



## IMF Executive Board Approves a US\$28.5 Million Disbursement to Solomon Islands to Address the COVID-19 Pandemic

### FOR IMMEDIATE RELEASE

- The IMF Executive Board approved the disbursement of US\$28.5 million in emergency financing to help Solomon Islands address urgent balance of payments needs created by COVID-19, which is having a severe impact on exports, tourism, and domestic activity.
- To address the pandemic, the Solomon Islands' authorities have taken measures to prevent the entry of COVID-19, to increase health and containment spending, and to provide targeted support for vulnerable households and businesses.
- IMF financing will help fill immediate financing needs and catalyze additional financing from its development partners to support the COVID-19 response.

**Washington, DC – June 1, 2020.** The Executive Board of the International Monetary Fund (IMF) today approved a disbursement to the Central Bank of Solomon Islands for an amount of SDR 20.8 million (about US\$28.5 million, 100 percent of quota), comprising SDR 6.93 million (about US\$ 9.5 million, 33.3 percent of quota) under the [Rapid Credit Facility](#) (RCF) and SDR 13.87 million (about US\$ 19 million, 66.7 percent of quota) under the [Rapid Financing Instrument](#) (RFI) to help cover urgent balance of payments needs stemming from the COVID-19 pandemic.

The government has implemented strong measures to prevent the entry of COVID-19 and Solomon Islands has had no confirmed cases. Nevertheless, a sharp decline in commodities exports and tourism is expected to negatively impact the economy and weaken the external position, and necessary containment efforts will slow domestic economic activities.

The authorities' immediate policy responses have focused on strong and timely containment measures to limit the risk of a local outbreak while reprioritizing spending towards health care. The authorities have also recently adopted a fiscal stimulus package with policy measures targeted at providing social assistance, protecting jobs and incomes, and stabilizing the domestic economy. The IMF financial support will make a substantial contribution to filling immediate external financing needs that have emerged due to COVID-19. It is also expected to catalyze additional support from development partners.

Following the Executive Board discussion, Mr. Tao Zhang, Deputy Managing Director and Chair, made the following statement:

"The global and domestic measures to contain the COVID-19 pandemic are severely affecting the Solomon Islands' economy, through their impact on commodities exports, tourism, and domestic activity. These have given rise to an urgent balance of payments need. IMF support under the Rapid Financing Instrument and Rapid Credit Facility, in addition to the recent approval of debt service relief under the CCRT, will help address immediate financing needs and catalyze additional support from other development partners.

“The authorities’ immediate policy response has focused on strong and timely containment measures to limit the risk of a local outbreak while reprioritizing spending towards health care. They have also adopted a fiscal stimulus package with measures targeted at providing social assistance, protecting jobs and incomes and stabilizing the domestic economy.

“Additional assistance from development partners, beyond what has already been committed, is needed to close the remaining balance of payments gap and ease the fiscal situation. The authorities’ commitment to high standards of transparency and governance in the management of financial assistance is welcome.

“Beyond the immediate response to the external shock, the authorities should remain committed to policies that promote inclusive growth and resilience while containing external pressures, protecting financial stability and preserving fiscal sustainability.”

More information:

IMF Lending Tracker (emergency financing request approved by the IMF Executive Board)  
<https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker>

IMF Executive Board calendar  
<https://www.imf.org/external/NP/SEC/bc/eng/index.aspx>

IMF Factsheet: The IMF's Rapid Credit Facility (RCF)  
<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/08/Rapid-Credit-Facility>

IMF Factsheet: The IMF's Rapid Financing Instrument (RFI)  
<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/19/55/Rapid-Financing-Instrument>