



Nauru: Electricity Supply Security and Sustainability

Project Name	Electricity Supply Security and Sustainability
Project Number	46455-002
Country	Nauru
Project Status	Active
Project Type / Modality of Assistance	Grant Technical Assistance
Source of Funding / Amount	Grant 0414-NAU: Electricity Supply Security and Sustainability Project concessional ordinary capital resources lending / Asian Development Fund US\$ 2.00 million Grant 0424-NAU: Electricity Supply Security and Sustainability Project Electricity Supply Sec. & Sustain.-NAU US\$ 2.70 million TA 8754-NAU: Tariff and Subsidy Policy Reform Technical Assistance Special Fund US\$ 225,000.00 Grant 0443-NAU: Electricity Supply Security and Sustainability - Additional Financing Government of Australia US\$ 4.74 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Energy - Energy utility services
Gender Equity and Mainstreaming	No gender elements
Description	
Project Rationale and Linkage to Country/Regional Strategy	
Impact	Improved power service for NUC customers.

Project Outcome

Description of Outcome	Increased reliability, lower cost, and greater sustainability of power generation in Nauru
Progress Toward Outcome	The installation and commissioning of generators will be completed by December 2017. Contracts for the roof replacement and the generators were awarded in April 2016.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none">1. New diesel-fired generation put into service to supply reliable base-load power for NUC. Two units each of 2.6-3.0 MW of new diesel-fired generation and 11kV switchgear will be commissioned.2. Repair and/or replacement of existing roof and structural reinforcements of NUC's powerhouse.3. Efficient project management services.
Status of Implementation Progress (Outputs, Activities, and Issues)	By December 2017, 2 units of each 2.6-3.0 MW of new diesel-fired generation commissioned The repair and/or replacement of existing roof and structural reinforcements of NUC powerhouse was completed in December 2016. The Design and Supervision Consultants' contract is still ongoing.
Geographical Location	

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The generator will be installed within the construction footprint already covered by the approved initial environmental examination (IEE) for the project prepared during project preparatory stage. Any environmental impacts beyond those already identified in the IEE will be minimal. Based on the preliminary climate risk screening, the project is considered at low risk for climate change impacts.
Involuntary Resettlement	The project scope is not expected to involve any physical displacement or relocation of people. All activities will be undertaken at the existing site of NUC's powerhouse and will not require additional land acquisition. No resettlement plan is required by ADB's Safeguard Policy Statement (2009).
Indigenous Peoples	The majority of the people living in the project area are not considered to be distinct from mainstream society. The project scope is not expected to affect any distinct and vulnerable group of indigenous peoples, as they are defined by ADB's Safeguard Policy Statement. It does not require an indigenous peoples' plan. The project outputs will be delivered in a culturally appropriate manner.

Stakeholder Communication, Participation, and Consultation

During Project Design	
During Project Implementation	ADB fielded joint missions during June 2015 in parallel with the inception of the project implementation. The mid-term review was held in June 2016. The government officials from the Ministry of Finance, representatives from the Nauru Electricity Corporation (NUC), Government of Australia and the design and supervision consultant participated at these missions. The project scope and implementation schedule were discussed in detail and a memorandum of understandings (MOUs) were signed between ADB and NUC. The Government of Australia pledged A\$6.4 million additional financing, fully administered by ADB, for the project for supply and commissioning of similar rated second generator and 11kV switchgear to enhance generation capacity and the safety. The administration of additional cofinancing is currently being processed by ADB.

Business Opportunities

Consulting Services	Effective project implementation support to the Project Management Unit (PMU) will be provided by the design and supervision consultants (DSC) to be selected in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The DSC will prepare detailed engineering designs, and bidding documents for all lots to be funded by ADB and EU grants; conduct bidding; respond to clarification requests; prepare a bid evaluation report; assist in negotiations; and supervise supply, construction and commissioning. The DSC will be recruited through fixed-budget selection, and will have an 18-month contract duration.
Procurement	All procurement of goods and works will be carried out in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Except as ADB may otherwise agree, procurement of goods and works will be conducted through international competitive bidding procedures using ADB's standard bidding documents. The relevant sections of ADB's Anti-Corruption Policy (1998, as amended to date) will be included in all documents and contracts. Procurement of goods, works and services will be conducted through contracts for: (i) 2 units of each 2.6-3.0MW medium-speed diesel generators, auxiliaries, civil works, installation and training; and (ii) rehabilitation of the powerhouse roof. The contract for the 2 units of each 2.6-3.0MW medium-speed diesel generators will include final design and engineering, supply and installation of equipment, construction works and commissioning, and an operations and maintenance knowledge transfer program for at least 1 year after plant commissioning. The contract for the rehabilitation of the powerhouse roof will cover removal of existing roofing material, minor roof structure repairs and minor building repairs.

Responsible Staff

Responsible ADB Officer	Indrawansa, P.P.G.P.P.
Responsible ADB Department	Pacific Department
Responsible ADB Division	Pacific Liaison and Coordination Office in Sydney, Australia
Executing Agencies	<i>Ministry of Finance Government Building Nauru</i>

Timetable

Concept Clearance	22 Nov 2013
Fact Finding	07 Jul 2014 to 12 Jul 2014
MRM	18 Aug 2014
Approval	07 Nov 2014
Last Review Mission	-
Last PDS Update	17 Mar 2017

Grant 0414-NAU

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Nov 2014	09 Feb 2015	16 Apr 2015	31 Dec 2016	30 Jun 2018	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	2.84		Cumulative Contract Awards			
ADB	2.00		07 Nov 2014	1.94	0.00	97%
Counterpart	0.84		Cumulative Disbursements			
Cofinancing	0.00		07 Nov 2014	1.40	0.00	70%

Grant 0424-NAU

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Nov 2014	09 Feb 2015	16 Apr 2015	31 Dec 2016	30 Jun 2018	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	2.70		Cumulative Contract Awards			
ADB	0.00		07 Nov 2014	0.00	2.65	98%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	2.70		07 Nov 2014	0.00	2.11	78%

Grant 0443-NAU

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
16 Oct 2015	06 Nov 2015	08 Jan 2016	30 Sep 2017	30 Jun 2018	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	4.74		Cumulative Contract Awards			
ADB	0.00		16 Oct 2015	0.00	4.61	97%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	4.74		16 Oct 2015	0.00	0.80	17%

TA 8754-NAU

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
07 Nov 2014	-	07 Nov 2014	31 Dec 2015	30 Jun 2017	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	07 Nov 2014	221,224.88

Project Page

<https://www.adb.org/projects/46455-002/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=46455-002>

Date Generated

06 July 2017

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