

PACIFIC PRIVATE SECTOR
DEVELOPMENT INITIATIVE (PSDI)

REPUBLIC OF MARSHALL ISLANDS

COUNTRY OVERVIEW
APRIL 2020



IN THE MARSHALL ISLANDS, PSDI HAS WORKED TO:

- increase business access to finance;
- strengthen the performance of state-owned enterprises (SOEs); and
- support reforms through advocacy and analytical work.

KEY PSDI ACTIVITIES AND OUTCOMES

2007: Secured transactions framework established

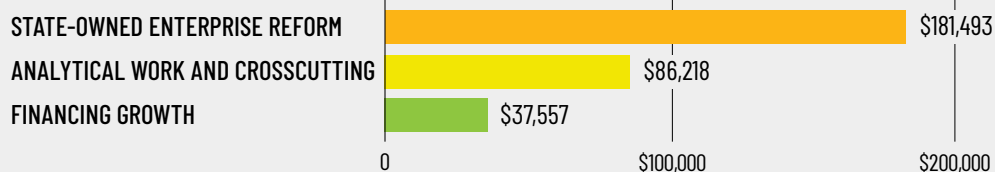
2014: Secured transactions registry upgraded

2015: State-owned Enterprise Act enacted

SPENDING OVERVIEW

Of the \$305,268 PSDI has spent in the Marshall Islands in total, \$181,493 has gone to SOE reform. This has largely been used to fund PSDI's ongoing support for the development and implementation of the 2015 SOE Act.

MARSHALL ISLANDS SPENDING BY FOCUS AREA 2007-2019 (\$305,268)



PSDI

THE PACIFIC
PRIVATE SECTOR
DEVELOPMENT
INITIATIVE

A technical assistance program undertaken in partnership with:





Marshalls Energy Company, a Marshall Islands SOE.

STATE-OWNED ENTERPRISE REFORM AND PUBLIC-PRIVATE PARTNERSHIPS

OUTCOME, RESULTS, AND FUTURE PROJECTS:

STATE-OWNED ENTERPRISE SUPPORT

PSDI has provided support for the development and implementation of a new State-owned Enterprise Act.

PSDI supported the development of an SOE reform policy that was endorsed by Cabinet in April 2012. PSDI then provided substantial advice and input to the drafting of an SOE Bill based on the policy. The bill was designed to strengthen SOE governance and commercial orientation, and support government efforts to improve SOE performance. It was passed by Parliament in 2015. PSDI continues to support its implementation through intermittent director and ownership monitoring training.

FINANCING GROWTH

OUTCOME, RESULTS, AND FUTURE PROJECTS:

SECURED TRANSACTIONS FRAMEWORK

PSDI has worked to increase business access to finance through the development and implementation of a secured transactions framework—which allows lenders to accept non-land (movable) assets as security—and by working with lending institutions to encourage its uptake.

The Marshall Islands' Secured Transactions Act was passed, with PSDI support, in 2007. PSDI then provided technical assistance to the development of an electronic Personal Property Securities Registry, which was launched in late-2007, and supported an upgrade to the registry in 2014.

Lenders in the Marshall Islands have been active registry users, with more than 13,500 security interests registered as of October 2019. PSDI has provided ongoing support to lenders to increase uptake of the framework.






Staff working at the power facility in Majuro.

ANALYTICAL WORK

Marshall Islands participated in PSDI's 2011, 2014, 2016, and 2019 *Finding Balance* regional SOE benchmarking studies.

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