



Vanuatu: Energy Access Project (Additional Financing)

Project Name	Energy Access Project (Additional Financing)	
Project Number	49450-029	
Country	Vanuatu	
Project Status	Approved	
Project Type / Modality of Assistance	Grant	
Source of Funding / Amount	Grant 0811-VAN: Energy Access Project (additional financing)	
	Asian Development Fund	US\$ 6.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Energy - Electricity transmission and distribution	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The facility will finance a grant for this additional financing for the Vanuatu Energy Access Project. The project, approved on 26 September 2017, became effective on 18 December 2017, and was the first project approved under the facility. The project will assist Vanuatu to install hydropower generation to replace diesel power generation in Malekula and extend the distribution network grid in both Espiritu Santo and Malekula, the second and third largest population centers in Vanuatu. The additional financing is needed to fund a specification upgrade to improve the resilience and durability of the project investment.	
Project Rationale and Linkage to Country/Regional Strategy	<p>Vanuatu has a population of 301,695 dispersed over more than 80 islands with more than 75% of the population lives in rural areas. Economic development is largely focused on urban areas. Nationwide access to reliable, affordable electricity is low (33%), negatively impacting livelihoods, particularly in rural households. In the provinces with access, the electricity supply relies predominantly on diesel generation. The cost and reliability of electricity is high partly because the private sector operates the electricity grids. The high cost of electricity coupled with limited access is constraining economic development, particularly in the provinces. Over reliance on imported fossil fuels (diesel) also has a negative macroeconomic impact.</p> <p>The project will help reduce Vanuatu's dependence on imported fossil fuel through renewable energy generation and increase access to electricity by extending the transmission and distribution (T&D) networks. The project scope includes: (i) the construction of Brenwe Hydropower Plant (BHP) and associated infrastructure (Output 1); (ii) distribution grid extensions in Espiritu Santo and Malekula to benefit an estimated 1,050 households (Output 2); and (iii) training for newly-connected households on options for electricity-based income generation, electricity safety, and budget management (Output 3). The project is being implemented for over 6 years and will close on 29 March 2024.</p>	
Impact	Livelihoods of households in Espiritu Santo and Malekula have improved	
Project Outcome		
Description of Outcome	Supply of clean renewable electricity to households in Espiritu Santo and Malekula increased	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	Brenwe Hydropower Plant put into operation by the government Distribution grid extended and additional households connected by the government Capacity building for project beneficiaries undertaken	
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	Fay, David R.
Responsible ADB Department	Pacific Department
Responsible ADB Division	Pacific Liaison and Coordination Office in Sydney, Australia
Executing Agencies	Ministry of Finance & Economic Management P.M.B. 058 Port Vila Vanuatu

Timetable

Concept Clearance	-
Fact Finding	19 Jun 2020 to 23 Jun 2020
MRM	11 Oct 2021
Approval	03 Dec 2021
Last Review Mission	-
Last PDS Update	03 Dec 2021

Grant 0811-VAN

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	7.20	Cumulative Contract Awards			
ADB	6.00	-	0.00	0.00	%
Counterpart	1.20	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/49450-029/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49450-029
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