



## Micronesia, Federated States of: Renewable Energy Development Project (additional financing)

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|--|--|-------------------|
| Project Name   | Renewable Energy Development Project (additional financing)  |                   |
| Project Number   | 49450-027  |                   |
| Country / Economy  | Micronesia, Federated States of  |                   |
| Project Status   | Active   |                   |
| Project Type / Modality of Assistance                      | Grant  |                   |
| Source of Funding / Amount                                 | <b>Grant 0813-FSM: Renewable Energy Development Project (additional financing)</b>   |                   |
|  | Asian Development Fund   | US\$ 4.00 million |
| Operational Priorities                                     | OP1: Addressing remaining poverty and reducing inequalities<br>OP2: Accelerating progress in gender equality<br>OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability<br>OP6: Strengthening governance and institutional capacity<br>OP7: Fostering regional cooperation and integration  |                   |
| Sector / Subsector   | <b>Energy</b> / Energy utility services  |                   |
| Gender   | Some gender elements   |                   |
| Description  | <p>The additional financing project will expand the ongoing project to support disaster risk reduction (DRR) measures for the energy sector in the FSM and covers all four states: Yap, Kosrae, Pohnpei, and Chuuk. It will also finance the second year of implementation support for the SMO for the PUC.</p>  |                   |
| Project Rationale and Linkage to Country/Regional Strategy | <p>The FSM comprises more than 600 islands spread across the western Pacific Ocean and has a population of about 105,000. It is made up of four island states: Chuuk, Kosrae, Pohnpei, and Yap. The gross domestic product is about \$401 million. The FSM entered a Compact of Free Association with the United States in 1986 and has received large external financial transfers to support the operations of the Government of the FSM and substantial public sector investment at the state level, including in energy infrastructure. However, lack of adequate maintenance budgeting and practices have allowed the infrastructure to deteriorate. Each of FSM's states enjoys significant autonomy, with power devolved from the central government to each of the states to manage their own internal affairs, including provision of many public services such as electricity service.</p> |                   |
| Impact   | Sustainable social and economic development of the FSM promoted through the provision and utilization of cost-effective, safe, reliable, and sustainable energy services   |                   |

## Project Outcome

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|                         |  |
|-------------------------|--|
| Description of Outcome  | Sustainable generation and utilization of renewable energy in Yap, Kosrae, Chuuk, and Pohnpei increased              |
| Progress Toward Outcome | Draft RFQ was submitted to ADB in April 2021 for review. It was returned to IA for revision. Expected CA is Q3 2021. |

## Implementation Progress

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|   |   |
|---|---|
| Description of Project Outputs                                      | <p>Output 1 Solar photovoltaic and mini grid in Kosrae installed</p> <p>Output 2 Solar photovoltaic and BESS installed with system integration upgraded in Yap</p> <p>Output 3 Pohnpei Utilities Corporation Strengthened</p> <p>Output 4 Efficient project management delivered and implementing agency capacity developed</p> <p>Output 5 : Disaster resilience of the energy sector utilities improved</p> <p>(5.2 GIS mapping of all 4 electricity utilities completed in the main states in the FSM and information used for operations, maintenance, planning and emergency response (2020 Baseline: not applicable) (OP 2.1.4))</p>  |
| Status of Implementation Progress (Outputs, Activities, and Issues) | <p>Review of Bid Evaluation Report by ADB is ongoing. Expected CA is within June-July 2021.</p> <p>Review of Bid Evaluation Report by ADB is ongoing. Expected CA is within June-July 2021.</p> <p>Review of Bid Evaluation Report by ADB is ongoing. Expected CA is within June-July 2021.</p> <p>Review of Bid Evaluation Report by ADB is ongoing. Expected CA is within June-July 2021.</p> <p>Review of Bid Evaluation Report by ADB is ongoing. Expected CA is within June-July 2021.</p> <p>Review of Bid Evaluation Report by ADB is ongoing. Expected CA is within June-July 2021.</p> <p>Review of Bid Evaluation Report by ADB is ongoing. Expected CA is within June-July 2021.</p> <p>Planned for 2022-2023.</p> <p>Planned for 2022-2023.</p> <p>ADB's Review of RFQ is ongoing. Expected CA is Q3 2021.</p> <p>ADB's Review of RFQ is ongoing. Expected CA is Q3 2021.</p> <p>ADB's Review of RFQ is ongoing. Expected CA is Q3 2021.</p> <p>ADB's Review of RFQ is ongoing. Expected CA is Q3 2021.</p> <p>ADB's Review of RFQ is ongoing. Expected CA is Q3 2021.</p> <p>Contract for Supplemental Management Operations was awarded in February 2021. Consultant has commenced work.</p> <p>Contract for Supplemental Management Operations was awarded in February 2021. Consultant has commenced work.</p> <p>Contract for Supplemental Management Operations was awarded in February 2021. Consultant has commenced work.</p> <p>Contract for PIC was awarded in Feb 2021.</p> |
| Geographical Location   | Nation-wide   |

## Safeguard Categories

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|                          |   |
|--------------------------|---|
| Environment              | C |
| Involuntary Resettlement | C |
| Indigenous Peoples       | C |

## Summary of Environmental and Social Aspects

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Environmental Aspects  
 Involuntary Resettlement  
 Indigenous Peoples

## Stakeholder Communication, Participation, and Consultation

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During Project Design  
 During Project Implementation

## Business Opportunities

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|----------------------------|--|
| Consulting Services        | Package 3-SMO Consultants (\$0.7 million-Pohnpei, Q1 2023).<br>Package 4-DRR Consulting Services (\$1.0 million, published in Q2 2022; expected contract award Q1 2023). |
| Procurement                | Package 2-O&M Equipment and Spares for Reserves (\$2.3 million, Shopping, Q3 2023)   |
| Responsible ADB Officer    | George, Len V.   |
| Responsible ADB Department | Sectors Group  |
| Responsible ADB Division   | Energy Sector Office (SG-ENE)  |
| Executing Agencies         | <i>Department of Finance and Administration</i>  |

## Timetable

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|                     |                            |
|---------------------|----------------------------|
| Concept Clearance   | 25 Dec 2021                |
| Fact Finding        | 21 Sep 2020 to 09 Oct 2020 |
| MRM                 | 12 Nov 2021                |
| Approval            | 08 Dec 2021                |
| Last Review Mission | -                          |
| Last PDS Update     | 26 Oct 2022                |

## Grant 0813-FSM

### Milestones

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| Approval    | Signing Date | Effectivity Date | Closing     |         |        |
|-------------|--------------|------------------|-------------|---------|--------|
|             |              |                  | Original    | Revised | Actual |
| 08 Dec 2021 | 17 Dec 2021  | 02 Mar 2023      | 31 Dec 2025 | -       | -      |

### Financing Plan

### Grant Utilization

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| Total (Amount in US\$ million) | Date | ADB                        | Others | Net Percentage |
|--------------------------------|------|----------------------------|--------|----------------|
| Project Cost                   | 4.20 | Cumulative Contract Awards |        |                |

|             |      |                          |      |      |     |
|-------------|------|--------------------------|------|------|-----|
| ADB         | 4.00 | 27 Oct 2023              | 0.78 | 0.00 | 19% |
| Counterpart | 0.20 | Cumulative Disbursements |      |      |     |
| Cofinancing | 0.00 | 27 Oct 2023              | 0.00 | 0.00 | 0%  |

### Status of Covenants

| Category | Sector | Safeguards   | Social       | Financial    | Economic | Others |
|----------|--------|--------------|--------------|--------------|----------|--------|
| Rating   | -      | Satisfactory | Satisfactory | Satisfactory | -        | -      |

Project Page <https://www.adb.org/projects/49450-027/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=49450-027>

Date Generated 19 April 2024

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