



Marshall Islands: Energy Security Project (additional financing)

Project Name	Energy Security Project (additional financing)				
Project Number	49450-026				
Country	Marshall Islands				
Project Status	Approved				
Project Type / Modality of Assistance	Grant				
Source of Funding / Amount	<table border="1"> <tr> <td>Grant 0817-RMI: Energy Security Project (additional financing)</td> <td></td> </tr> <tr> <td>Asian Development Fund</td> <td>US\$ 7.00 million</td> </tr> </table>	Grant 0817-RMI: Energy Security Project (additional financing)		Asian Development Fund	US\$ 7.00 million
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Asian Development Fund	US\$ 7.00 million				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration				
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development				
Sector / Subsector	Energy - Energy utility services				
Gender Equity and Mainstreaming	Some gender elements				
Description	The grant to the Republic of the Marshall Islands for the additional financing of the Energy Security Project will enhance the objective of increased energy security. It will be financed under the facility and supports the implementation of the management action plan to improve the performance of the MEC. Further, it will increase the resilience of MEC's energy business and support the initial steps of the national roadmap to reduce electricity sector emissions by 65% by 2030.				
Project Rationale and Linkage to Country/Regional Strategy	The Marshall Islands depends heavily on external assistance, with an average 60% of gross domestic product being provided through annual grants. Most grants are provided through the Compact of Free Association (COFA), with the United States and have a built-in annual step down, which may be extended beyond the expected closing of 2023. Unemployment is high and human development indicators are generally low; income distribution is quite uneven and there is considerable poverty in the outer atolls. Economic growth over fiscal year (FY) 2015 to FY2020 was supported by strong fisheries output and the resumption of infrastructure projects connected with the COFA. The Marshall Islands has been impacted by the coronavirus disease (COVID-19) pandemic, particularly in the fisheries and transport.				
Impact	The overall project is aligned with the following impacts: (i) energy security for the Marshall Islands improved; and (ii) safety, environmental, and disaster risks associated with handling and storage of refined petroleum products and electricity reduced.				

Project Outcome	
Description of Outcome	Safe, reliable operation of the Majuro fuel tank farm sustained and delivery of electricity in Majuro improved.
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Marshall's Energy Company's (MEC) corporate capacity enhanced.
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	George, Len V.
Responsible ADB Department	Pacific Department
Responsible ADB Division	PAEN
Executing Agencies	Ministry of Finance P.O. Box D, Majuro MH 96960 Republic of the Marshall Islands

Timetable	
Concept Clearance	-
Fact Finding	26 Jul 2020 to 26 Aug 2020
MRM	08 Nov 2021
Approval	14 Dec 2021
Last Review Mission	-
Last PDS Update	14 Dec 2021

Grant 0817-RMI

	Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	7.70		Cumulative Contract Awards			
ADB	7.00	-	0.00	0.00		%
Counterpart	0.70		Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00		%

Project Page	https://www.adb.org/projects/49450-026/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49450-026
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