



Marshall Islands: Improved Energy Supply for Poor Households

Project Name	Improved Energy Supply for Poor Households		
Project Number	43463-012		
Country / Economy	Marshall Islands		
Project Status	Closed		
Project Type / Modality of Assistance	Grant		
Source of Funding / Amount	Grant 9148-RMI: Improved Energy Supply for Poor Households		
	Japan Fund for Prosperous and Resilient Asia and the Pacific		US\$ 1.76 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships		
Sector / Subsector	Energy / Conventional energy generation		
Gender	Effective gender mainstreaming		
Description	The project aims at supporting the Republic of the Marshall Islands (RMI) in expanding access to clean and affordable electricity for low-income households. The project consists of three components: (i) Component A: Improved access and management of electricity for the poor; (ii) Component B: Extended and improved supply of power to low-income households; and (iii) Component C: Use of local fuels in power generation to provide alternative incomes for the poor. Under component A and B 350 low income households, disconnected and never connected, received a pre-payment meter. Pre-payment meters help the households manage their electricity bill. A rigorous impact study is ongoing. Under component C, the Marshall Energy Company (MEC) is refurbishing one generator that will be fueled with a blend of coconut oil and diesel. The equipment has been procured and the supply contract for the coconut oil signed. The rehabilitation of MEC's generator is still ongoing.		
Project Rationale and Linkage to Country/Regional Strategy	Better management of electricity expenses and switch to a locally produced and clean fuel are objectives in line with ADB 2020 strategy. The project also fit within the Government's energy policy.		
Impact	The impact of the project is improved livelihoods from sustainable electricity.		

Project Outcome

Description of Outcome	Increased access to electric power and income generating opportunities for the poor from sustainable power supplies.
Progress Toward Outcome	Work continued over the quarter to complete the repair of the fire-damaged concrete foundation supporting the generator, together with the repair of the service trenches and ancillary equipment foundations; all found to be in a worse state of disrepair that originally anticipated.

Implementation Progress

Description of Project Outputs	Installation of prepayment meters for MEC customers. Connection of currently unserved poor households and improved power supply to poor areas in Majuro, Wotje, and Jaluit. Coconut Oil (CNO) - diesel blend used in MEC generators.
Status of Implementation Progress (Outputs, Activities, and Issues)	MEC has completed installation of 350 prepayment meters in the households of poor disconnected customers and previously unconnected poor households. Work continued over the quarter to complete the repair of the fire-damaged concrete foundation supporting the generator, together with the repair of the service trenches and ancillary equipment foundations; all found to be in a worse state of disrepair that originally anticipated. On completion of this work, cable trenches were covered with steel plating and a stable working platform erected above the trenches, which then permitted MEC staff to safely commence further dismantling of the engine for inspection and repairs. New foundation work for the CNO processing equipment and the installation of this equipment was also carried out during the quarter. Awareness campaign managed by MEC through leaflet distribution and community education Component dropped as customers were below than expected. Funding relocated to the rehabilitation of MEC generator Ongoing Ongoing
Geographical Location	

Safeguard Categories

Environment	
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	Converting power generation from diesel alone to CNO blends will improve the environmental sustainability of the power sector as it reduces the use of fossil fuels and improve and emissions such as carbon dioxide and sulfur dioxide. Improved energy efficiency from improved household energy management will also reduce emissions from electricity generation. The project is anticipated to reduce emissions of carbon dioxide by 7,500 tons equivalent annually.
Involuntary Resettlement	No impacts.

Indigenous Peoples	The project will not involve issues of indigenous peoples.
Stakeholder Communication, Participation, and Consultation	
During Project Design	Project design has included extensive consultation with stakeholders, including government officials, power utility representatives, NGOs, business groups, and power customers. All components have been proposed by national counterparts, and all components are included in the recently approved National Energy Policy, and the Energy Action Plan. The project management unit will be in MEC.
During Project Implementation	The project has been implemented in close collaboration with MEC and the Ministry of Resource and Development.

Business Opportunities	
Consulting Services	Consulting services. 3 individual contracts: (i) Social and Gender Specialist; (ii) Biofuel Specialist; and (iii) Electrical Engineer, have been awarded under the Grant. No candidates found for national social specialist.
Procurement	MEC11-1: Pielstick Engine Upgrade & Modification (estimated value \$415,000). Deadline for accepting bid is on 1 February 2012. MEC11-1 Lot 1: Pielstick 10PC 2.2V MK5 Diesel Generator Parts (lowest bid \$249,364.610). Contract was issued on 17 October 2011, with PCSS No. G07234. MEC11-2: Prepayment Meters and Vending System (lowest bid \$221,097). Contract was issued on 2 September 2011, with PCSS No. G06917. MEC 11-4: Coconut Oil Processing Equipment & Laboratory Test Equipment: Invitation for Bids was released on 10 January 2012. Deadline for Bids submission is on 14 March 2012.

Responsible ADB Officer	Trainor, James Michael
Responsible ADB Department	Pacific Department
Responsible ADB Division	Transport, Energy and Natural Resources Division, PARD
Executing Agencies	Ministry of Resources and Development Project Management Office P.O. Box 3059, Majuro Marshall Islands 96960

Timetable	
Concept Clearance	30 Oct 2009
Fact Finding	16 Nov 2009 to 26 Nov 2009
MRM	31 May 2009
Approval	06 Aug 2010
Last Review Mission	-
Last PDS Update	30 Sep 2013

Grant 9148-RMI

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
06 Aug 2010	08 Sep 2010	08 Sep 2010	31 Dec 2012	31 Jan 2014	09 Jun 2014

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	1.76	Cumulative Contract Awards			
ADB	0.00	17 Jun 2022	0.00	1.73	98%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	1.76	17 Jun 2022	0.00	1.73	98%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	Satisfactory	-	Satisfactory

Project Page	https://www.adb.org/projects/43463-012/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=43463-012
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