Supplemental Letter

SOLOMON ISLANDS

April 1, 2014

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: CREDIT NUMBER 5379-SB
GRANT NUMBER H913-SB
AMENDMENT
GRANT NUMBER H415-SB
(Additional Financing for Sustainable Energy Project and Amendment to the Original Financing Agreement)
Section 5.01 of the General Conditions
Financial and Economic Data

Dear Sirs and Mesdames:

In connection with the Financing Agreement (Financing Agreement) of this date between the Solomon Islands (Member Country) and International Development Association (Association) providing financing (Financing) for the above-captioned Project, and the General Conditions (General Conditions) made applicable to the Financing Agreement, I am writing on behalf of the Member Country to set forth the following:

1. We understand and agree that, for purposes of Section 5.01 of the General Conditions, the Member Country is required by the Association:

   (a) to report “long-term external debt” (as defined in the World Bank’s Debtor Reporting System Manual, dated January 2000 (DRSM)), in accordance with the DRSM, and in particular, to notify the Association of new “loan commitments” (as defined in the DRSM) not later than 30 days after the end of the quarter during which the debt is incurred, and to notify the Association of “transactions under loans” (as defined in the DRSM) once a year, not later than March 31 of the year following the year covered by the report; and

   (b) to notify the Association at least three months prior to incurring any non-concessional long-term external debt, of its intention to incur such debt, together with the proposed terms of such debt; and

For purposes of this paragraph, “non-concessional long-term external debt” means any long-term external debt (as defined in the DRSM), but excluding private debt (as so defined), with an estimated grant element (GE) calculated in the manner published from time to time by the Association (see, www.worldbank.org/ida under “reports”) of less than (i) 35% or (ii) the GE for determining concessionality established by the International Monetary Fund in any Poverty Reduction and Growth
Facility arrangement or Policy Support Instrument with the Member Country in effect at the time of such notice, whichever is higher.

2. We represent that no defaults exist in respect of any external debt (as defined in the DRSM). It is our understanding that, in making the Financing, the Association may rely on the representations set forth or referred to in this letter.

3. Please confirm your agreement to the foregoing by having a duly authorized representative of the Association sign in the space provided below.

Very truly yours,

SOLOMON ISLANDS

By

Authorized Representative

AGREED:

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative