



Marshall Islands: Strengthening Economic Policy and Planning: Supporting the Implementation of the National Development Plan, 2012-2015

Project Name	Strengthening Economic Policy and Planning: Supporting the Implementation of the National Development Plan, 2012-2015		
Project Number	45403-001		
Country / Economy	Marshall Islands		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8061-RMI: Strengthening Economic Policy and Planning: Supporting the Implementation of the National Development Plan, 2012-2015		
	Technical Assistance Special Fund		US\$ 225,000.00
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Governance and capacity development		
Sector / Subsector	Public sector management / Economic affairs management		
Gender			
Description			
Project Rationale and Linkage to Country/Regional Strategy	<p>The Republic of the Marshall Islands' (RMI) current national development plan, Vision 2018, was prepared in 2001 but has not maintained its relevance given the changing development needs of the RMI. In May 2010, the government recognized the need to prepare a new national development plan. A national development plan working group was established and the Economic Policy, Planning and Statistics Office (EPPSO) was tasked with leading the preparation of a new plan. The plan is expected to be finalized in mid-2012, and the government has requested support from the Asian Development Bank (ADB) to help with its implementation and monitoring.</p> <p>Vision 2018 was developed through an extensive consultative process starting with the RMI's second national economic and social summit held in March and April 2001, and then followed by extended deliberations by various working committees established by the Cabinet. It was originally envisaged that following the adoption of Vision 2018, master plans would be developed in major policy sectors and in addition, action plans of ministries and statutory agencies would be prepared to state the respective programs of action aimed at achieving the master plan targets. However, the proposed national development plan structure turned out to be overly ambitious, and only limited progress was made on the preparation of the master plans.</p> <p>The RMI's development environment has also changed since 2001, creating the need for a more realistic plan. The RMI economy relies heavily on government expenditure and, in turn, on foreign grants that fund more than two-thirds of government expenditure. Most foreign grants are provided by the United States (US), mainly under the amended Compact of Free Association. Increased foreign grants helped the economy grow at an average annual rate of 3.1% from fiscal year (FY) 2000 to FY2007. However, in FY2008, the economy contracted by 2.0% as high world food and fuel prices raised inflation to 14.8%, prompting the declaration of a state of national economic emergency. There was no economic growth in FY2009. The economy grew by 5.2 percent in FY2010, driven by an expansion of fishery output and exports, and moderating fuel prices. Similarly, growth in FY2011 is estimated at about 5 percent, driven by higher fish catches, large inflows from the Kwajalein land use agreement, and the Federal Aviation Administration-funded airport extension project. However, over the medium-term growth is expected to stay low at around 1.5 percent.</p> <p>Furthermore, within this low growth scenario over the medium-term, the RMI needs to adjust to the annual decline in Compact grants, which will be phased out altogether in FY 2023. The governments of RMI and US are investing in a compact trust fund that is intended to generate a revenue stream to replace US Compact grants in FY2024. Contributions from the RMI government have, however, fallen short because excessive recurrent expenditure and poor revenue performance have prevented the generation of the required fiscal surpluses. Under current policies, the buildup in government assets in the Compact Trust Fund is projected to fall short of replacing Compact grants expiring in FY2023.</p> <p>As a first step to preparing a new national development plan, and in response to the changing development environment, the government prepared a comprehensive draft concept paper which is currently being used as a guideline in preparing the new plan, with support from the United Nations Development Program.</p>		
Impact	Sustainable economic growth through effective development planning and reporting.		
Project Outcome			
Description of Outcome	Improved government capacity in development planning and managing for development results		
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs	<ol style="list-style-type: none">1. Formulation of rolling three-year implementation plans.2. Strengthen monitoring and evaluation of the implementation of NDP.3. Enhance the capacity of EPPSO staff and relevant government agencies in strategic development planning and monitoring and evaluation.		
Status of Implementation Progress (Outputs, Activities, and Issues)	All activities for the project have been completed.		
Geographical Location			
Summary of Environmental and Social Aspects			
Environmental Aspects			
Involuntary Resettlement			
Indigenous Peoples			

Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	The TA will require an international consultant (estimated 6 person-months of inputs) with skills and expertise in national planning, and a national consultant (estimated 10 person-months of inputs). All consultants will be engaged as individuals. The consultants will be engaged by ADB in accordance with the Guidelines on the Use of Consultants (2010, as amended from time to time)
Procurement	Disbursements under the technical assistance will be made in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).
Responsible ADB Officer	Melei, Maria
Responsible ADB Department	Pacific Department
Responsible ADB Division	Urban, Social Development & Public Management Division, PARD
Executing Agencies	Ministry of Finance, Banking and Postal Services P.O. Box D, Majuro MH 96960 Republic of the Marshall Islands
Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	20 Mar 2012
Last Review Mission	-
Last PDS Update	29 Mar 2016

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Milestones						
Approval	Signing Date	Effectivity Date	Closing			
			Original	Revised	Actual	
20 Mar 2012	-	20 Mar 2012	31 Mar 2015	31 Dec 2015	17 Aug 2016	

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	17 Jun 2022	222,043.14

Project Page	https://www.adb.org/projects/45403-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=45403-001
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