



Palau: Palau Public Utilities Corporation Reform Program (Subprogram 2)

Project Name	Palau Public Utilities Corporation Reform Program (Subprogram 2)	
Project Number	54151-003	
Country / Economy	Palau	
Project Status	Approved	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 4198-PAL: Palau Public Utilities Corporation Reform Program (Subprogram 2) Concessional ordinary capital resources lending US\$ 5.00 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Private sector development	
Sector / Subsector	Energy / Energy utility services Water and other urban infrastructure and services / Urban water supply	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The program aims to strengthen state-owned enterprises in Palau by improving the corporate governance and financial management of Palau's electricity and water utility company, Palau Public Utilities Corporation, and providing an enabling environment for private sector participation in the electricity and water subsectors in Palau. The program will support the government's long-term reforms in electricity and water and sanitation.	
Project Rationale and Linkage to Country/Regional Strategy	The reforms of the subprogram 2 target (i) the tariff structure, (ii) enhanced financial management of PPUC, (iii) corporate governance transparency, and (iv) market access for private sector participation. Collectively, these reforms will improve water quality and service (eventually leading to a return to cost-of-service tariffs), increase revenues and liquidity, strengthen corporate governance, operational and technical performance, and ensure transparency for any government support. If enacted, the reforms can open the sector to outside investment, including public-private partnerships, which may significantly improve quality of services. These objectives are foundational to a healthy and sustainable water and wastewater operation for the nation, and fiscal risk management for the public sector.	
Impact		
Project Outcome		
Description of Outcome		
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs		
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Safeguard Categories		
Environment	C	
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	Abbasov, Rafayil	
Responsible ADB Department	Pacific Department	

Responsible ADB Division	PAEN
Executing Agencies	Ministry of Finance 3rd Floor, Executive Bldg, ROP Capitol Ngerulmud, Melekeok State, P.O. Box 6011 Koror, PW 96940, Republic of Palau

Timetable	
Concept Clearance	15 Jan 2022
Fact Finding	07 Mar 2022 to 25 Mar 2022
MRM	09 May 2022
Approval	29 Jul 2022
Last Review Mission	-
Last PDS Update	29 Jul 2022

Loan 4198-PAL

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	5.00	Cumulative Contract Awards			
ADB	5.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/54151-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54151-003
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