



Marshall Islands: Ebeye Water and Sanitation Project (Additional Financing)

Project Name	Ebeye Water and Sanitation Project (Additional Financing)				
Project Number	46346-003				
Country	Marshall Islands				
Project Status	Proposed				
Project Type / Modality of Assistance	Grant				
Source of Funding / Amount	<table border="1"> <tr> <td>Grant: Ebeye Water and Sanitation Project (additional financing)</td> <td></td> </tr> <tr> <td>concessional ordinary capital resources lending / Asian Development Fund</td> <td>US\$ 3.00 million</td> </tr> </table>	Grant: Ebeye Water and Sanitation Project (additional financing)		concessional ordinary capital resources lending / Asian Development Fund	US\$ 3.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions				
Sector / Subsector	Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban water supply				
Gender Equity and Mainstreaming	Effective gender mainstreaming				
Description	The additional financing will: (i) further strengthen KAJUR's financial and technical capacity to sustainably deliver water supply and sewerage services on Ebeye; and (ii) sustain the improved water supply and sanitation services and enhanced hygiene awareness and behaviors on Ebeye which are critical to eliminate the transmission of COVID-19 and other waterborne and transmissible diseases. The project sustainability will be improved which is in line with the lessons learnt for the Pacific Department in the Independent Evaluation Department's Annual Evaluation Report of 2019. The project's target impacts will remain unchanged and outputs will be strengthened.				
Project Rationale and Linkage to Country/Regional Strategy	<p>On 28 September 2015, the Board of Directors approved a grant from the Asian Development Bank's (ADB) Special Fund resources in the amount of \$5.00 million and the administration of Government of Australia grant in the amount of \$4.00 million for the Ebeye Water Supply and Sanitation Project (EWSSP). The Government of Marshall Islands is providing \$10.02 million equivalent in counterpart funds comprising a cash contribution of \$8.16 million and, exemption of taxes and duties amounting \$1.86 million. The project executive agency is the Office of the Chief Secretary, and the implementing agency is Kwajalein Joint Utility Resources, Inc. (KAJUR). The project was declared effective on 3 December 2015 and scheduled to close on 30 June 2022.</p> <p>An assessment of the current project implementation status and achievements demonstrates solid progress. Over the past 4 years, the project has increased Ebeye's capacity to produce freshwater from 249 cubic meters per day (m3/day) to 1,660 m3/day increasing the availability of water from 26 liters per person per day to 180 liters per person per day, expanded the island's freshwater, saltwater and sewerage networks by 8.5 kilometers (km), rehabilitated the existing water supply and sewerage networks by 2.6 km, and installed new sewage treatment facilities (1,400 m3/day) and a constructed a new sewage outfall of 0.6 km. A contract to upgrade Ebeye's electrical distribution system (replacement of switchgear and power poles) is ongoing and is scheduled to be completed in August 2020 but may be delayed due to COVID-19 impacts including restrictions on the movement of contractor personnel and disruptions to equipment and materials supply chains. Issues with electricity generation on Ebeye (outside of the project scope) have also impact on the achievement of electricity supply security targets but are being addressed by other donors.</p> <p>There is also measurable progress towards delivering the project's target impact and outcomes. The average monthly number of cases of diarrhea reported by the Ebeye Hospital has declined by almost 20% since following the implementation of the project's hygiene awareness and education program and the commissioning of the new desalination plant (provided by the project through a design-build-operate contract). All 1,465 household on Ebeye now have access to freshwater, saltwater, and sewerage networks service.</p> <p>However, further assistance is required to build the financial and technical capacity of KAJUR (the project implementing agency). In fiscal year (FY) 2018, KAJUR recorded an operational loss of \$3.57 million and is reliant on equity injections from GORMI to remain operational. KAJUR has developed a new water and sewerage tariff framework to apply to all water and sewerage services and targeting recovery of water and sewerage operations and maintenance costs. The tariff framework was considered by KAJUR's Board of Directors in October 2019 and is scheduled to apply from 1 October 2020 PENDING ratification by new KAJUR's Board of Directors (appointed in February 2020). While KAJUR has consulted with the Ebeye community on the introduction of universal water and sewer tariffs, further consultations are required to ensure community acceptance of the proposed tariffs.</p> <p>Further assistance is also required to build KAJUR's technical capacity to operate and maintain the new desalination plant. When the plant's design-build-operate (DBO) contract finishes in September 2020, KAJUR would not be able to take it over due to the low capacity. The existing DBO contract should be extended with an agreement of enhance skill transfer to KAJUR to operate and maintain the plant after the contact ends. KAJUR needs to optimize the operation of the water supply networks to ensure adequate water pressure for all households. The project impact (reduced incidence of waterborne disease) should continue with further community-wide hygiene awareness campaign activities to sustain improved hygiene behaviors, to prevent contact transmissible disease such as the coronavirus virus.</p>				
Impact	The project impact will be reduced incidence of waterborne disease on Ebeye and is aligned with RMI's national development theme of empowering people and communities to reduce the incidence of access-related poverty through improvements in all areas including social, economic, environment, governance, and infrastructure, as articulated in RMI's National Strategic Plan, 2020-2030.				
Outcome	Improved access to safe water and improved sanitation				
Outputs	Freshwater supplies on Ebeye are safe and secure Sewerage services on Ebeye are effective and efficient Hygiene awareness has increased and hygiene behaviors have sustainably improved. The electricity supply on Ebeye for water and sewerage operations has improved. Financial and technical sustainability of KAJUR has improved				
Geographical Location	Nation-wide, Ebeye				
Safeguard Categories					

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Blaik, Stephen
Responsible ADB Department	Pacific Department
Responsible ADB Division	PAUW
Executing Agencies	Office of the Chief Secretary P. O. Box 15, Majuro Republic of the Marshall Islands MH 96960

Timetable

Concept Clearance	12 May 2020
Fact Finding	30 Jun 2020 to 30 Jun 2020
MRM	21 Jul 2020
Approval	-
Last Review Mission	-
Last PDS Update	13 May 2020

Project Page	https://www.adb.org/projects/46346-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=46346-003
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