

 Early Warning System

ADB-49450-040

Energy Transition Project



Quick Facts

Countries	Marshall Islands
Specific Location	Majuro city
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-12-10
Borrower	Government of Marshall Islands
Sectors	Energy, Infrastructure, Law and Government
Investment Type(s)	Grant
Investment Amount (USD)	\$ 19.70 million
Grant Amount (USD)	\$ 19.70 million
Project Cost (USD)	\$ 21.00 million



Project Description

As stated by the ADB, the RMI consists of 29 atolls and five islands in the North Pacific with an average altitude above sea level of about 2 meters. The Marshall Islands depends heavily on external assistance, with an average 60% of gross domestic product being provided through annual grants - the most significant being the Compact of Free Association (COFA) with the United States that has recently been renewed for the period 2024-2043.

ADB's ongoing assistance in the energy sector in RMI covers interventions for the rehabilitation of the Majuro tank farm as well as for installation of new meters. ADB is supporting the government and MEC implement a multi-year management action plan to improve MEC's corporate performance. This is currently underway through a three-year Supplemental Management and Operations assistance (commenced in 2023) on policy, commercial, technical, regulatory and human resource aspects of the power system in Majuro as well as preparing priority investments for efficiency and reliability.

The proposed project will support energy distribution systems in Majuro city, low carbon renewable energy installations in the RMI and sector reforms, institutional strengthening as well as resilience on smaller islands.

The project supports the overall objective of improving energy delivery in the RMI as well as extending support for the long-term energy transition through infrastructure development, policy support and capacity building. The interventions meet the qualifying criteria for the Pacific Renewable Energy Infrastructure Facility namely (i) it includes support for renewable energy and supporting energy infrastructure for tank farms, diesel generation and distribution assets, (ii) it is in a PIC-11 country, (iii) the project components are based on national energy master plans and priorities in national documents, and (iv) it excludes environment category A projects. The design and implementation of the proposed intervention will align with best practices for interventions for small islands including a phased approach for renewable energy integration and diversification.



Early Warning System Project Analysis

The ADB categorized the project risks as follows:

- Environment: B
- Involuntary Resettlement: C
- Indigenous Peoples: C



Investment Description

- Asian Development Bank (ADB)



Private Actors Description

As stated by the ADB, the Marshalls Energy Company (MEC) is a state-owned utility and is responsible for fuel imports into the Marshall Islands. It also generates, distributes, and retails electricity on Majuro to a population of about 28,000 (about half of the total country's population) and over 70% of the electricity generated and consumed in the country. Also, MEC provides fuel and electricity supply in a few islands outside Majuro.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Marshalls Energy Company - MEC	Contractor	Energy



Contact Information

ADB Team Leader:

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No contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Energy Transition Project: Gender Assessment and Action Plan](#)
- [Energy Transition Project: Initial Environmental Examination](#)
- [Energy Transition Project: Investment Facility Report: Pacific Renewable Energy Investment Facility](#)
- [Energy Transition Project: Project Administration Manual](#)
- [Grant Agreement \(Externally Financed\) for Grant 1003-RMI: Energy Transition Project](#)
- [Grant Agreement \(Special Operations\) for Grant 1002-RMI: Energy Transition Project](#)
- [Project Agreement for Grant 1002-RMI and Grant 1003-RMI: Energy Transition Project](#)



Other Related Projects

- ADB-49450-001 Pacific Renewable Energy Investment Facility (formerly Pacific Renewable Energy Investment Program)
- ADB-49450-004 Pacific Renewable Energy Investment Facility (formerly Pacific Renewable Energy and Energy Efficiency)
- ADB-49450-008 Energy Access Project
- ADB-49450-005 Renewable Energy Sector Project - Additional Financing
- ADB-49450-010 Capacity Building and Sector Reform for Renewable Energy Investments in the Pacific
- ADB-49450-006 Outer Island Renewable Energy Project-Additional Financing
- ADB-49450-007 Majuro Power Network Strengthening Project
- ADB-49450-011 Energy Security Project
- ADB-49450-012 Renewable Energy Project
- ADB-49450-022 Preparing the Pacific Renewable Energy Investment Facility (Phase 2)
- ADB-49450-009 Solar Power Development Project
- ADB-49450-015 Increasing Access to Renewable Energy Project
- ADB-49450-023 Renewable Energy Development Project
- ADB-49450-021 South Tarawa Renewable Energy Project
- ADB-49450-028 Preparing Floating Solar Plus Projects under the Pacific Renewable Energy Investment Facility
- ADB-49450-035 Development of the Pacific Energy Regulators Alliance
- ADB-49450-029 Energy Access Project (Additional Financing)
- ADB-49450-027 Renewable Energy Development Project (additional financing)
- ADB-49450-026 Energy Security Project (additional financing)
- ADB-49450-036 Pacific Renewable Energy Investment Facility: Nuku'alofa Network Upgrade Project
- ADB-49450-038 Preparing the Pacific Renewable Energy Investment Facility, Phase 3
- ADB-49450-032 Increasing Access to Renewable Energy Project (Additional Financing) under PREIF
- ADB-49450-030 South Tarawa Renewable Energy Project (Phase 2)
- ADB-49450-037 Energy Transition Project (formerly Smart Grid Project)
- ADB-49450-041 Climate-Resilient Energy and Water Sector Project