Bilateral Assistance	<ul style="list-style-type: none"> Most bilateral agencies do not use LDC category for allocating funding, therefore no expected impact, except on loan rates of one bilateral donor.
Multilateral Development Assistance	<ul style="list-style-type: none"> For Solomon Islands, LDC classification is not applicable in terms and conditions of lending for most international financial institutions. In the case of United Nations, graduation per se has no direct consequences. Except for certain agencies (e.g. UNDP and UNCDF) whose funding may be reduced three years after graduation.
Specialized Development Assistance	<ul style="list-style-type: none"> Graduation does not impact access to almost all specialized assistance and funding, except GEF's LDC Fund.

Impact on Bilateral Assistance: Solomon Islands can expect continued ODA flows even after its graduation from the LDC status. Most bilateral partners do not base their aid allocation on LDC status. This means that the impact of graduation on aid flows is expected to be minimal, with the only anticipated change being a potential adjustment in loan rates from one bilateral donor, Japan¹¹. Furthermore, the country will continue to benefit from support measures specifically designed for small island developing States (SIDS).

Impact on Multilateral Development Assistance: For Solomon Islands, LDC classification is not a key determining factor in accessing financing from most international financial institutions. While some donors are exploring new funding instruments based on criteria such as economic performance, the vulnerability of Solomon Islands as a SIDS will remain an important consideration, and therefore there is no immediate impact of graduation.

Similarly, graduation does not have direct consequences for UN assistance. Support to countries is typically reviewed on a case-by-case basis, with most UN entities having dedicated mechanisms to support LDCs and other vulnerable countries.

¹⁰ For <https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/IA-Solomon-Islands-2024.pdf>

¹¹ Interest rates on loans from Japan will increase from 0.01 percent to between 1.95 percent to 2.95 percent depending on assessment and negotiation.

While funding from certain agencies, such as UNDP and UNCDF, may be adjusted after graduation, this is not an immediate consequence of graduation and allows for continued support during a transition period. For example, UNCDF funding can continue under the same conditions for three years post-graduation, with further funding possible on a cost-sharing basis.

Impact on Specialized Development Assistance: While graduation from LDC status will lead to the Solomon Islands losing access to the GEF's Least Developed Countries Fund (LDCF) three years after graduation, it does not significantly impact access to other climate finance and other specialized development assistance. The country will retain eligibility for most other funds, such as the Green Climate Fund (GCF) and the newly established Loss and Damage Fund, due to its status as a SIDS.

2.4 Impact of graduation on other support measures

2.4.1 Current situation

The Solomon Islands benefits from several forms of financial support from the United Nations system. This includes the ceiling on mandatory contributions to UN budgets. For example, for the 2024 budget, Solomon Islands paid US\$ 6,053 instead of US\$ 12,106 as a contribution to the peacekeeping budget. Additionally, the UN provides travel assistance for government officials to participate in the General Assembly, with recent costs of around US\$ 35,000 a year, and other international conferences and meetings. Several other UN organizations and conventions also offer financial mechanisms to support the participation of LDC representatives in their meetings and processes.

2.4.2 Impact of graduation on other support measures

Table 5: Summary of expected impacts on other support measures

Category	Impact
UN mandatory contributions	<ul style="list-style-type: none">• There will be increases in contributions to certain agencies' budgets and the peacekeeping fund.
Travel support for country officials to UN meetings	<ul style="list-style-type: none">• Some travel benefits will be terminated if no formal request for extension is made.

As Solomon Islands' contribution is below the established ceiling, there is no impact of graduation on contributions to the regular budget of the United Nations and any other entities that follow its scale of assessments. There will be an increase in contributions to the peacekeeping budget and specific agencies' budget. In 2024, for example, contribution by Solomon Islands to the Universal Postal Union (UPU) and World Intellectual Property Organisation (WIPO) would imply increases by US\$ 23,000 and US\$ 1,424, respectively.

After graduation, while UN's travel support to participate in the General Assembly will be withdrawn. However, it can be extended for a period of up to three years, subject to the country requesting the UN and availability of funds.

Part III





Measures to Manage the Targeted Impacts of Graduation

Part III focuses on addressing targeted direct (and selected indirect) impacts of graduation, particularly the loss of international support measures in trade, finance and development cooperation.

In response to the impacts of graduation identified in Part II of the STS, **Table 6** lists specific mitigation measures.

Table 6: Action matrix for implementation measures to manage the targeted impacts of LDC graduation

Expected area of impact	Actions	Lead	Key partners	Time frame ¹²	KPIs	Related NDS objective
Trade	Explore the utilization and/or extension of preferential treatment currently available to LDCs, or alternative preferential opportunities by relevant trading partners, for both existing and other potential exports ¹³	MFAET	NTDC, MCILI, MAL, exporters, SICCI, CEMA, relevant trading partners and private sector entities	2025-2026	Post-graduation market access secured ¹⁴ , with minimal disruption to existing exports	Objective 1
	Identify LDC-specific flexibilities in trade agreements , such as safeguard measures and environmental regulatory requirements ¹⁵ , that are most significant to Solomon Islands and explore alternative sources of support and means to offset the impact.	MFAET	NTDC, MCILI, MAL, Development Partners, universities	2025-2026	Waivers/ provisions in place	Objective 1
	Request WTO to retain Solomon Islands in the list of net food importing countries (NFIDCs) even after graduation. NFIDCs are a recognised group that is accorded flexibility in the WTO rules, such as in the Agreement on Agriculture.	MFAET	NTDC, WTO	2028-2029	Listed in NFIDCs	Objective 1

¹² Implementation agencies can adjust these timeframes according to their workplans.

¹³ These include: Switzerland, particularly for coconut oil and palm oil and other potential exports; Japan, particularly for non-fillet frozen fish and other potential exports; South Korea, particularly for veneer sheets, rough wood, and other potential exports; and Thailand for potential new exports. China has already agreed to a three-year preparatory period post-graduation, and SPS protocols secured for aquaculture products, coffee and cocoa.

¹⁴ This can be in the form of MoU, exchange of letter or other appropriate formal understanding.

¹⁵ These include, for instance, the EU Deforestation Regulation.

Expected area of impact	Actions	Lead	Key partners	Time frame	KPIs	Related NDS objective
Trade	Enable improved compliance to export standards, trade compliance and market requirements, including relevant sanitary and phytosanitary measures and technical barriers to trade requirements . Focus should include enhancing the capacity and expanding the scope of the National Biosecurity Division (BSI-MAL), Environmental Health Division (EHD-MHMS) National Health Laboratory (NPHL-MHMS) and agencies responsible for quality infrastructure to be an accredited agency ¹⁶ .	MAL, MCILI, MHMS	MFMR, private sector, Development Partners, SICCI	2025-2027	Accredited agencies established for sanitary and phytosanitary measures and technical barriers to trade requirements	Objective 1
	Identify new potential markets for export market diversification for both existing and new, niche products.	MFAET, MCILI, CEMA, MAL, MFMR	Private sector and Development Partners	2025-2027	Value and volume of exports to new markets increased; National Export Policy prepared and implemented	Objective 1
Trade and Private Sector Support	Strengthen productive capacity, downstream processing and facilitate the export of niche products , such as kava, coffee beans, taro, cassava, seaweed, ginger, noni and ngali nuts, breadfruit and pineapples	MAL, MCILI, MFMR, CEMA	MFAET, private sector, SICCI, Development Partners	2025-2027	Increased value and volume of niche products exported; National Export Policy prepared and implemented	Objective 1
Trade - Technical Assistance - Capacity Building	Utilize WIPO's Graduation Support Package for LDCs to advance TRIPS reforms ; enhance Intellectual Property institutions, legislative/regulatory reviews/updates and develop enforcement mechanisms	MJLA	MCILI, MFAET, WIPO, Development Partners	2025-2027	TRIPS laws, policies and enforcement capacities in place.	Objective 1

¹⁶ Explore the possibility of establishing NHL as a separate agency with appropriate human and financial resources to enhance the trade of the country.

Expected area of impact	Actions	Lead	Key partners	Time frame	KPIs	Related NDS objective
Trade - Technical Assistance - Capacity Building	Explore opportunity for transition periods for LDC-specific aid for trade (AfT) capacity building , supplementation and technical assistance. ¹⁷	MNPDC	MFAET, CBSI, Development Partners, WTO, EIF, academia	2025-2027	Number of programs/ project and trainings mobilised and delivered.	Objective 1
	Utilize transition periods available in LDC-specific mechanisms, such as the Technology Bank for LDCs and the Investment Support Programme for LDCs	MFAET	MCILI, MCA, MNPDC, Development Partners	2025-2027	Number of programs/ projects and value under LDC Technology bank & Investment Support programme for LDCs	Objective 1
Finance	Utilize SIDS status to access climate funds , such as GCF, Climate Risk and Early Warning Systems, GEF Trust Fund, and the Global Biodiversity Framework Fund.	OPMC, MoFT, MNPDC, MECCDM	Development Partners	2025-onwards	Number and value of approved programs/ projects	Objective 3
	Source financing and projects to target improved supply side constraints of the country, and productive capacities.	MNPDC, MFAET, MCILI	MoFT, SICCI, EIF, Development Partners	2025-2027	Number and value of approved EIF projects	Objective 1
	Request resources from climate funds , such as GEF and LDCF while still eligible.	MECDM, MoFT	Development Partners, line ministries, private sector	2025-onwards	Number and value of approved GEF and LDC Fund projects	Objective 3
	Use donor roundtables and related mechanisms to confirm with development partners what flows of development cooperation is expected over the medium-term , particularly against key national priorities, including the identified pipeline of investment projects.	MNPDC, MoFT	Development Partners		Development assistance annual flows from 2025-2027 and 2028-2033, and the percentage share of the 'Aid for Trade' component	Objective 1

¹⁷ Under the present rules of, graduated countries could access funding from the EIF during a transition period of five years.

Expected area of impact	Actions	Lead	Key partners	Time frame	KPIs	Related NDS objective
Finance	Explore the possibility of extending reduced fees for LDCs offered by the International Telecommunication Union (ITU, Universal Postal Union (UPU) and WIPO	MFAET, MCA	Relevant national stakeholders, Development partners	2025-2027	Approved extension of reduced fees by ITU, UPU and WIPO	Objective 1,2
	Request extension of LDC travel benefits for attending GA	MFAET, MNPDC	United Nations	2025-2026	Approved travel benefits extension	
Communication	Develop a communication workplan for outreach (from 2025 onwards) on LDC graduation and the STS. For example, to include a theme, compose short media clips on graduation, hold public and provincial awareness raising and information sharing, and circulate FAQs, associated media coverage.	MNPDC , OPMC (GCU)	MCA, MASI, MoFT (SIG-ICTSU)	2025-2027	A communication workplan is developed and outreach completed by 2027.	



Part IV





Complementary Measures and Enablers to Support the Country's Smooth Transition beyond LDC Graduation

Achieving a smooth transition beyond LDC graduation requires a comprehensive approach that goes beyond sector-specific interventions. Complementary measures and enabling conditions play a crucial role in reinforcing national development efforts, mitigating potential risks, and ensuring sustained progress.

These measures include strengthening institutional capacity, enhancing policy coherence, improving coordination mechanisms, and mobilizing financial and technical support. Effective governance, investment and private sector engagement, and inclusive economic policies will be essential in addressing structural challenges and unlocking new growth opportunities. By integrating these enablers into the transition strategy, the Solomon Islands can build resilience, foster sustainable development, and ensure that the benefits of graduation are widely shared across society. Several key donors in partnership with SIG are already implementing programmes to support these priority measures and have indicated continued support for targeted reforms over the medium term.

This section discusses these issues in more detail.

4.1 Key policy measures to support smooth transition

The Solomon Islands faces the ongoing challenge of economic and environmental vulnerability, which will persist regardless of its graduation from LDC status in 2027. To overcome these challenges and achieve the goals set out in the NDS, such as attaining 7 percent GDP growth by 2030 and reaching upper-middle-income status by 2050, decisive and sequenced structural reforms are essential.

The Government for National Unity and Transformation (GNUT) policy statement provides a framework for the progress, emphasizing infrastructure development, human capital development, strengthening state capacity, and maintaining peace and security. Guided by the GNUT policy statements, this section identifies key policy measures to support the country's smooth transition and ensure sustained progress beyond graduation. It also builds upon the outcomes of the 2024 Economic Summit, where the goals for economic development were identified.



Table 7 lists the associated key policy measures. These are also intended to inform and serve as a basis for the development of the forthcoming Solomon Islands National Economic Roadmap. In addition, update and planned revision of the NDS will also consider issues contained in this section.

It is important to note that the STS is not an exhaustive list of priorities, and that the current sector strategies and plans contain important complementary measures which will support smooth transition and require implementation.

Development partners have a critical role to play in implementing these actions. Effective partnerships and coordination will also be vital as further discussed later in Part IV.

Table 7: Key policy measures to support the country's smooth transition

Policy Measures	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Goal 1: Enhance the enabling environment to boost private sector development/productivity					
Facilitate land reform to enhance investments and business growth and address the land registry issues. Relevant actions include, for instance, developing an electronic cadastral survey system, piloting customary land registration projects where supported by tribal landowners, and reducing the cost of land registration.	MLHS	MAL, MCT, MCILI, MFMR, MOFR, MMERE, MECDM, private sector, land owners, development partners	2025 onward	Number of land leases for investment Area of land leased for investment	Objective 1
Lower electricity prices by accelerating progress on independent power producers and policy options to manage sound utility tariffs and promoting investment in renewable energy (solar, hydro, and biomass).	MMERE, Sol Power	World Bank, MoFT, development partners	2025 onward	Reduced tariff prices using 2024 as baseline	Objective 1
Enhance and support access to finance by, for instance, strengthening the financial market infrastructures ¹⁸ , improving access and reach of digital financial services, promoting digital financial literacy, and increasing access to finance for indigenous businesses.	MoFT, CBSI, MCILI	DBSI, SINPF, IFC, UNCDF, development partners	2025 onward	Using 2024 as baseline: 1. Establishment of new credit facilities, with additional users and higher disbursement) 2. % of people using digital financial services 3. Reduction in interest rates 4. % of loan disbursed to indigenous businesses	Objective 1

¹⁸ These include, for example, Export facility with DBSI, Guarantee Scheme with CBSI, payment systems and credit registry.

Policy Measures	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Goal 1: Enhance the enabling environment to boost private sector development/productivity					
Foster climate resilient investments in infrastructure and transportation (land, sea and air).	MID	MNPDC, HCC, provincial governments, private sector, development partners	2025 onward	Number of verified climate-proof infrastructure built Costs of inter-island transportation reduced Frequency of inter-island transportation increased	Objective 1,3
Goal 2: Invest in human capital development and job creation					
Establish and implement a long-term human capacity development plan that focuses on supply and demand in the labour market. Relevant actions include, for example, supporting skills augmentation for young entrepreneurs, expanding programs that align educational outcomes with labour market needs, particularly in emerging sectors, strengthening academic institutions (SINU) and vocational education (APTC) in promising sectors where immediate skills gaps have been identified, such as modern agricultural techniques, sustainable fisheries, management, eco-tourism services, and modern construction practices, and integrating relevant institutions into national workforce planning.	MEHRD	MCILI, MNPDC, MFAET, YECSI, SICCI, SINU, APTC, academic institutions, RTCs, development partners	2025 onward	Endorsed Long-term Human Capacity Development Plan	Objective 1,2
Maximize opportunities to participate in regional labor mobility programs, including those with Australia, New Zealand and Canada, while managing the potential negative impacts, such as brain drain and social disruptions.	MFAET, MEHRD, MCILI, provincial government	DFAT, MFAT, SIG agencies, Private sector	2025 onward	Number of participants attending the labour mobility schemes with Australia, New Zealand and Canada	Objective 1,2

Policy Measures	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Goal 2: Invest in human capital development and job creation					
Invest in skill development for workers participating in the labor mobility programs to reintegrate returning workers and maximize economic benefits upon returning to the Solomon Islands by, for instance, formulating a dedicated reintegration policy.	MFAET, MEHRD, MCILI	DFAT, MFAT, SIG agencies, Private sector	2025 onward	Number of participants attending the labour mobility schemes upskilled	Objective 1
Goal 3: Enhance domestic production and trade capacity, including in agriculture, fisheries and forestry					
Invest in downstream processing and value addition to boost export diversification and the country's export volume.	MAL, MCILI, MoFR, MFMR, MID	MFAET, SICCI, Development partners	2025 onward	Amount of resources utilised to boost value addition and export diversification	Objective 1,2
Invest in cold storage to boost production and safety of seafood especially to supporting the fisheries sector.	MFMR	MHMS, private sector, development partners	2025 onward	Storage capacity built and utilised	
Support trade facilitation in standardization, simplification and harmonization of trade in goods procedures.	MCILI, MCT, SICED, MAL, MHMS, Solomon Ports	SICCI, SIG agencies, Private sector, development partners	2025 onward	Trade in goods procedures applied by border agencies simplified	
Support production and marketing of local goods and services for domestic consumption and export by, for instance, strengthening productive capacity.	MCILI, MCT, MAL	SICCI, SIG agencies, Private sector, development partners	2025 onward	Number of new local products on the market Value of exports increased Value of investment in the productive sectors increased	Objective 1,2
Invest in e-commerce opportunities to support businesses and consumers integrate into domestic markets, increase exports, create employment opportunities and spur innovation.	MCILI, MCA	SICCI, SIG agencies, Private sector, development partners	2025 onward	Business and consumer usage of e-commerce increased	

Policy Measures	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Goal 4: Strengthen governance capacity, peace and security					
Deepen decentralization and empowerment of provincial governments to ensure that resources are equitably distributed and local communities are active participants in their own development.	MPGIS, OPMC	SIG agencies	2025 onward	Amount of resources utilised through the ward committees Revenue sharing mechanism in place	Objective 4
Enhance, empower and support integrity institutions to carry out their roles effectively, including relevant legislative reforms and strengthened enforcement to safeguard against corruption.	OPMC, MoFT, MPS	Integrity institutions (OAG, Ombudsman, SICAC, LCC), Attorney General Chambers, development partners	2025 onward	Increase in financial resources provided using 2024 figures as baseline Number of legislations enacted Number of reports published, and cases completed Number of cases prosecuted	Objective 4
Empower and resource the Royal Solomon Islands Police Force (RSIPF).	MPNSCS	MoFT, MPS, OPMC, development partners	2025 onward	Improved police to citizens ratio using 2024 ratio as baseline	Objective 4
Review and update relevant natural resource sector legislations to boost the share of benefits resource owners get from the resources	MoFR, MFMR, MAL, MMERE	SIG agencies, private sector, development partners	2025-2030	Relevant natural resource sector legislations with improved conditions for resource owners reviewed, updated and implemented	Objective 1

4.2 Investment and infrastructure development

Sustained infrastructure investments are essential for the Solomon Islands' economic development, particularly in enhancing transport networks and expanding digital connectivity. Strengthening road and maritime infrastructure—through road expansion, community jetties, and inter-island shipping—will drive economic diversification beyond logging.

Expanding 4G coverage and making internet access more affordable, especially in remote areas, will support e-commerce, financial inclusion, and access to information. Given fiscal constraints, innovative financing under the Solomon Islands Integrated Finance Framework (SIFF) will be crucial in bridging investment gaps and catalyzing transformative change.

The Bina Harbour Tuna Processing Plant (BHTPP) and Tina River Hydro Power (TRHP) Project are among the most impactful initiatives for economic transformation. With an estimated total capital investment of over US\$ 200 million from the Solomon Islands Government and additional funding from development partners (see Annex), the BHTPP is expected to generate US\$ 400 million over 15 years, creating 2,000 direct jobs in Malaita while enhancing infrastructure and enhancing value addition in the tuna industry. The TRHP, with a 15 MW capacity, will reduce electricity costs, lessen reliance on imported diesel, and cut annual CO₂ emissions by 49,500 tonnes. Improved electricity access will drive advancements in health, education, ICT, and business while reinforcing investor confidence in large-scale projects. To ensure their successful completion, securing financing and implementation support from development partners between 2025-2027 and beyond the country's graduation is imperative. The Solomon Islands Government and its partners must prioritize investments in supporting infrastructure and policy incentives to maximize impact.

All future development projects must align with the Public Investment Management (PIM) framework, which establishes the institutional and regulatory structures necessary for guiding project selection and external financing allocation in line with the National Development Strategy (NDS). It provides a framework for project appraisal, funding selection, implementation oversight, and rigorous monitoring and evaluation, ensuring optimal use of resources, including those from development partners.

Development investments should be phased in accordance with the country's capacity to absorb economic and climate-induced shocks, with prudently negotiated financing arrangements to mitigate fiscal risks, maintain external balance, and uphold debt sustainability.

Annex identifies key strategic initiatives to ensure equitable development across all provinces, fostering sustainable and inclusive growth.



Photo credit: Tri Marine

4.3 Partnerships, and whole of government and development partner coordination

Enhancing coordination within the government is essential for the effective implementation of the STS, NDS, sector strategies, and the national budget, including partner resources. The 2024 Voluntary National Review (VNR) underscore this need, highlighting areas for improved alignment and efficiency.

Stronger adherence to the Solomon Islands Aid Management Development Cooperation Policy and its Partnership Framework for Effective Development Cooperation is necessary for the appropriation of development partner support. This will ensure better resource utilization in implementing the NDS, MTDP, and sector plans, advancing national development priorities, the Sustainable Development Goals, and other international commitments over the next 10–15 years.

Tailored and strengthened coordination mechanisms to support ongoing implementation is required, building on existing processes and systems, to include development partners, private sector and civil society partners as needed. **Table 8** discusses selected actions to address these issues.

Table 8: Coordination and partnerships

Reform actions	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Enhance the link between development partners programmes to national priorities	MNPDC, MoFT	Development partners, provincial government	2025 onward	Development partners programmes clearly linked to NDS A donor coordination and implementation strategy/roadmap developed Number of partners that share their development assistance data with MNPDC	Objective 1
Enhance information sharing between SIG and development partners regarding development assistance and that the Aid Management and Development Cooperation Policy, and the Partnership for Effective Development Cooperation Framework is complied with	MNPDC, MoFT	Development partners	2025 onward	A donor coordination and implementation strategy/roadmap developed Government and development partners' plans, policies, and strategies better aligned Number of joint meetings or consultations increased	Objective 1

Reform actions	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Increase transparency between the Government and development partners to promote effective coordination to implement fit-for-purpose economic policies, including aid for trade (AfT) support.	MNPDC, MoFT	MFAET, development partners	2025 onward	Government and development partners' plans, policies, and strategies better aligned Number of joint meetings or consultations increased Quality and frequency of information shared increased Amount of aid for trade support increased	Objective 1
Ensure all development projects are assessed through the Public Investment Management Framework	MNPDC, MoFT	Development partners	2025 onward	Number/value of projects assessed through PIM Framework	Objective 1
Strengthen whole-of-government coordination	MNPDC	SIG agencies, provincial government	2025 onward	Number and frequency of joint meetings	Objective 5
Strengthen partnership for both urban and rural development.	MRD, MNPDC	SIG agencies, provincial government, development partners	2025 onward	Number and value of partnerships implemented	Objective 1,2
Reinforce the need for partners to support local jobs, skills transfer, job pathway building capacity of the Solomon islanders	MNPDC, MoFT, MCILI	Provincial government, development partners	2025 onward	Number of resources dedicated for capacity building	Objective 1

4.4 Strengthening institutions and national systems

Translating NDS objectives, sector plans, and strategies into actionable initiatives while strengthening their coherence with corporate plans, the annual budget, and external assistance remains crucial for achieving better development outcomes. The 2024 Voluntary National Review highlighted the need to further enhance national planning, budgeting, monitoring, and reporting systems.

Reviewing the NDS to ensure alignment with the government's current priorities, recent sector plans, and emerging issues remains a key priority. This may require adjustments and revisions, including improved phasing and sequencing of actions to enhance implementation. Sector strategies and plans, particularly in trade, investment, and productive sectors, will need to be updated accordingly to align with a revised NDS.

Improved information sharing by development partners is also essential for effective government programming, planning, and budgeting. Additionally, ensuring that all development projects are assessed through the Public Investment Management (PIM) Framework will better align external assistance with national priorities.

Robust data collection, analysis, and transparent reporting are critical for informed decision-making and adaptive policy responses to emerging challenges. Strengthening information-sharing mechanisms will enhance accountability and coordination among stakeholders. To improve monitoring and tracking of the NDS and SDGs, the Solomon Islands remains committed to implementing the initiatives outlined in the National Monitoring and Evaluation Systems Strengthening Strategy 2024–2028.

Targeted actions are discussed in **Table 9** in some detail.

Table 9: Strengthening institutions and national systems

Reform actions	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Enact the National Planning Bill	MNPDC	OPMC, AG Chambers	2025 onward	National Planning Bill enacted	Objective 1
Review, update and implement the NDS	MNPDC	SIG agencies, provincial government, development partners	2025-2026	Updated and more focused NDS	
Develop a National Economic Development Roadmap to guide the country's economic development	MoFT, MECDM, OPMC	SIG agencies, provincial government, development partners	2025	Endorsed National Economic Development Roadmap	Objective 1
Strengthen capacity of the Climate Finance Unit (CFU) to enhance access and management of climate financing ¹⁹	MoFT	MECDM, ADB	2025-2027	CFU secures dedicated budget	Objective 1,4

¹⁹ The CFU can also explore the use of the Multidimensional Vulnerability Index to strengthen its case for additional finance, including concessional loans. Capacity building can include, among others, strengthening proposal writing and project implementation.

Reform actions	Lead	Key Partners	Timeframe	KPIs	Related NDS objective
Update the PFM roadmap and implement relevant public financial management (PFM) reforms to boost linkage between planning and budgeting and improve quality of public expenditure, including through targeted capacity building.	MoFT	SIG agencies, provincial government, development partners, including through the Joint Policy Reform Group	2025-2027	Number of PFM reforms implemented	Objective 1
Mobilise resource and accelerate implementing the National Investment Policy and Promotion Strategy	MCILI	Development partners	2025 onward	Policy implemented	Objective 1
Implement, monitor and report on the Solomon Islands Agriculture Sector Growth Strategy and Investment Plan (ASGIP) 2021-2030. For example, improve production through innovation, and capacity building, technology, machinery to boost production.	MAL	SIG agencies, provincial government, MCILI, MoFR, MFMR, CEMA, SICCI, development partners, private sector	2025-2030	Value and volume of key agriculture products	Objective 1
Implement the Solomon Islands Integrated Finance Framework	MNPDC, MoFT	SIG agencies, Development partners	2025 onward	Value of revenue collected	Objective 1
Update, develop, enforce and implement relevant tax laws and reforms to boost voluntary tax compliance and domestic revenue collection, including through digitalization.	MoFT	Development partners	2025-2027	Value of revenue collected	Objective 1
Improve non-tax revenue (NTR) collection	MoFT	SIG agencies, Development partners	2025 onward	Value of NTR collected	Objective 1
Enhance SINSO data collection capacity and expand the scope of their service and link it to the NDS monitoring and evaluation framework and the SDGs	MoFT-SI NSO, MNPDC	Development partners	2025 onward	SINSO data collection aligned to the NDS M&E Framework	Objectives, 1,2,3,4

4.5 Need for leadership and national stability in implementing the STS

Given the Solomon Islands' history of challenges, including periods of civil unrest, maintaining stability will be essential for a successful transition post-LDC graduation. Strong leadership across all levels—political, community, civil society, and public service—is crucial to advancing the national development agenda, including the STS and its associated reforms, ensuring a smooth and sustainable transition.

Part V





Implementing and Monitoring the STS

The STS needs to be integrated into the existing national planning framework, as it outlines specific LDC graduation measures for implementation by various ministries and departments and provincial governments, particularly those not covered in existing sector plans and strategies. Identified actions and measures must be incorporated into relevant ministries' sector plans to be funded by the national budget. Approved initiatives will be eligible for funding through the national budget, while those requiring additional resources can be proposed to development partners for financial support through the established approval process.

The successful implementation of the STS is a collective responsibility, requiring political will and collaboration across government agencies, development partners, and stakeholders. While lead agencies are tasked with driving specific action areas, the contributions of partner agencies are equally vital in ensuring effective execution. Strong coordination and accountability mechanisms will be essential to track progress and address challenges as they arise.

The Ministry of National Planning and Development Coordination (MNPDC) will serve as the lead agency responsible for monitoring and reporting on the implementation of the STS both domestically and internationally. It will report progress to the NDS Implementation Oversight Committee, which also oversees the implementation of the NDS 2016-2035. To facilitate informed decision-making, MNPDC will produce annual progress reports for the oversight committee and provide additional reports to the Committee for Development Policy (CDP) as required.

Measuring progress will rely on key indicators outlined in this STS, including those reflected in the NDS and relevant sector plans and strategies that are also referenced here. Responsible agencies will provide regular updates to MNPDC, which will consolidate their inputs into comprehensive STS progress reports. This regular assessment of implementation progress, will ensure that the strategy remains responsive to national priorities and evolving development needs.



Annex





Annex

Priority projects in the medium term to support provincial development²⁰

SOLOMON ISLANDS NATIONAL INFRASTRUCTURE PRIORITY PIPELINES FOR PROVINCES								
Sector	Sub sector	Project or program	Agency	Est. Cost (SBD)	Development Partners	Current Status	Funding status	Comments
Central Province								
Economic	Road Transport	Tulagi Ring Road Upgrade	MID	\$36,000,000	SIG-CIP	Design Phase and Survey	Partially funded	<i>This was scoped for rehabilitation. Hope to tender the rehabilitation works in 2024. Work will continue to 2025 need funding intervention</i>
	Maritime Transport	NTC Phase 2 Wharves - Yandina Wharf (New)	MID	\$40,000,000	To be determined (TBD)	Planning	Partially funded	<i>Need Funding Intervention</i>
	Energy	Solar hybrid systems -Hakama, Binusa at Bonavista Island and Maleali	MMERE	\$74,000,000	TBD	Concept	Unfunded	<i>Need Funding Intervention</i>
Productive	Agriculture	Hakama Agriculture Development Centre	MAL	\$29,000,000	SIG, Central Provincial Government	Planning	Partially funded	<i>Need Funding Intervention</i>
Social	Health	Olevuga Rural Health Centre Redevelopment	MHMS	\$6,000,000	SIG	Design/Procurement	Partially funded	<i>Need Funding Intervention</i>
	Education	Secondary School Infrastructure Expansion	MEHRD	\$100,000,000	SIG Education Infrastructure Program (DB), ADB, PRC, MFAT, DFAT	Planning	Partially funded	<i>Need Funding Intervention</i>
				Total \$285,000,000				
Choiseul								
Economic	Road Transport	Choiseul Bay Connectivity Roads	MID	\$450,000,000	TBD	Design Phase and Survey	Unfunded	<i>Partially funded from Choiseul Bay to Ngaliyuli was tendered. Hope to commence the works in 2024.Need Funding</i>

²⁰ Figures in this annex are not final and subject to review and further revision in line with the Solomon Islands Infrastructure Pipeline.

SOLOMON ISLANDS NATIONAL INFRASTRUCTURE PRIORITY PIPELINES FOR PROVINCES								
Sector	Sub sector	Project or program	Agency	Est. Cost (SBD)	Development Partners	Current Status	Funding status	Comments
Choiseul								
Economic	Maritime Transport	NTC Phase 2 Wharves -Posarae New Replacement wharf	MID	\$14,000,000	TBD	Planning	Partially funded	Posarae wharf yet to be designed, Moli wharf was designed, no funding
	Energy	Solar hybrid systems (Choiseul Bay Hybrid and +Hydropower)	Choiseul Province Government /PACSOL	\$74,000,000	TBD	Concept (LOT 9/277)	Unfunded	Need Funding Intervention
	Water and Sanitation	Urban and Rural Water Supply Development (Wagina/Tunoe/So neke water Supply	MMERE	\$32,000,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
	Water and Sanitation	Sanitation and Hygiene Facilities (Tarekukure Community Hall Sanitation/Poropor o Rehabilitation Girls/boys sanitation/Taro public toilet facilities	MHMS	\$20,000,000	TBD	Concept phase	Unfunded	Need Funding Intervention
Social	Health	Taro Hospital Relocation	MHMS	\$140,000,000	JICA, World Bank, DFAT, SIG	Planning	Partially funded	Need Funding Intervention
				Total				
				\$730,000,000				
Guadalcanal								
Economic	Road Transport	West Guadalcanalroads Tarseal Road (Komibo to Lambi)	MID	\$192,000,000	TBD	Planning	Unfunded	Need Funding Intervention
	Road Transport	Aola-Marau Road	MID	\$179,000,000	TBD	Concept	Unfunded	Need Funding Intervention
	Road Transport	Omiragia bridge	MID	\$25,000,000	TBD	Planning	Unfunded	Need Funding Intervention
	Road Transport	Mboeni bridge	MID	\$25,000,000	TBD	Planing	Unfunded	Hunivatu and Sughu bridges designed complete, both in Weather coast road
	Road Transport	Tinetemavoa bridge	MID	\$25,000,000	TBD	Planing	Unfunded	Need Funding Intervention

SOLOMON ISLANDS NATIONAL INFRASTRUCTURE PRIORITY PIPELINES FOR PROVINCES								
Sector	Sub sector	Project or program	Agency	Est. Cost (SBD)	Development Partners	Current Status	Funding status	Comments
Guadalcanal								
Social	Agriculture	Tenaru Agriculture Research Infrastructure	MAL	\$50,000,000	SIG, NHA, SIART	Planning	Partially funded	SIART SIG Support project in the initial phase and need funding for long-term infrastructure development
				Total				
				\$496,000,000				
Honiara								
Economic	Road Transport	Resealing of Honiara Feeder Roads	MID	\$30,000,000	NTF	Construction	Partially funded	Need Funding Intervention
	Road Transport	Honiara Highway Inner Bypass	MID	\$88,000,000	TBD	Planning	Unfunded	Need Funding Intervention
	Water and Sanitation	Lungga water treatment plant	Solomon Water	\$458,904,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
Productive	Tourism	Bloody Ridge Nat. Peace Park	MCT	\$10,000,000	SIG	Design Phase and Survey	Partially funded	SIG Support in project site preparation and need funding for the infrastructure development according to the master plan and \$2m already in the Development Budget for 2025-2029
Social	Health	National Referral Hospital Relocation	MHMS	\$100,000,000	SIG	Design and Procurement	Partially funded	SIG Support in land and fencing components and need funding for infrastructure development
				Total				
				\$686,904,000				
Isabel								
Economic	Road Transport	Tatamba Bay Road (20 KM) Tarseal Road	MID	\$40,000,000	SIG-CDF	Design Phase and Survey	Unfunded	Need Funding Intervention
	Road Transport	Buala Town Roads and Buala to Hofi 11km Road (Tarseal Road)	MID	\$17,400,000	SIG EIP	Design Phase and Survey	Unfunded	Need Funding Intervention
	Road Transport	Holokama bridge (New Construction-Steel Girder/Concrete deck 25m span	MID	\$25,000,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
	Air Transport	Kaolo Airstrip	MCA	\$50,000,000	TBD	Concept	Unfunded	Need Funding Intervention

SOLOMON ISLANDS NATIONAL INFRASTRUCTURE PRIORITY PIPELINES FOR PROVINCES								
Sector	Sub sector	Project or program	Agency	Est. Cost (SBD)	Development Partners	Current Status	Funding status	Comments
Isabel								
Social	Agriculture	Livestock Development Programme (Gozoruru)	MAL	\$14,000,000	SIG	Design Phase and Survey	Partially funded	SIG Support in the initial phase and need funding for the infrastructure development
	Health	Buala Hospital Redevelopment	MHMS	\$130,000,000 Total \$276,400,000	JICA, SIG	Planning	Partially funded	Need Funding Intervention
Makira								
Economic	Road Transport	Bwara bridge (Re-construction)	MID	\$25,000,000	TBD	Planning	Unfunded	Bwara bridge Design complete, no funding. Recently Rawa bridge was designed and complete, no funding.
	Maritime Transport	NTC Phase 2 Wharves -New Five wharves (Ha'amami -Marou Bay)	MID	\$30,000,000	TBD	Planning	Unfunded	Need Funding Intervention
	Energy	Solar hybrid systems	MECDM	\$74,000,000	TBD	Concept	Unfunded	Need Funding Intervention
Social	Health	Ubuna Area Health Centres	MHMS	\$27,000,000	SIG	Planning	Unfunded	Need Funding Intervention
	Education	Secondary School Infrastructure Expansion (Tawatana/Tawarah a/Haura /Marunga/Bagarei) community High Schools	MEHRD	\$100,000 Total \$156,100,000	SIG Education Infrastructure Program (DB), ADB, PRC, MFAT, DFAT	Planning	Partially funded	Schools selected for funding
Malaita								
Economic	Road Transport	North East Road Rehabilitation (Ataa to Taeloa)	MID	\$40,000,000	SIG	Design Phase and Survey	Unfunded	Cross Road Section done by Hon. Member and need funding intervention for proper drainage and construction of the road

SOLOMON ISLANDS NATIONAL INFRASTRUCTURE PRIORITY PIPELINES FOR PROVINCES								
Sector	Sub sector	Project or program	Agency	Est. Cost (SBD)	Development Partners	Current Status	Funding status	Comments
Malaita								
Economic	Road Transport	Malaita North Road Extensions Tarseal (Gwounaruu to Dala)	MID	\$50,000,000	TBD	Concept	Partially funded	SIRAP is funding the road section from Gwounaruu to Dala, while SIG is funding the emergency rehabilitation of the road to Foia. All unsealed roads. Need Funding for Tarseal
	Road Transport	Malaita South Road Extensions Tarseal (Bina to Hauhui)	MID	\$20,000,000	TBD	Concept	Unfunded	Need Funding Intervention for 38.9 km Tarseal road
Economic	Road Transport	North Road and East Road Maintenance -Dala to Atori Tarsel	MID	\$10,000,000	TBD	Planning	Unfunded	
	Maritime Transport	Bina Port	MID	\$800,000,000	TBD	Design Phase and Survey	Unfunded	Cabinet endorsed \$US202m for public infrastructure (port, power and water) required before the investor comes in
	Maritime Transport	Waisisi (Malaita) Wharf	MID	\$18,000,000	TBD	Design/ Procurement	Unfunded	Design completed, not procured
	Maritime Transport	Matagasi (Malaita) Wharf	MID	\$18,000,000	TBD	Design/ Procurement Planning	Unfunded	Design completed, not procured
Productive	Commerce	Bina Fisheries Project	MFMR	\$256,000,000	SIG/NZ/ IFC/DFAT		Partially funded	SIG/DAFT/IFC Support for project initial phase and need funding intervention infrastructure facilities
				Total				
				\$1,212,000,000				
Rennell and Bellona								
Economic	Road Transport	Rennell Road Rehabilitation	MID	\$53,200,000	TBD	Design and survey	Unfunded	Rehabilitation Road Tingoa to Tegano Road Lake -53km Road
	Maritime Transport	NTC Phase 2 Wharves (Lavangu Wharf -Rennell	MID	\$14,000,000	TBD	Planning	Partially funded	New Wharf in Rennell
	Water and Sanitation	Rural Water Supply Projects	MHMS	\$50,000,000	EU, DFAT	Construction	Partially funded	Need Funding Intervention for communities in Rennell and Bellona
				Total				
				\$117,200,000				

SOLOMON ISLANDS NATIONAL INFRASTRUCTURE PRIORITY PIPELINES FOR PROVINCES								
Sector	Sub sector	Project or program	Agency	Est. Cost (SBD)	Development Partners	Current Status	Funding status	Comments
Temotu								
Economic	Maritime Transport	NTC Phase 2 Wharves (New-Four Wharves)	MID	\$28,000,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
	Maritime Transport	Lata (Temotu) Wharf	MID	\$18,000,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
	Energy	Solar hybrid systems	MECDM	\$74,000,000	TBD	Concept	Unfunded	Supporting schools in remote areas in Temotu access to power
				Total				
				\$120,000,000				
Western Province								
Economic	Road Transport	West New Georgia RoadSouth New Georgia Road	MID	\$135,000,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
	Road Transport	South New Georgia Road	MID	\$155,000,000	TBD	Design Phase and Survey	Unfunded	Munda - Hapai - Tombe-Seghe via old Forestry Roads 100km Road
	Road Transport	Munda to Viru Road Upgrade	MID	\$100,000,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
	Maritime Transport	Noro Domestic Wharf Replacement	SIPA	\$20,000,000	TBD	Design Phase and Survey	Unfunded	Need Funding Intervention
	Maritime Transport	Sege wharf	MID	\$47,000,000	TBD	Design Phase and Survey	Unfunded	Seghe wharf extension was designed but no funding
	Maritime Transport	Viru (western) Wharf	MID	\$18,000,000	TBD	Design/ Procurement	Unfunded	Viru wharf design completed, need funding
				Total				
				\$475,000,000				
				Total Investment Value				
				\$4,554,604,000				

SOLOMON ISLANDS GOVERNMENT NATIONAL PRIORITIES						
Sector	Sub sector	Project or program	Ministry	Est. Cost (SBD)	Current Status	Comments
Economic	Environment	MECDM New Office Building	MECDM	\$79,426,616.96	Design phase and survey	<i>A Bill of Quantities (BOQ) and architectural design for the new building were completed in 2017 and fencing secured the area. Need Funding support. Land Secured</i>
	Environment	Solomon Islands Climate Change Adaptation Programme	MECDM	\$2,500,000	Design and procurement	<i>Implementation of surveys /Research-SIIVA and implementation nature base solution for adaptation to provinces need funding to support three provinces</i>
Productive	Agriculture	Agriculture Innovation Enhancement Program	MAL	\$3,744,441	Design and procurement	<i>(MAL) aims to advance research focused on increasing productivity and export competitiveness for cocoa, root, and spice crops. Key priorities include innovations in food processing, addressing genetic issues in cocoa, promoting farm mechanization, and mitigating the impact of the Coconut Rhinoceros Beetle on food security, livelihoods, and the economy.</i>
	Agriculture	Infrastructure Program	MAL	\$2,732,639	Design and procurement	<i>Support to Agriculture extension Staff house in Kirakira, Gozururu and Noro</i>
Economic	Infrastructure	Provincial Township and Urban Development Program	Provincial Government	\$6,023,000	Project procurement set up and Design phase	<i>Support the project management for (1) Mamara Township-(2) Support Huro Mamaloni Township in Makira-(3) Greater Auki Development- Northern/Eastern Region Corridor Commercial Agriculture revitalization and Infrastructure Program for design and survey</i>
	Aviation Transport	Provincial Airport Program (Suavanao Airport) for Asphalt	MCA	\$40,000,000	Design and procurement	<i>Funding gaps and need intervention land is secured</i>
	Aviation Transport	Provincial Airport Program (Barakoma Airport for Asphalt)	MCA	\$10,000,000	Design and procurement	<i>Funding gaps and need intervention land is secured</i>
	Aviation Transport	Provincial Airport Program (Fera airport for Bitumen Pavement)	MCA	\$37,000,000	Design and procurement	<i>Funding gaps and need intervention land is secured</i>
	Aviation Transport	Provincial Airport Program (Ngorangora for Bitumen Pavement)	MCA	\$60,000,000	Design and procurement	<i>Funding gaps and need intervention land is secured</i>
	Aviation Transport	Provincial Airport Program (Gwaunaruú for Bitumen Pavement)	MCA	\$60,000,000	Design and procurement	<i>Funding gaps and need intervention land is secured</i>

SOLOMON ISLANDS GOVERNMENT NATIONAL PRIORITIES						
Sector	Sub sector	Project or program	Ministry	Est. Cost (SBD)	Current Status	Comments
Economic	Tourism	State of Art Museum Development	MCT	\$133,300,000	Concept Plan	SIG commitment for Development budget initial phase for 2025-2029 MTDP and need funding support for infrastructure development for the museums for Guadalcanal and other provinces
	Finance	New Inland Revenue office building project	MoFT	\$150,024,164	Design and procurement	The project commenced in 2022 whereby design had commenced in 2023 and will be ongoing in 2024. New Inland Revenue Office Building Project land is secured.
	Maritime Continent self	Ocean Governance Project	MMERE	\$3,500,000	Design and procurement	This Ocean Governance Project was developed under the auspices of the Solomon Islands National Ocean Policy (2018), the National Development Strategy 2016-2035; the Energy Master Plan (2014) and GNUT policy and need funding intervention
	Geology	Geology Mapping and Mineral Development Program	MMERE	\$1,460,000	Design and survey done	The project aims to assess the geological resources of the Solomon Islands. Resources that have been identified during the reconnaissance phase of the Geological mapping of the Solomon Islands were mainly carried out during the Colonial Administration
	Forestry	Downstream Processing Program	MOFR	\$5,200,000	Design and survey done	Supporting timber freight and building of Noro Timber yards assisting the program expanding its channel of export by purchasing new land in Honiara for timber yard specifically for export and in Noro to receive timbers from Western part of the country
Social	Governance	Ministry of Public Service Infrastructure Development Programme	MPS	\$111,268,000	Designs and survey done	The project will be for a new building construction for the Institute of Public Administration and Management (IPAM) Training Complex land is secure
	Governance	Office of the Auditor General Independence Readiness Program	OAG	\$7,260,000	Design and survey done	The project is to re-develop the existing office due to increase number of staff
	Education	SINU Infrastructure Program	MERD	\$43,700,000	Design and survey phase	Faculty of Business and Tourism Studies. Main Objective: SINU articulated its commitment to being "One of the Premier Research and Teaching University in the nation and region". Internationally recognised.
	Education	Education Infrastructure Program	MERD	\$12,400,000	Design and Site Assessment Survey	Suú NSS Double story Classroom, Dormitory, Dining Hall and Staff Houses Main Objective: Ensure all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective outcomes.
	Education	Education Infrastructure Program	MERD	\$11,100,000	Design and Site Assessment Survey	Waimapuru NSS Double story Dormitories (boys & girls) and Three-Story Complex Classroom. Main Objective: Ensure all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective outcomes

SOLOMON ISLANDS GOVERNMENT NATIONAL PRIORITIES						
Sector	Sub sector	Project or program	Ministry	Est. Cost (SBD)	Current Status	Comments
Social	Health	Rural Water Supply and Sanitation Program	MHMS	\$380,000,000	Design and Site Assessment Survey	Provincial RWASH Projects (Malaita 60M, Guala 50M, Central 40M, Temotu 40 M Renbel 30M, Makira 40M, Choiseul 40M, Isabel 40M, Western 50). Main Objective: Equitable access to safe and affordable drinking water for all and access to adequate and equitable sanitation and hygiene for all.
	Health	Secondary Health Care Program	MHMS	\$130,000,000	Design and Site Assessment Survey	Support Kirakira Hospital. Main Objective: Improved Access to quality health care through improved health facilities to support the Role Delineation Policy and decentralisation of Services to other Provinces
	Youth and Children	Provincial Youth and Children Resource Centre Program	Ministry of Women and children affairs	\$20,000,000	Design and Concepts	To construct Youth and Children Resource Centres in all the provinces as well as provision of programmes and resources that will enhance the capacity of young people to venture into worthwhile activities. The Solomon Island Government is seriously committed to the development of Youths in the country. This is manifested in the formulation and implementation of two important documents: The National Youth Policy 2017-2030, and the Strategic Framework for Youth Development & Empowerment in Solomon Islands.
	Governance	Justice Precinct Complex	Ministry of Justice	\$134,000,000	Design and Site Assessment Survey	Build a complex infrastructure building to support effective delivery of justice services requires sufficient professional and skilled personnel to be supported by necessary infrastructure assets.
				Total Investment Value		
				\$1,444,638,860.96		

