

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



## Marshall Islands: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments (\$ million)<sup>a</sup>

Product Type	Sovereign	Nonsovereign	Total
Grants	37.50	–	37.50
Technical Assistance <sup>b</sup>	3.54	0.15	3.69
<b>Total</b>	<b>41.04</b>	<b>0.15</b>	<b>41.19</b>

– = nil, DMC = developing member country, TA = technical assistance.

Notes:

Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and TA include ADB-administered cofinancing.

<sup>a</sup> Numbers may not sum precisely because of rounding.

<sup>b</sup> Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

## Marshall Islands: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments<sup>a, b, c, d</sup>

Sector	No.	Total Amount (\$ million) <sup>a</sup>	% of Total	COVID-19 Response (\$ million) <sup>e</sup>
Agriculture, Natural Resources, and Rural Development	9	9.86	4.99	–
Education	6	22.17	11.23	–
Energy	6	17.65	8.94	–
Finance	3	1.47	0.74	–
Health	9	18.62	9.43	1.86
Industry and Trade	2	0.99	0.50	–
Information and Communication Technology	–	0.08	0.04	–
Multisector	3	2.42	1.23	–
Public Sector Management	31	80.87	40.96	22.43
Transport	5	9.32	4.72	–
Water and Other Urban Infrastructure and Services	10	33.97	17.20	1.70
<b>Total</b>	<b>84</b>	<b>197.42</b>	<b>100.00</b>	<b>25.99</b>

– = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

<sup>a</sup> Grants and TA include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of commitments.

<sup>d</sup> Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

<sup>e</sup> Numbers may not sum precisely because of rounding.

ADB will continue to respond to government requests for assistance in developing the Marshall Islands' outer islands, and to further improve the quality of basic education in the country.

## MARSHALL ISLANDS

The Republic of the Marshall Islands (RMI) comprises more than 1,000 islets and atolls spread across just 181 square kilometers in the North Pacific. Its economy relies on fisheries and development assistance, including grants under its Compact of Free Association with the United States (the Compact). Compact grants have been decreasing since 2003, and the RMI is in negotiations to extend the free association beyond 2023.

In 2020, border closures associated with the coronavirus disease (COVID-19) pandemic disrupted fishery supply chains, which proved highly detrimental to the economy. The country is also tasked with balancing resources for its urban and rural populations, and enhancing resilience to climate change.

The Asian Development Bank (ADB) has supported the RMI since 1990, with assistance focused on developing renewable energy, water, and sanitation assets, in addition to supporting education, private sector growth, and disaster resilience.

Since 1990, ADB has committed loans of \$93.1 million, grants of \$72.7 million, technical assistance worth \$20.9 million, and ADB-administered cofinancing of \$10.7 million for the RMI. Cumulative loan and grant disbursements to the RMI amount to \$111.1 million. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds.

### ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB's Pacific Approach, 2016–2020 serves as the country partnership strategy for the RMI. The approach focuses on a three-pronged strategy to help small island nations reduce costs, manage risks, and create economic value.



The bank's development program in the RMI seeks to reduce costs by increasing the supply of renewable energy, manage risks by improving disaster risk financing, and create economic value by delivering safe water and sanitation services, improving education outcomes, and developing the private sector.

In 2020, ADB committed \$24.5 million for COVID-19 response in the RMI, comprising \$16 million from the [Health Expenditure and Livelihoods Support Program](#), \$6 million from Phase 3 of the [Pacific Disaster Resilience Program](#), \$1.5 million from the Ebeye Solid Water Management Project, and \$1 million from [COVID-19 Emergency Response](#).

In addition to pandemic-related funding in 2020, ADB also committed \$3 million for the [Ebeye Water Supply and Sanitation Project](#) and \$5 million for solid waste management in Ebeye.

ADB continues to support efforts by the Government of the Marshall Islands to promote renewable energy sources and shore up energy security, raise education standards, improve water supply and solid waste management, enhance public financial management, and strengthen governance in the RMI.

## NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments

in loans and equity investments from ADB's own funds in 2020 amounted to \$1.4 billion for 38 transactions in economic and social infrastructure, finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB mobilized \$1.9 billion of long-term project cofinancing and \$3.3 billion of cofinancing through its [Trade and Supply Chain Finance Program](#) and [Microfinance Program](#). Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$14.3 billion as of 31 December 2020.

## PARTNERSHIPS

ADB coordinates assistance efforts with all major development partners in the RMI, and cofinances both projects and technical assistance to deliver more transformative impacts. The bank works with major bilateral donors, including the governments of Australia; Japan; New Zealand; Taipei, China; and the United States. It also collaborates with multilateral partners, including the European Union and the World Bank.

Over the past 20 years, ADB and the RMI have implemented a number of public consultation programs to give the government, the private sector, civil society organizations, development partners, and the general public an opportunity to discuss fiscal

and economic reforms as well as other development issues facing the country.

ADB's [Pacific Private Sector Development Initiative](#), cofinanced by the governments of Australia and New Zealand, is a key vehicle for strengthening the business enabling environment in the RMI. ADB also supports the RMI through the [Pacific Region Infrastructure Facility](#), which provides technical advice on infrastructure development and sustainable infrastructure management and works to enhance the coordination of development partner investments in the Pacific.

## FINANCING PARTNERSHIPS

[Financing partnerships](#) enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other [nonsovereign cofinancing](#) such as [B loans](#), [risk transfer arrangements](#), [parallel loans and equity](#), [guarantee cofinancing](#), and cofinancing for transactions under ADB's [Trade and Supply Chain Finance Program](#) and [Microfinance Program](#).

ADB began cofinancing operations in the RMI in 1992. Since then, sovereign cofinancing commitments for the RMI have amounted to \$5.76 million for two investment projects and \$3.97 million for eight technical assistance projects.

### Marshall Islands, Republic of: Evaluation Results for Sovereign and Nonsovereign Operations, 2011–2020

	Total Number of Validated and Evaluated Projects and Programs	Evaluation Ratings		
		Highly successful and successful	Less than successful	Unsuccessful
Sovereign Operations	1	-	1	-
Nonsovereign Operations	-	-	-	-

- = nil, IED = Independent Evaluation Department.

Note: The figures indicate the number of sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2010 to 30 June 2020. See [evaluations](#) related to the Republic of Marshall Islands.

Source: IED success rate database (as of 31 December 2020).

### Marshall Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2019–2020

No. of Ongoing Loans <sup>a</sup> (as of 31 Dec 2020)	2019 (\$ million)		2020 (\$ million)	
	Contract Awards <sup>b,c</sup>	-	-	-
Disbursements <sup>b</sup>	-	-	-	-
No. of Ongoing Grants <sup>a,d</sup> (as of 31 Dec 2020)	13		13	
Contract Awards <sup>b,c,d</sup>	1.17	1.92	1.17	1.92
Disbursements <sup>b,d</sup>	2.50	24.75	2.50	24.75
At Risk Projects (%) (as of 31 Dec 2020)	40		40	

- = nil.

<sup>a</sup> Based on commitments.

<sup>b</sup> Includes closed loans/grants that had contract awards or disbursements during the year.

<sup>c</sup> Excludes policy-based, results-based, and financial intermediation/credit loans and grants.

<sup>d</sup> Includes only Asian Development Fund and other ADB special funds.

### Marshall Islands: Projects Cofinanced, 1 January 2016–31 December 2020

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign	1	0.69
Technical Assistance	1	0.69

## Marshall Islands: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2019		2020		Cumulative (as of 31 Dec 2020)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	0.19	0.00	22.16	0.10	80.74	0.04
Consulting Services	0.19	0.03	0.56	0.08	3.41	0.02
<b>Total Procurement</b>	<b>0.38</b>	<b>0.00</b>	<b>22.72</b>	<b>0.10</b>	<b>84.15</b>	<b>0.04</b>

- = nil, 0.00 = less than 0.005%.

### Top 5 Contractors/Suppliers from the Marshall Islands Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2016–31 December 2020

Contractor/Supplier	Sector	Contract Amount (\$ million)
The University of the South Pacific (RMI)	EDU	1.47
College of Marshall Islands	EDU	0.93
ELM Motors Inc.	EDU	0.03
Triple J Marshalls Inc.	WUS	0.02
Deloitte & Touche (RMI) Inc.	EDU	0.01
Others		22.54
<b>Total</b>		<b>25.00</b>

EDU = education, WUS = water and other urban infrastructure and services.

### Top 5 Consultants from the Marshall Islands Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2016–31 December 2020

Consultant	Contract Amount (\$ million)
Individual Consultants	1.47
<b>Total</b>	<b>1.47</b>

A summary of projects with cofinancing from 1 January 2016 to 31 December 2020 is available at [www.adb.org/countries/marshall-islands/cofinancing](http://www.adb.org/countries/marshall-islands/cofinancing).

## PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from all ADB members.

### Share of ADB's Procurement Contracts

#### Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$14.19 billion in 2019 and \$22.79 billion in 2020. Cumulative procurement since 1966 has been \$216.35 billion covering 222,415 contracts.

For contractors and suppliers from the RMI, 186 contracts worth \$80.74 million have been awarded since 1990.

#### Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$756.72 million in 2019 and \$732.11 million in 2020. Cumulative procurement since 1966 has been \$14.13 billion covering 67,086 contracts.

For consultants from the RMI, 63 contracts worth \$3.41 million have been awarded since 1990.

## OPERATIONAL CHALLENGES

The gradual reduction in the value of the RMI's annual Compact grants has resulted in budget constraints affecting the government's ability to provide basic services. To achieve fiscal sustainability, government spending and revenue generation need to be managed more effectively. Budgetary consolidation and structural reforms are also needed to boost private sector development and ensure long-term economic sustainability.

ADB continues to support key institutional reforms in the RMI, and the government has shown strong commitment to implementing these. However, local capacity constraints present challenges to this process, so maintaining reform momentum is critical.

## FUTURE DIRECTIONS

ADB will continue to respond to government requests for assistance in developing the RMI's outer islands, and to further improve the quality of basic education in the country. To foster green and sustainable recovery beyond the COVID-19 pandemic, the bank will also support investments in renewable energy and the institutional strengthening of the Ministry of Finance. Future ADB operations will be complemented by regional technical assistance programs, particularly in the areas of economic management, private sector development, and public sector management.



## CONTACTS

### The Marshall Islands Pacific Country Office

c/o The Marshall Islands Resort Hotel  
P. O. Box 3279  
Mieco Beach Front, Amata Kabua Blvd.  
Majuro, MH 96960  
Marshall Islands  
Tel: +692 625 2525  
Fax: +692 625 2500

### ADB Headquarters

6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel: +63 2 8632 4444  
Fax: +63 2 8636 2444

### Ministry of Finance

Office of the Secretary of Finance  
P. O. Box D, Majuro 96960  
Marshall Islands  
Tel: +692 625 8311

### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

### Annual Report

[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

### Asian Development Outlook

[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

### ADB Data Library

[data.adb.org](http://data.adb.org)

## ABOUT THE MARSHALL ISLANDS AND ADB

### ADB Membership

Joined 1990

### Shareholding and Voting Power

Number of shares held: 282 (0.003% of total shares)  
Votes: 39,396 (0.296 of total membership,  
0.455% of total regional membership)

\*Overall capital subscription: \$4.06 million

\*Paid-in capital subscription: \$0.2 million

\*United States dollar figures are valued at rate as of 31 December 2020.

**Alfred Alfred Jr.** is the Governor and **Patrick Langrine** is the Alternate Governor for the Marshall Islands in ADB.

**Paul Dominguez** is the Director and **Shahid Mahmood** is the Alternate Director representing the Marshall Islands on the ADB Board of Directors.

**Emma Veve**, ADB's Deputy Director General for the Pacific Department, is the Country Director responsible for the Marshall Islands. The ADB Pacific Department provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The Office of the Director General of the Pacific Department engages in policy dialogue, country partnership strategy development and programming, portfolio management, and knowledge-based solutions for the Marshall Islands.

In 2018, ADB approved the establishment of a country office in the Marshall Islands. Once opened, the office will strengthen the bank's presence in the country, working to enhance the relationship between ADB and the government, improve development partner coordination, and help build local capacity in the design and implementation of ADB-supported projects.

The Marshall Islands government agency handling ADB affairs is the Ministry of Finance.

## ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from Asia and the Pacific and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2020, lending volume was \$26.9 billion (149 projects), with technical assistance at \$293.56 million (275 projects) and grant-financed projects at \$1.08 billion (62 projects). In addition, \$16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB's annual lending volume averaged \$19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$805.5 million and \$230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were \$323.17 billion in loans for 3,369 projects in 44 countries, \$11.3 billion in 495 grants, and \$5.01 billion in technical assistance grants, including regional technical assistance grants.

### Notes:

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.  
Data are updated as of 31 December 2020 unless otherwise indicated.