

Delivering the ENRA, a Universal Basic Income

Ministry of Finance
Republic of the Marshall Islands

1 | Introduction: A New Chapter in Connected Prosperity

The Republic of the Marshall Islands (RMI) is pioneering the world’s first country-wide, long-term universal basic income (UBI) program. It is called ENRA, which in Marshallese means “bread basket” and connotes sharing what is yours, caring for others, and helping your community. For many years, Marshallese households have faced high costs for imported goods and limited access to financial services. These pressures weigh most heavily on families in our Neighboring Island communities. The ENRA, officially known as the Individual Support Distribution, addresses these needs.

ENRA matters because modest additional income can have outsized impact on living standards. International experience shows that predictable cash transfers – when delivered efficiently – help households smooth their consumption, increase school attendance, and invest in nutrition and learning outcomes.¹ As the Marshallese economy emerges from the post-pandemic period, ENRA ensures that the benefits of economic growth reach every family across our island nation, efficiently and reliably.

Delivering benefits across a nation of widely dispersed atolls is challenging. Existing methods such as direct deposit and mailed checks face physical and logistical limits. Main bank branches are located only on Majuro and Ebeye – the two most-populated atolls – and many citizens lack formal bank accounts. Cash shipments between atolls are costly and infrequent. Policymakers therefore sought a fit-for-purpose distribution system - one that complements familiar channels while extending reach to every community. The result is a blended approach combining established financial infrastructure with a new digital delivery system built specifically for the RMI’s geography. This innovation complements, rather than replaces, the methods already familiar to citizens and reflects the pragmatic spirit that has long guided Marshallese policy: use new tools where they add value, and do so in ways that strengthen inclusion and trust.

2 | The Challenge: Reaching Every Household

Roughly 40,000 Marshallese live across 26 atolls and five islands. By landmass, the RMI is among the world’s smallest countries; by the breadth of its territory it is one of the largest - covering an ocean area nearly the size of Mexico. Distance, dispersion, and limited physical infrastructure shape the realities of daily life, from education to health care to financial services. One in four Marshallese citizens lives in the Neighboring Islands, and only about half of those communities have physical access to a local bank branch. These communities rely instead on

¹*World Bank (2023)*, The Global Findex Database – Financial Inclusion, Digital Payments, and Resilience, and *IMF (2022)*, Digital Financial Inclusion and Inclusive Growth.

periodic visits by merchants and official transport vessels carrying cash to connect with the broader Marshallese economy.

Participation in centrally administered programs is highly conditioned by geography: longer distances mean higher delivery costs and slower access to funds. Even with modern banking links, inter-island transfers remain expensive and time-consuming. A check issued in Majuro can take weeks to reach a household hundreds of miles away, depending on shipping schedules and weather. Limited cash circulation between atolls constrains how quickly families can use the support they receive. Similar challenges affect small island states throughout the Pacific where lower population density, limited economies of scale, and dependence on imported currency all complicate delivery.

The defining policy question for the RMI was straightforward: How can a nation spread across two million square kilometers of ocean deliver an income to every eligible citizen efficiently, equitably, and reliably? The solution had to be fiscally sound, verifiable, and inclusive of both banked and unbanked households.

3 | The Solution: Books, Banks, & Blockchain

To reach every Marshallese household, the Government has established multiple disbursement mechanisms designed for universality, choice, and reliability. Each citizen may receive their ENRA through one of three channels: Books, via checks; Banks, via direct deposits; or the Blockchain, via the new Lomalo citizen wallet application.

- Books: Physical checks will be mailed to those who prefer paper instruments, maintaining continuity and operating through our reliable postal services.
- Banks: Direct deposits will be available to account holders already connected to the banking system.
- Blockchain: The new Lomalo citizen application provides secure digital access to benefits, especially in communities where Low Earth Orbit (LEO) satellites are expanding internet access. Lomalo allows recipients to verify eligibility, receive disbursements, and manage their accounts securely through a digital interface recorded on a verifiable ledger.

This government benefit-management system expands access and reduces logistical bottlenecks. By combining these three methods, the ENRA delivery system closes existing access gaps and transforms benefit distribution from a logistical challenge into a driver of inclusion. Over time, it will reduce dependence on costly cash shipments, broaden participation in the formal economy, and ensure that every Marshallese - regardless of location or banking status - can receive support securely and efficiently.

By layering digital connectivity with trusted financial rails, the Marshall Islands is creating a future-ready public-finance system that links citizens directly to government support and expands access to opportunity across every atoll.

Channel	Delivery Time (Outer Atolls)	Average Cost per Transaction	Households Served	Inclusivity Advantage
Books: Checks	7 – 14 days	High (printing and shipping)	Limited to those who can easily travel.	Familiar / inclusive for cash users
Banks: ACH deposits	2 – 3 days	Moderate (bank & ops fees)	Limited by account access	Efficient for existing banked citizens
Blockchain: Lomalo Digital Wallet	< 10 seconds	Low (\$0.01 per 10,000 transfers)	High (Android + 2G/LEO coverage)	Expands financial access to any citizen with an internet connection

4 | The Platform for Inclusion: USDM1

At the foundation of the digital delivery framework is USDM1, the Republic’s Digital Sovereign Bond - a U.S. dollar-denominated government security fully collateralized by short-dated U.S. Treasuries. USDM1 provides the secure, transparent asset framework underpinning electronic benefit disbursement and fiscal reporting.

Each unit of USDM1 is backed 1:1 by U.S. Treasuries held in custody by an independent U.S. trustee under New York law. The structure mirrors the Brady Bond model that has supported more than \$150 billion in sovereign issuance worldwide, ensuring strong legal enforceability and credit integrity. USDM1 is recorded in digital, book-entry form on a blockchain registry, enabling real-time verification and reconciliation of government transactions while preserving the legal and prudential safeguards of traditional securities.

For policymakers, this framework enhances transparency and accountability: every transaction is traceable, immutable, and auditable. For citizens, it means confidence that resources funding ENRA are managed with the same rigor applied to sovereign debt markets. USDM1 is a sovereign financing and record-keeping mechanism that strengthens fiscal governance, transparency, and inclusion.

5 | Looking Forward: Digital Connection & Sustainable Economic Growth

Inclusion is not achieved once - it must be maintained continuously. The RMI’s digital connectivity agenda is already taking root across our atolls and transforming access to opportunity Through the Rebbelib Project, supported by UNICEF and the Global Partnership for

Education, every public school is being equipped with laptops, training and satellite internet.² Using LEO Starlink technology, even the most remote atolls will be online by 2026, ensuring that teachers and students can participate in digital learning without leaving their home islands.

As digital networks expand, they enable not only learning but livelihood. Evidence from the World Bank and IMF shows that access to digital financial services raises household incomes, improves resilience to shocks, and supports investment in education and small business.³ For women and young people, digital access reduces barriers to participation and strengthens decision-making within households.⁴ When income arrives reliably and electronically, families can plan and save locally.

USDM1 supports this broader transformation by providing the secure fiscal backbone for transparent, low-cost distribution of public resources. Reliable, digitally delivered benefits mean fewer costly trips to Majuro and more predictable budgets for families across the atolls. What begins as a delivery mechanism evolves into a platform for growth.

By expanding the nation's capacity to deliver direct support, the ENRA program strengthens the connection between communities separated by ocean, between a democratic government and its citizens, and between today's Marshall Islands and its future economy. As every atoll becomes digitally and financially linked, the same infrastructure that drives inclusion at home positions the RMI within a wider global network – one where distance no longer defines opportunity and every connection, from classroom to capital market, contributes to shared prosperity.

² *Marshall Islands Journal* (2025, October 9). "Technology fix for outer islands." Available at: <https://marshallislandsjournal.com/technology-fix-for-outer-islands/>

³ World Bank (2023). *Financial Inclusion for Shared Prosperity: A Global Overview*.

⁴ IMF (2022). *Digital Financial Inclusion and Inclusive Growth*. See also OECD (2021), *Financial Literacy and Resilience in Emerging Markets*.