

ASIAN DEVELOPMENT BANK

**COUNTRY STRATEGY AND PROGRAM UPDATE
2004–2006**

SAMOA

July 2003

CURRENCY EQUIVALENTS

(as of 30 June 2003)

Currency Unit	–	tala (ST)
ST1.00	=	\$0.3335
\$1.00	=	ST2.9869

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AusAID	–	Australian Agency for International Development
EFA	–	Education for All
EPC	–	Electric Power Corporation
ESP	–	Education Sector Project
EU	–	European Union
FOE	–	Faculty of Education
GDP	–	gross domestic product
GER	–	gross enrollment rate
HDI	–	human development index
IFC	–	International Finance Corporation
MDG	–	Millennium Development Goal
NER	–	net enrollment rates
NGO	–	nongovernment organization
NUS	–	National University of Samoa
NZAID	–	New Zealand Agency for International Development
RETA	–	regional technical assistance
SDS	–	Strategy for the Development of Samoa
SOE	–	state-owned enterprise
TA	–	technical assistance
WSTTC	–	Western Samoa Teachers Training College

NOTE

- (i) The fiscal year (FY) of the Government ends on 30 June. FY before a calendar year denotes the year in which the fiscal year ends.
- (ii) In this report, "\$" refers to US dollars.

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I. COUNTRY STRATEGY

1. The three-pronged strategy of the Asian Development Bank (ADB) for Samoa directly supports the Government's Strategy for the Development of Samoa (SDS) 2002-2004, and is consistent with ADB's Pacific Strategy for the New Millennium.¹ First, the ADB strategy aims to improve the enabling environment for accelerated private sector growth and job creation by (i) enhancing the policy and institutional framework for private sector development; (ii) supporting sound macroeconomic and financial policies and management; (iii) freeing customary land for productive and economic uses; (iv) facilitating public-private partnerships; and (v) enhancing accountability and performance of state-owned enterprises (SOEs). Second, the strategy aims to enhance access to, and delivery of, basic social services by providing infrastructure and enhancing management and performance of the relevant public sector institutions. Third, ADB will continue to help the Government improve living standards and reduce income disparity through improved equity and access to quality education for all Samoans. The ADB strategy reflects the most common aspirations of the vulnerable and disadvantaged communities, as expressed in ADB's 2002 participatory poverty surveys:² employment, and access to basic social services, education, finance, and land. Appendix 1 summarizes the strategy statement.

II. CURRENT DEVELOPMENT TRENDS AND ISSUES

A. Recent Political and Social Developments

2. **Political Developments.** The position of Prime Minister Tuila'epa Sa'ilele Malielegaoi and his political party, the Human Rights Protection Party, remains strong and unchallenged. The reforms of the Ministry of Works were successfully implemented in the second half of 2002. The new role of the ministry has been limited to regulatory functions, policy advice, and asset management. All technical operations have been spun off, applying an approach that has proved socially and politically successful. This reform is a welcome step to rationalizing the public service and fostering private sector development. Another milestone in Samoa's public sector reform efforts is the streamlining of public service by reducing government departments and constitutional offices from 28 to 19. The Government has expressed its strong commitment to initiate further reforms to facilitate the productive and economic use of customary land.

3. **Social Developments.** ADB's participatory poverty assessment, *Priorities of the People: Hardship in Samoa*, indicates that there are still significant pockets of poverty. More people are without jobs, affected by higher school fees and dropout rates. Drug use, domestic violence, teenage pregnancies, and youth suicide are also said to be increasing. Urban slums are appearing in Apia, particularly in low-lying areas that often have poor drainage and sanitation. While there is evidence that the gap between rural and urban areas is increasing, hardship can be observed in both rural and urban areas. In urban areas the most affected are people who live on leased land, without enough space to grow crops, in flood-prone areas, or on traditional lands but with little access to transport, communication facilities, and water. In rural areas the most affected are people living inland who have limited or no access to land, product markets, and basic public services. The recent census suggests that around 60% of households continue to rely on firewood for cooking. Land issues and related disputes are perceived by the people as major aspects of hardship in rural areas.

¹ ADB. 2000. *A Pacific Strategy for the New Millennium*. Manila.

² ADB. 2001. *Technical Assistance for Consultation Workshops on Poverty Reduction Strategies in Selected Pacific Developing Member Countries*. Manila.

4. There are significant gaps between the two major islands of Upolu and Savaii in terms of economic growth and human development indicators, with Savaii lagging significantly behind. The Government has, therefore, prioritized Savaii's development to create new business opportunities. The Government plans to develop the area around Salelologa village and improve the efficiency and supply of electricity by developing renewable energy in Savaii, and proposes a lifeline electricity supply for the poor.

B. Economic Assessment and Outlook

5. **Recent Performance.** After 2 years of rapid growth, the economy slowed down considerably in 2002, with growth down to 1.8% from 6.2% in the year before, mainly reflecting a sharp decline in agricultural production due to bad weather, and a slowdown in government-funded construction activities due to the Government's concerns that the economy would overheat during the first quarter. However, economic activities gradually picked up during the year. Annual inflation rose from 3.8% in 2001 to 6.7% in 2002, mainly reflecting food shortages. The budget for FY2002 closed with an overall deficit of 2.1% of gross domestic product (GDP), which was better than expected due to delays in implementation of some public sector infrastructure projects, and tax revenues that were higher than expected. Education and health continued to be priority sectors. At end-2002, external debt stood at about 55% of GDP, largely composed of concessional loans. Despite the increase in the trade deficit in 2002, the current account deficit narrowed to 0.7% of GDP, reflecting continued buoyancy in remittances and expansion in tourism. Aided by higher capital inflows, net foreign assets increased and were sufficient to cover about 4.5 months of imports by the end of the year.

6. **Policy Developments.** While still relatively vulnerable, the Samoan economy has performed strongly in recent years due to a combination of growth-enhancing policies, including tax and financial sector reforms; macroeconomic stability; and public sector reforms, which continued to make good progress in 2002. However, the major short-term policy challenge for the Government is to support the resumption of good economic growth, which was partly achieved in the second half of 2002 but with expansionary fiscal and monetary policies. The establishment of a fourth commercial bank (Samoa Commercial Bank) is a welcome development, providing the necessary competition to improve delivery of financial services. The Government's vision for economic and social development emphasizes key factors that will enhance short- and long-term international competitiveness: macroeconomic stability, public sector efficiency, and investment in human capital and relevant public goods. While the Government's vision includes specific interventions to address market failures that constrain key export activities, each case of intervention should be assessed carefully against microeconomic efficiency and consistency with current reform programs. Likewise, financial support to a number of major construction projects, as currently considered by the Government, should be scrutinized since these will not only strain the government budget but may also be inconsistent with the Government's commitment to private sector development reforms. The significant public financial support to the national airline causes serious budgetary concerns, and innovative solutions for a turn-around, possibly through privatization, should be seriously considered. A forthcoming review by the International Finance Corporation (IFC) of strategic options for the Government's ownership of the airline is a step in the right direction.

7. The long-term sustainability of economic growth will require progress on many fronts, including land mobilization to facilitate financial transactions, and infrastructure development. After several years of impressive overall economic growth, most policymakers now emphasize the need to narrow the widening gap between urban and rural incomes. The main theme of SDS 2002–2004 is, therefore, "opportunities for all."

8. **Outlook for 2003–2004.** Samoa is projected to achieve the SDS growth target of 3–4% in 2003–2004, reflecting a positive outlook for agriculture due to better weather; growth in public and private construction activities; the Government's commitment to continue reforms; and an increase in tourism and remittances, reflecting the outlook in the main source countries. Continuity of expansionary fiscal and monetary policies is expected to support growth but also increase the risk to macroeconomic stability. Inflation is forecast to decline to about 5% in 2003 as the local food supply improves. A small current account deficit of 1.4% of GDP is forecast for FY2003, mainly due to higher imports. The overall balance is expected to weaken slightly in FY2003, reflecting lower private capital flows, with foreign reserves declining slightly to less than 4.5 months cover for import goods. The main risk to the 2003 forecasts arises from possible deterioration in global conditions and higher oil prices. In 2004 inflation is expected to fall to about 3%. The current account deficit is forecast to remain below 4% of GDP, and the overall balance of payments in surplus, in light of forecasted continued growth in tourism and remittances.

C. Implications for the Country Strategy and Program

9. The Government's development strategy adequately reflects economic and social issues and developments, and encapsulates the significance of economic growth, importance of social sectors, and strong cultural and traditional values.

10. ADB's strategy and program for Samoa strongly supports the Government's priority areas, and is consistent with past and ongoing ADB interventions and thrusts. In strong support of the Government's reform plans, ADB will provide significant assistance to help the Government tap the productive and economic uses of customary land. The strategy and program have been closely coordinated with other development partners.

III. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Progress Toward a Poverty Partnership Agreement

11. Despite successful reform and resulting growth, and steady progress in achieving the Millennium Development Goals (MDGs), much remains to be done to address the growing disparities and pockets of hardship in Samoa. ADB's 2002 participatory poverty survey concluded that the most common aspirations of the disadvantaged include access to basic public services, education, and employment, which are components of the Government's development vision and strategy and have been singled out for major ADB assistance. The Government has formally committed to achieving the MDGs and recognizes in its SDS that doing so will require ensuring that all will benefit from development. Continued public investment is needed in basic services, education, health, and the environment. At the same time, the planned reforms to improve the productive and economic uses of customary land will be vital to reduce poverty. ADB's program focus is directly linked with the Government's efforts to achieve the MDGs.

12. Discussions on the proposed poverty partnership agreement are ongoing between the Government and ADB. The agreement is expected to be signed by end-2003.

B. Progress in the Country Strategy and Program Focus Areas

1. Private Sector Development

13. The continuous development of a healthy and competitive private sector has been a pillar of the Government's development strategies over the past years. Macroeconomic stability, liberalized financial markets, public service reforms, and reduced government presence have significantly improved the private sector business environment. ADB's private sector assessment for Samoa³ identifies key constraints to sustainable private sector growth and recommends solutions. Findings are in Appendix 3.

14. With ADB assistance, the Government has made good progress in improving micro- and small enterprises' access to credit, business training, and advisory services. ADB has been helping the Government remove the legal impediments to the economic use of customary land, improve debt recovery mechanisms, and facilitate secured transactions.⁴ Considering the Government's commitment to, and the momentum of, land-related reforms, ADB will dedicate significant assistance to this area.

15. The role of SOEs should be reviewed and their efficiency improved. Operations should be privatized or contracted out, management performance improved, and regulatory framework and processes enhanced. ADB's TA has created substantial momentum within the Government, SOEs themselves, and the public to reform SOEs. Their accountability and performance should be enhanced, and ADB will continue to provide assistance in this area.

2. Good Governance

16. A 2002 governance assessment for Samoa noted a number of achievements in public service reforms, improved customs and tax administration and collection, and civil society participation in national economic development priorities and strategies. Deficiencies included inefficient legislative process, which taxes the absorptive capacity of senior public servants, and uneven progress of the reform agenda. In 2003, ADB will help implement the 2001 Public Finance Management Act to ensure that financial management reforms will reflect modern public finance practices. ADB will also support public service reforms while ensuring that the change process is well managed to minimize implementation risks due to inadequate skills, systems, and capacity. Samoa will participate in the implementation of regional technical assistance to prepare a Pacific governance strategy through a national workshop to discuss findings of the country governance assessment, and short-term assistance to develop a governance improvement action plan.

3. Basic Infrastructure

17. Rapid population growth and development have placed increasing stress on the environment and public health. Urban environmental management infrastructure, including water supply⁵, sanitation, and wastewater and waste management infrastructure services, do

³ ADB. 2002. *Regional Technical Assistance for Private Sector Development Strategy for the Pacific*. Manila.

⁴ ADB. 2000. *Technical Assistance to Samoa for Capacity Building of Financial and Business Advisory Intermediaries*. Manila.

⁵ While significant improvements to access to water have been achieved, quality of water remains a concern. Continuous improvements in water supply services are being undertaken, with other donor support, to improve the situation.

not meet environment and public health protection standards. With ADB assistance,⁶ the Government has begun to focus on urban management planning. After many years of unsuccessful efforts to develop proposed large-scale infrastructure investments, the Government has embarked on a successful incremental approach with phased interventions within agreed-on technical, institutional, and financial absorptive capacities. Investments in physical infrastructure need to be accompanied by strong capacity-building and institution-strengthening components. Private sector participation in public service provision should be strongly supported. This approach is being sustained by the ongoing and proposed ADB program. A draft water development plan is presented in Appendix 3.

4. Improvement of Education

18. The Government has maintained its strong commitment to education. The Government's sector strategy attempts to solve limited access to senior secondary education, inequitable access to quality education, and poor education outcomes due to low-quality teaching, inadequate facilities and equipment, and outdated curricula. ADB is helping the Department of Education improve the access to, and quality of, primary and secondary education through rehabilitation, expansion, and upgrading of schools. Upgrading will enable the Government to implement a school zoning arrangement that will contribute to equitable access to education. Continued ADB lending and TA support for the sector has been allocated in the program. An education sector development plan is in Appendix 3.

C. Highlights in Coordination of External Funding and Partnership Arrangements

19. The Government has continued to optimize the use of development partners resources through the effective and efficient coordination of donor programs. Before the ongoing public service reforms, bilateral donors, as well as the United Nations agencies and European Union, used to be coordinated by the Department of Foreign Affairs, while the Ministry of Finance used to be the counterpart for World Bank and ADB assistance. The reassignment to the Ministry of Finance of the Foreign Affairs division responsible for donor coordination is expected to further strengthen government-led donor coordination. With the Ministry of Finance, ADB continues to play a strong role in economic planning and management capacity building. Close coordination and cooperation with other donors has been vital in implementing ongoing activities and developing the proposed strategy and program.

IV. PORTFOLIO MANAGEMENT ISSUES

A. Ongoing Portfolio Performance

20. Three ADB-financed loan projects are being implemented: loans for the education sector⁷ and small-business development,⁸ approved in 2000; and a loan for power sector improvement,⁹ approved in 2001. Project implementation is overall regarded as satisfactory.

⁶ ADB. 2002. *Technical Assistance to Samoa for Implementation of the Urban Planning and Management Strategy*. Manila; ADB. 2000. *Technical Assistance to Samoa for Capacity Building for Urban Planning and Management*. Manila.

⁷ ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Samoa for the Education Sector Project*. Manila.

⁸ ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Samoa for the Small Business Development Project*. Manila.

⁹ ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Samoa for the Power Sector Improvement Project*. Manila.

21. Implementation of the **Education Sector Project** has temporarily slowed down due to the recent reforms in the Ministry of Works. The absorptive capacity of the Education Department is a concern; however additional staff positions have been approved to support project implementation. Educational efficiency and institutional capacity have been strengthened through provision of consultants and hands-on training of counterpart staff under the loan and associated TA.

22. The **Small-Business Development Project** is progressing satisfactorily after some startup delays. Key performance indicators for the small-business loan guarantee scheme have been surpassed, reflecting the level of new businesses that it supports. The pilot microfinance facility is expected to be launched in the third quarter of 2003. The small-business development fund started off well with over 160 small training programs. The establishment of the associated venture capital fund, under the lead of IFC, is now scheduled for early 2004.

23. The **Power Sector Improvement Project** is behind schedule, due initially to the late appointment of consultants and, more recently, to the need for technical design changes, for which supplementary engineering studies and environment impact assessments are ongoing. Despite the earlier setbacks, Electric Power Corporation, in collaboration with ADB, is now expediting implementation.

B. Performance Monitoring and Evaluation

24. Special units in the Ministry of Finance are responsible for monitoring and evaluating externally assisted development projects as well as the Government's development programs. However, with improved governance structures in place as a result of the ongoing public sector reforms, coordination between government departments in project implementation is now possible. Shifting responsibility for project execution from the Ministry of Finance to the sector agency concerned would make project management more efficient and allow the Ministry of Finance to focus on strategic issues.

V. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS

A. Lending Level Proposed

25. The indicative baseline rolling 3-year lending allocation for Samoa is \$15 million for 2004-2006, based on country performance indicators, per capita income, and population. The proposed firm lending program for Samoa for the period is \$15 million, complemented by a standby loan for \$3 million in 2006.

26. As a result of its good performance in macroeconomic management, financial sector liberalization, and public service reforms, Samoa has achieved a high level of sustainable economic growth and human development. However, a number of issues require further attention, particularly human development, basic social infrastructure and services, and private sector development. The achievement of all eight MDGs should be a top priority.

27. The key parameters determining the level of concessional Asian Development Fund (ADF) assistance will include progress in poverty reduction, macroeconomic and structural reforms, private sector development, and portfolio management. Accordingly, three lending scenarios have been defined. The base case allocation is \$15 million in 2004-2006; lower case, \$12 million; and upper case, \$18 million. The lending scenario and trigger assessment are in Appendix 2.

28. For 2004-2006 three firm loans have been programmed in education, renewable energy, and sanitation and drainage, at an average of \$5 million per year, and based on the base case (Appendix 3). A standby allocation of \$3 million has also been programmed for 2006, consistent with the high-case scenario, if required to help the Government mobilize and securitize customary land. However, the lending program for 2006 is based on the assumption that the Savaii renewable energy project can be cofinanced. Otherwise, if ADB finances the entire projected project cost (\$10 million), a lending break would have to be considered for 2006 to comply with the ADF allocation ceiling for the program cycle. Lending levels will be monitored closely and regularly adjusted to reflect the country's performance indicators and absorptive capacity.

29. Depending on ADF resource availability in 2004, the ADF lending program will need to be reviewed, and then revisited and confirmed during the country program confirmation mission. The 2005 and 2006 ADF lending programs will depend on the outcome of the discussions regarding ADF replenishment.

B. Nonlending Program

30. Nonlending assistance for 2004-2006 focuses on all three pillars of the ADB strategy. In 2004, the nonlending program will help improve living standards by building capacity for youth development; studying options for land mobilization and securitization; and enhancing SOE corporate governance. In 2005, TA will prepare the proposed loan for sanitation and drainage; provide advisory support to the proposed renewable energy project in Savaii; and, if required, prepare a loan to securitize land leases. More support for land-related reforms has been allocated in 2006. While the indicative level of core resources for grant-funded TA for Samoa is \$800,000 per year, ADB will continue to provide additional channel funding wherever appropriate. The nonlending program is in Appendix 4.

C. Summary of Changes to Lending and Nonlending Program

31. The most significant change to the proposed program of assistance to Samoa is a proposed loan for wastewater and sanitation in 2006, as well as a standby facility to securitize land leases in 2006. A new TA on SOE corporate governance has been added to the 2004 nonlending program, and two new TAs in support of land mobilization and securitization have been added to the 2005 and 2006 nonlending programs.

SUMMARY OF THE ASIAN DEVELOPMENT BANK'S STRATEGY

Objectives	Improve living standards to achieve inclusive social development	Enhance access to, and delivery of, basic social services	Create an enabling environment for private sector development
Strategic Focus / Key Result Areas	<ul style="list-style-type: none"> • Improve access, quality, and efficiency of education • Enhance local capacities to assess and address poverty issues • Finalize poverty partnership agreement 	<ul style="list-style-type: none"> • Ensure adequate physical infrastructure platform to facilitate the delivery of basic public services • Enhance management and performance of relevant public sector enterprises and agencies 	<ul style="list-style-type: none"> • Enable sound macroeconomic and financial policy • Enhance the policy and institutional framework • Facilitate public-private partnerships • Support state-owned enterprise (SOE) reforms • Facilitate productive and economic uses of customary land
Ongoing / Proposed Loans	<ul style="list-style-type: none"> • Education Sector (2000) • Education and Youth Development (2004) 	<ul style="list-style-type: none"> • Power Sector Improvement (2001) • Sewerage and Drainage (2003) • Savaii Renewable Energy (2005) • Sanitation and Drainage, Phase 2 (2006) 	<ul style="list-style-type: none"> • Small-Business Development Project (2000) • Securitization of Land Leases (2006)
Ongoing / Proposed Technical Assistance (TA)	<ul style="list-style-type: none"> • Education Support (2000) • Household Income and Expenditure Survey for Socioeconomic Equity Assessment (2001) • Education and Youth Development (2003) • Capacity Building for Youth Development (2004) 	<ul style="list-style-type: none"> • Implementation of Planning and Urban Management Strategy (2002) • Savaii Renewable Energy (2002) • Institutional Strengthening for Drainage and Wastewater Management (2003) • Savaii Renewable Energy Support (2005) • Preparation of Sanitation and Drainage, Phase 2 (2005) 	<ul style="list-style-type: none"> • Institutional Strengthening of Government Financial Institutions (1998) • Capacity Building of Financial and Business Advisory Intermediaries (2000) • Implementation of SOE Reforms (2001) • Economic Planning and Management (2002) • Implementation of Public Financial Management Act (2003) • Strengthening SOE Corporate Governance (2004) • TA on Options for Land Mobilization and Securitization • TA for Preparation of Securitization of Land Leases (2005) • Supporting Securitization of Land Leases (2006)
Other Assistance	<ul style="list-style-type: none"> • Participation in regional TA (RETA) Youth- and Gender-Sensitive Public Expenditure Management in the Pacific (2001) • Participation in RETA on Consultation Workshops for Poverty Reduction Strategies (2001) • Participation in RETA on Pacific Regional Environment Strategy (2002) 		<ul style="list-style-type: none"> • Equity investment in Venture Capital Fund for Samoa (2000) • Asian Development Bank governance assessment (2002) • Private sector assessment for Samoa under RETA on Private Sector Development Strategy for the Pacific (2002) • Participation in RETA on Improvement of Legal Business Environment in the Pacific (2003) • Participation in RETA on Supporting Secured Transaction Frameworks (2004) • Participation in RETA on Privatization and Regulation Frameworks (2005)
Target Outcomes	<ul style="list-style-type: none"> • Improved access, relevance, and efficiency of primary and secondary education • Commissioning of satellite schools • Concluding poverty consultation workshop in 2003 • Poverty reduction strategy signed in 2003 • Participation in regional partnership agreement by 2003 • Plans and budgets incorporating special focus on youth/women 	<ul style="list-style-type: none"> • Improved power sector environment • Improved reliability of power and services in urban and rural areas • Increased hydroelectric supply • Enhanced management and performance of Electric Power Corporation • Planning and Urban Management Agency effectively implementing and coordinating urban management and environmental monitoring programs • Samoa Water Authority effectively providing wastewater management and sanitation services • Improved environmental quality, especially surface and nearshore marine water quality • Improved planning and implementation for drainage infrastructure 	<ul style="list-style-type: none"> • Enhanced corporate governance, accountability, efficiency, and profitability of SOEs • Enhanced government capacity to manage SOE portfolio • Adoption of a privatization policy framework, and progress made in privatization of selected SOEs. • Direct income and employment opportunities created through microfinance and loan guarantee schemes • Micro- and small enterprises created • Increased productive use of customary land • Increase in credit to micro- and small enterprises through securitization of customary land and use thereof as collateral • Enhanced capacity of central agencies for better economic management

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A2.1: Progress Toward the Millennium Development Goals and Targets

Goals and Targets	1990	1997	Latest Year	
Goal 1. Eradicate Extreme Poverty and Hunger				
Target 1: Reduce incidence of extreme poverty by half from 1990 to 2015				
1. Proportion of population below US\$1 per day (PPP-values) (%)	...	15.0	...	
2. Poverty gap ratio	...	...	...
3. Share of poorest quintile in national consumption (%)	...	...	...
Target 2: Reduce the proportion of people who suffer from hunger by half from 1990 to 2015				
4. Prevalence of child malnutrition (% of children under 5)	6.0 ^a (1990–1997)	17.0 ^b	...	
5. Proportion of population below minimum level of dietary energy consumption (%) ^c				
Total	...	35.0	...	
Savaii	...	41.0	...	
Goal 2. Achieve Universal Primary Education				
Target 3: Attain 100 % primary school enrolment by 2015				
6. Net enrollment ratio in: (%)		(1998/99)	(2000/01)	(2002)
Primary education	112.3 ^d	97.8 ^e	96.9 ^e	98.0
Male	107.6 ^d	96.7 ^e	98.3 ^e	
Female	117.6 ^d	99.0 ^e	95.4 ^e	
Secondary education	...	66.8 ^e	67.9 ^e	
7. Proportion of pupils starting Grade 1 who reach Grade 5	...	82.6 ^d (1998)	80.0	(2002)
8. Literacy rate of 15–24 year olds (%)	99.0 ^{d,e}	99.3 ^{d,e}	99.5 ^{d,e}	(2002)
Male	99.1 ^{d,e}	99.3 ^{d,e}	99.4 ^{d,e}	
Female	98.9 ^{d,e}	99.3 ^{d,e}	99.5 ^{d,e}	
Goal 3. Promote Gender Equality and Empower Women				
Target 4: Eliminate gender disparities in primary and secondary education by 2005 and to all levels of education no later than 2015				
9. Ratio of girls to boys in: (%)		(1998)		
Primary education	98.0 ^{d,e}	95.0 ^{d,e}	93.0	(2002)
Secondary education	...	100.0 ^{d,e}	105.0	(2002)
10. Ratio of young literate females to males (% of age group 15–24)	...	...	100.0	(2002)
11. Share of women in wage employment in the non-agricultural sector	...	...	38.0	(2001)
12. Proportion of seats held by women in national parliament	0.0 ^{d,f} (1991)	4.1 ^{d,f}	6.1	(2002)
Goal 4. Reduce Child Mortality				
Target 5: Reduce infant and child mortality by two thirds from 1990 to 2015				
13. Under-5 mortality rate (per '000 live births)	42.0 ^g	29.0 ^g (1995)	26.0 ^g	(2000)
14. Infant mortality rate (per '000 live births)	33.0 ^g	24.0 ^g (1995)	17.0	(2000)
15. Proportion of 1-year-old children immunized against measles	...	93.0 ^h (2000)	98.0	(2002)

Goals and Targets	1990	1997	Latest Year
Goal 5. Improve Maternal Health			
Target 6: Reduce maternal mortality rate by three quarters between 1990 and 2015			
16. Maternal mortality ratio (per 100,000 live births)	15.0 ^{d,g} (1995)	43.5 ^h (1998)	30.0 (2002)
17. Births attended by skilled health staff (% of live births)	76.0 ^g	95.0 ^b (1995-97) 100.0 ^h (1998)	100.0 (2002)
Goal 6. Combat HIV/AIDS, Malaria, and Other Diseases			
Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS			
18. HIV prevalence rate among 15–24 year old pregnant women	...	...	0.0 (2001)
19. Contraceptive prevalence rate (% of women aged 15–49)	18.0 ⁱ	30.0 ⁱ (1995-2001) 42.4 ^h (1999)	31.0 (2002)
20. Number of children orphaned by HIV/AIDS	...	...	1 (2001)
Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases			
21. Malaria:			
Prevalence rate (per 100,000 people)	...	...	...
Death rate (per 100,000 people)	...	...	6.0 ^d (2000)
22. Proportion of population in malaria risk areas using effective malaria prevention and treatment measures	...	...	0.0 (2001)
23. Tuberculosis (TB):			
Prevalence rate (per 100,000 people)	...	18.3 ^h (1999)	22.0 ^d (2000)
Death rate (per 100,000 people)	...	...	5.0 ^d (2000)
24. Proportion of TB cases:			
Detected under DOTS (%)	...	54.2 ^d (1995)	52.9 ^d (2000)
Cured under DOTS (%)	50.0 ^d	80.0 ^d	92.0 ^d (2000)
Goal 7. Ensure Environmental Sustainability			
Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources			
25. Forest area (% of total land area)	46.1 ^{d,k}	47.1 ^k (1994)	37.1 ^j (2000)
26. Nationally protected areas (% of total land area)	...	4.0 ^d	4.1 ^j (2002)
27. GDP per unit of energy use (PPP \$ per kg oil equivalent)	...	...	...
28. Carbon dioxide emissions (per capita metric tons)	0.8 ^l	0.8 ^l	0.8 ^l (1999)

Goals and Targets	1990	1997	Latest Year
Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water			
29. Access to an improved water source (% of population)		(1999)	
Total	...	99.0 ^m	99.0 ^m (2000)
Urban	100.0 ^m	95.0 ^m	95.0 ^m
Rural	77.0 ^m	100.0 ^m	100.0 ^m
Target 11: By 2010, to have achieved a significant improvement in the lives of at least 100 million slum dwellers			
30. Access to improved sanitation (% of population)		(1999)	
Total	...	99.0 ^m	99.0 ^m (2000)
Urban	100.0 ^m	95.0 ^m	95.0 ^m
Rural	92.0 ^m	100.0 ^m	100.0 ^m
31. Access to secure tenure (% of population) ⁿ			

Note: (...) means "no data available," DOTS = Directly Observed Treatment Short-course, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, kg = kilogram, PPP = purchasing power parity.

^a ADB, Samoa 2000: Building on Recent Reforms

^b UNDP, Pacific Human Development Report (1994, 1999); UNDP, Human Development Report (2000, 2001, 2002)

^c The minimum level of dietary energy consumption refers to the food poverty line calculated for a family of four adults and three children, and is estimated at ST124.50 per week (ST3.94 per adult equivalent per day).

^d United Nations Statistics Division (UNSD), Millennium Indicator Database (2003) (<http://unstats.un.org>)

^e UNESCO, Institute for Statistics (<http://portal.unesco.org/uis>)

^f Inter-Parliamentary Union (IPU), Information on National Parliaments (<http://www.ipu.org>)

^g WHO/UNICEF, End-Decade Databases 2002 (<http://childinfo.org>)

^h WHO, Western Pacific Region Health Data Bank (rev/2001) (<http://wpro.who.int>)

ⁱ ADB, Key Indicators 2002

^j World Bank, The Little Green Data Book 2003

^k Food and Agriculture Organization of the United Nations (FAO), FAO Statistical Databases (FAOSTAT) (<http://apps.fao.org>)

^l UNSD, United Nations Framework Convention on Climate Change-Carbon Dioxide Information Analysis Center (UNFCCC-CDIAC) (<http://unstats.un.org>)

^m UNICEF/WHO/Water Supply and Sanitation Collaborative Council (WSSCC), *Global Water Supply and Sanitation Assessment 2000 Report*; WHO/UNICEF, Joint Monitoring Programme for Water Supply and Sanitation (Coverage Estimates 1980-2000) (<http://childinfo.org>)

ⁿ 80% of all land is in customary ownership and cannot be alienated from traditional owners; 16% is public land and 4 percent, freehold.

Sources: Unless otherwise specified, data are from ADB's RETA 6002 Discussion Papers (2002), which are primarily based on the 1997 Household Income and Expenditure Survey and the 2001 census.

Table A2.2 Country Economic Indicators

Item	1997	1998	1999	2000	2001	2002
A. Income and Growth						
1. GDP per Capita (\$, current)	1471.5	1339.2	1383.3	1380.9	1402.9	1462.9
2. GDP Growth (% , in constant prices)	0.8	2.4	2.6	6.9	6.2	1.8
Agriculture	(6.5)	3.4	(3.5)	0.3	(4.6)	(10.2)
Industry	(1.9)	(9.2)	1.4	11.4	10.3	(3.4)
Services	5.7	7.8	5.5	7.6	8.1	6.7
B. Saving and Investment (current market prices)^a						
	(percent of GDP)					
1. Gross Domestic Investment	25.7	23.2	—	—	—	—
2. Gross Domestic Saving	(11.3)	(17.7)	—	—	—	—
C. Money and Inflation						
	(annual percent change)					
1. Consumer Price Index ^b	6.8	2.2	0.2	1.0	3.8	6.7
2. Total Liquidity (M2)	13.2	5.0	12.5	11.4	9.2	13.0
D. Government Finance^c						
	(percent of GDP)					
1. Total Revenue and Grants	40.0	36.1	39.8	34.4	31.6	33.4
2. Total Expenditure and Onlending	39.8	34.1	39.5	35.2	34.0	35.5
3. Overall Fiscal Surplus / Deficit (-)	0.3	2.0	0.3	(0.7)	(2.3)	(2.1)
E. Balance of Payments						
1. Merchandise Trade Balance (% of GDP)	(35.0)	(34.9)	(42.0)	(39.2)	(46.6)	(46.5)
2. Current Account Balance (% of GDP)	7.7	6.6	2.2	1.1	(3.1)	(0.7)
3. Merchandise Export (\$) growth (annual % change)	45.1	28.7	(3.5)	(24.9)	10.8	(9.4)
4. Merchandise Import (\$) growth (annual % change)	1.1	(3.2)	19.3	(8.2)	21.6	4.3
F. External Payments Indicators						
1. Gross Official Reserves (\$ million, end of period)	60.4	63.1	68.2	63.5	58.1	—
- in months of imports	5.9	5.9	6.3	5.7	4.1	—
2. External Debt Service (% of exports of goods & services)	13.1	12.9	11.8	12.7	11.7	—
3. External Debt (% of GDP)	63.4	70.2	63.6	62.6	58.0	—
G. Memorandum Items						
1. GDP (current prices, ST million)	625.3	658.7	698.9	774.8	849.7	890.4
2. Exchange Rate (tala per dollar, annual average)	2.6	2.9	3.0	3.3	3.5	3.4
3. Population (million)	0.166	0.167	0.168	0.171	0.174	0.178

— = not available, GDP = gross domestic product.

^a Data from old Country and Strategy Programs: no update.

^b Period average.

^c Government finance data are for the fiscal year, which ends 30 June; all other data are for calendar year ending 31 December.

Sources: Central Bank of Samoa, Ministry of Finance, and staff estimates.

Table A2.3: Poverty Indicators

Item	1990	1994	Latest Year
1. Development Progress Indices			
Human Development Index	...	0.578	0.590 (1998)
PDMC Rank	...	6	5
Human Poverty Index	8.6 (1998)
PDMC Rank	5
Composite Vulnerability Index	7.371 (1998)
PDMC Rank	5
Gender-Related Development Index
Global Rank
2. Poverty Indicators			
Headcount Index (% poor of total)			
Total	24.0 (1997)
Savaii	35.0 (1997)
Poverty Severity Index (%)
3. Inequality Indicators			
Gini Coefficient
Household Income (% of total)			
H20
L20
Expenditure Ratio (H20/L20)	6.75 (1997)

Note: (...) means no data available, PDMC = pacific developing member country.

Sources: ADB. 2002. *Technical Assistance for Consultation Workshops for Poverty Reduction Strategies in Selected Pacific Developing Member Countries*. Manila; UNDP. 1994, 1999. *Pacific Human Development Report*.

Table A2.4: Social Indicators

Item	1990	1997	Latest Year
1. Demographic Indicators			
Total Population ('000)	160.3 ^a	166.0 ^a	174.1 ^b (2001)
Annual Population Growth Rate (% change)	0.50	0.48	1.99
Dependency Ratio (% of dependents to working age)	0.87 (1991)	...	0.90 (2001)
Total Fertility Rate (births per woman)	4.8 ^a	4.5 ^c (1998)	4.3 (2000)
Ave. Household Size	7.3 (1991)	...	7.7 (2001)
Apia Urban Area	7.6 (1991)	...	7.3 (2001)
Savaii	7.5 (1991)	...	7.8 (2001)
2. Health			
Life Expectancy at Birth (years)	...	68.4 ^c (1997-1998)	69.8 ^d (2002 est.)
Male	65.0 ^a	65.4 ^c (1997-1998)	67.1 ^d (2002 est.)
Female	68.0 ^a	71.9 ^c (1997-1998)	72.7 ^d (2002 est.)
Population with Access to Health Services (%)	100.0 ^e (1993)	100.0 ^e	... ..
Population per Doctor	2,688.3 ^f (1991)	2,980.0 ^c (1998)	3150.0 (2001)
Government Expenditure on Health			
As % of Total Government Spending	6.0 ^f (1991/92)	11.2 ^f (1997/98)	18.8 (2001/02)
As % of GNP	3.6 ^e (1993)	13.3 ^c (1997/98)	...
3. Education			
Adult Literacy Rate (%)	98.0 ^g	98.3 ^g (1995)	98.6 ^g (2000)
Male	98.5 ^g	98.7 ^g (1995)	98.9 ^g (2000)
Female	97.4 ^g	97.9 ^g (1995)	98.3 ^g (2000)
Combined Gross School Enrollment Ratio	86.0 ^e (1991)	70.4 ^g (1998/99)	71.1 ^g (2000/01)
Male	84.0 ^e (1991)	68.3 ^g (1998/99)	70.1 ^g (2000/01)
Female	88.0 ^e (1991)	72.8 ^g (1998/99)	72.2 ^g (2000/01)
Gross Primary Enrollment (% of aged 5-14 years)	94.0 ^e (1991)	103.3 ^g (1998/99)	102.9 ^g (2000/01)
Male	93.0 ^e (1991)	102.6 ^g (1998/99)	104.6 ^g (2000/01)
Female	94.0 ^e (1991)	104.0 ^g (1998/99)	101.1 ^g (2000/01)
Gross Secondary Enrollment (% of aged 15-19 years)	70.0 ^e (1991)	75.9 ^g (1998/99)	75.5 ^g (2000/01)
Male	66.0 ^e (1991)	72.0 ^g (1998/99)	72.6 ^g (2000/01)
Female	75.0 ^e (1991)	80.3 ^g (1998/99)	78.6 ^g (2000/01)

Item	1990	1997	Latest Year
Student-Teacher Ratio (no. of students per teacher)			
Primary	24.2 ^f (1994)	24.0 ^a (1996)	24.0 ^g (2000/01)
Secondary	19.5 ^f (1994)	19.0 ^a (1996)	19.9 ^g (2000/01)
Government Expenditure on Education			
As % of Total Government Spending	9.0 ^f (1991/92)	14.4 ^f (1997/98)	22.6 (2001/02)
As % of GDP	...	4.5 ^g (1998/99)	4.9 (2001/02)

Note: (...) means no data available, GDP = gross domestic product, GNP = gross national product.

^a ADB, *Key Indicators* (2001, 2002)

^b SPC, *Oceania Population 2002*

^c WHO, *Western Pacific Region Health Data Bank* (rev/2001) (<http://wpro.who.int>)

^d CIA, *The World Factbook 2002* (<http://cia.gov>)

^e UNDP, *Pacific Human Development Report* (1994, 1999)

^f ADB, *Samoa 2000: Building on Recent Reforms*

^g UNESCO, *Institute for Statistics* (<http://portal.unesco.org/uis>)

Sources: ADB. 2002. *Discussion Papers for Technical Assistance for Consultation Workshops for Poverty Reduction Strategies in Selected Pacific Developing Member Countries*. Manila; UNDP. 1997. *Household Income and Expenditure Survey*; and Government of Samoa. 2001. *Census*. Government spending data are from the Ministry of Finance.

Table A2.5: Environment Indicators

Item	1990	Latest Year
1. Energy Efficiency of Emissions		
Traditional Fuel Use (% of total energy use)	50.0 (1980)	33.3 (1996)
2. Water Pollution		
Water Bodies Exceeding Contact Recreation Standards		
Biological Oxygen Demand (BOD)	...	...
Chemical Oxygen Demand (COD)	...	...
3. Air Pollution		
Carbon Dioxide (CO ₂) Emissions		
Total (millions of metric tons)	...	0.1 (1996)
Per unit of GDP (kg/PPP\$ GDP)	...	0.2 (1999)
Sulphur Dioxide (SO ₂) Emissions		
Per capita (kilograms)	...	...
4. Land Use and Deforestation		
Total Land Area (km ²)	2,820.0	2,935 (2001)
Average Annual Deforestation		
Area (remaining sq. km)	...	1,050.0 (2000)
% change	1.1 (1990-95)	2.1 (1990-2000)
Arable Land (% of total land)	19.0 (1993)	...
Cropland, Permanent (% of total land)	24.0 (1993)	23.7 (1998)
Pastures, Permanent (% of total land)	0.0 (1993)	...
Population Density, Rural (people per km ²)	...	244 (2001)
5. Biodiversity and Protected Areas		
Nationally Protected Area(s)		
Area (sq. km)	...	114.8 (1998)
Number	...	7 (1998)
World Heritage Sites (number)	...	...
Mammals (number of threatened species)	...	3 (2002)
Birds (number of threatened species)	14 (1980)	7 (2002)
6. Urban Areas		
Urban Population		
% of total population	21.0 (1991)	22.3 (2001)
Per Capita Water Use (liters/day)	600 (Apia, 1993)	...
Wastewater Treated (%)	...	...
Solid Waste Generated per Capita (kg/day)	...	...

Note: (...) means no data available.

Sources: CIA. 2001, 2002. *The World Factbook* (<http://cia.gov>); SPC. 1997. *Pacific Island Populations Data Sheet*; SPC. 2002. *Oceania Population*; SPREP. 1999-2002. *Action Strategy for Nature Conservation in the Pacific Islands Region*; SPREP. 1993. *Western Samoa State of the Environment Report*; UNDP. 2000, 2001, 2002. *Human Development Report*; World Bank. 2002, 2003. *The Little Green Data Book*; World Bank. 2003. *World Development Indicators database*.

Table A2.6: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
A. Economic and Public Sector Reform	<p>Ongoing</p> <ul style="list-style-type: none"> • TA 3768-SAM: Implementation of SOE reform • TA 3936-SAM: Strengthening of Economic Sectors Planning and Management • TA for Implementation of Public Finance Management (2003) <p>Programmed</p> <ul style="list-style-type: none"> • TA for Strengthening Corporate Governance (2004) 	<ul style="list-style-type: none"> • Institutional Strengthening of Public Service Commission (AusAID) • Institutional Strengthening of Water Authority (AusAID) • Improved Executive Management of Public Works Department (AusAID) • Improve Management and Finance of Department of Police (AusAID) • Improve Immigration Functions (AusAID) • Strengthening of Ministry of Agriculture, Fisheries, Forestry, and Meteorology (AusAID) • Infrastructure Asset Management (World Bank) • E-governance for Development (UNDP)
B. Private Sector Development	<p>Ongoing</p> <ul style="list-style-type: none"> • Loan 1785-SAM Small Business Development • TA 3549-SAM: Capacity Building of Financial and Business Advisory • TA 6037-REG: Private Sector Development Strategy for the Pacific <p>Programmed</p> <ul style="list-style-type: none"> • TA for Strengthening Corporate Governance (2004) • Series of TAs to improve the economic use of land (2004, 2005, 2006) 	<ul style="list-style-type: none"> • Support to Small Business Enterprise Center (NZAID) • Support to Women in Business Foundation (NZAID) • Trade and Marketing Support (NZAID) • Tourism support programs (NZAID) • Economic Partnership Program: Support for Free Trade Agreement (EU) • Structural Adjustment Facility to Address Impact of Globalization on Industries (UNDP) • Loan Assistance to Development Bank of Samoa (EIB)
C. Education	<p>Ongoing</p> <ul style="list-style-type: none"> • Loan 1752-SAM Education Sector Project • TA 3498-SAM Education Sector Support • TA for Education and Youth Development (2003) <p>Programmed</p> <ul style="list-style-type: none"> • Loan for Education and Youth Development (2004) • TA for Capacity Building for Youth Development (2004) 	<ul style="list-style-type: none"> • Institutional Strengthening of Education Department (AusAID) • Infants' Education Material Project (AusAID) • Various scholarship and training assistance (AusAID) • Secondary Education Curriculum Materials Project (NZAID) • Various Scholarship and Training Assistance (NZAID) • School Improvement–Grassroots Program (JICA) • Improvement of Basic Education (UNDP) • Special Needs Education (UNDP) • Establishment of National Training Authority (UNDP) • Technical Cooperation Among Developing Countries (UNDP) • Microproject Scheme (EU)

G. Environment	<p>Ongoing:</p> <ul style="list-style-type: none"> • TA 6064 -REG: Climate Change Adaptation • TA 6102-REG: Renewable Energy and Energy Efficiency RETA <p>Programmed:</p> <ul style="list-style-type: none"> • RETA for Renewable Energy Program (2005) 	<ul style="list-style-type: none"> • Samoa Enabling Activity—Stockholm Convention (UNDP/GEF) • Strengthening of National Coordination (UNDP/GEF) • Program of Action for Adaptation to Climate Change (UNDP/GEF) • Saving Threatened Lowland and Rainforests in Savaii (UNDP/GEF) • National Capacity Self-Assessment (UNDP/GEF) • Enabling Activity for Biodiversity (UNDP/GEF) • Marine Protection and Conservation Areas (GEF/World Bank) • Climate Change Assistance (UNDP) • Coastal Infrastructure Management (World Bank) • Sea Level Rise and Climate Change Monitoring (AusAID) • Department of Land Surveys and Environment Building (NZAIID) • Waste Disposal Plant (JICA)
H. Agriculture, Forestry, and Fisheries	No programmed activity in this sector	<ul style="list-style-type: none"> • Fisheries Extension and Training (AusAID) • Management Improvement Strategy for Ministry of Agriculture, Fisheries, Forestry, and Meteorology (AusAID) • Quarantine Support (AusAID) • Microproject Scheme (EU) • Fruit Tree Development (UNDP)

AusAID = Australian Agency for International Development, EIB = European Investment Bank, EU = European Union, GEF = Global Environment Facility, JICA = Japan International Cooperation Agency, NZAIID = New Zealand Agency for International Development, REG = regional, RETA = regional technical assistance, SAM = Samoa, SOE = state-owned enterprises, UNDP = United Nations Development Program.

Table A2.7: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 31 December 2002)

Sector	Net Loan Amount		Rating ^a													
			Total		Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem ^b		At Risk ^c	
	\$ million	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	(%)
Agriculture and Natural Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	6.4	37.3	1	33.3	-	-	1	100.0	-	-	-	-	-	-	-	-
Finance	3.6	21.4	1	33.3	-	-	1	100.0	-	-	-	-	-	-	-	-
Industry and Nonfuel Minerals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multisector	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Infrastructure	7.0	41.3	1	33.3	-	-	1	100.0	-	-	-	-	-	-	-	-
Transport and Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	17.1	100.0	3	100.0	-	-	3	100.0	-	-	-	-	-	-	-	-

No. = number

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^c A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank estimates.

Table A2.8: Portfolio Indicators—Disbursements and Net Transfers of Resources
(public sector loans, as of 31 December 2002)

Disbursements and Transfers	OCR	ADF	Total
Disbursements^a			
Total Funds Available for Withdrawal (\$ million)	-	17.1	17.1
Disbursed Amount (\$ million, cumulative)	-	1.4	1.4
Percentage Disbursed (disbursed amount/total available)	-	8.0	8.0
Disbursements (\$ million, latest year)	-	0.8	0.8
Disbursement Ratio (%) ^b	-	5.3	5.3
Net Transfer of Resources (\$ million)			
1998	-	2.4	2.4
1999	-	(2.0)	(2.0)
2000	-	(2.1)	(2.1)
2001	-	1.6	1.6
2002	-	(1.2)	(1.2)

ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Includes all loans with disbursements during 2002.

^b Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

Source: Asian Development Bank estimates.

Table A2.9: Portfolio Indicators—Evaluation Rating by Sector
(1969–2003)^a

Sector	GS/HS/S		PS		US		NR		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	1	25.0	1	25.0	2	50.0	0	0.0	4	100.0
Energy	1	50.0	1	50.0	0	0.0	0	0.0	2	100.0
Finance	0	0.0	4	100.0	0	0.0	0	0.0	4	100.0
Industry and Nonfuel Minerals	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multisector	0	0.0	0	0.0	1	100.0	0	0.0	1	100.0
Others	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Social Infrastructure	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	2	100.0	0	0.0	0	0.0	0	0.0	2	100.0
Total	4	30.8	6	46.1	3	23.1	0	0.0	13	100.0

GS = generally successful, HS = highly successful, No. = number, NR = no rating, PS = partly successful, US = unsuccessful.

^a The four-category performance rating system was used starting 2000 and retrofitted to project/program performance audit reports circulated since 1996. Cut-off date is 31 May 2003.

Source: Asian Development Bank Postevaluation Information System.

Table A2.10: Portfolio Implementation Status
(public sector loans, as of 31 December 2002)

No.	Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date (dd/mm/yy)	Effective Date (dd/mm/yy)	Closing Date		Progress (% complete)
					OCR (\$ million)	ADF (\$ million)			Original (dd/mm/yy)	Revised (dd/mm/yy)	
1	ENE	1886		Power Sector Improvement Project	-	6.4	17 Dec 01	28 Oct 02	30 Jun 04	-	0%
2	FIN	1785		Small Business Development	-	3.6	21 Nov 00	08 Jun 01	31 Aug 06	-	3%
3	SOC	1752		Education Sector Project	-	7.0	05 Sep 00	17 Oct 00	31 Oct 04	-	40%
Total					-	17.1					

ADF = Asian Development Fund, AGR = agriculture and natural resources, ENE = energy, FIN = finance, no. = number, OCR = ordinary capital resources, Seg = segment (pertaining to loans with more than one withdrawal authority), SOC = social infrastructure.

Sources: Asian Development Bank Project Coordination and Procurement Division.

Table A2.10: Portfolio Implementation Status
(public sector loans, as of 31 December 2002)

No.	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
							IP	DO		
1	ENE	1886		Power Sector Improvement Project	0.0	0.0	S	S	No	No
2	FIN	1785		Small Business Development	0.02	0.3	S	S	No	No
3	SOC	1752		Education Sector Project	1.5	1.0	S	S	No	No
Total					1.5	1.4				

DO = development objectives, IP = implementation progress, S = satisfactory.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

Sources: Asian Development Bank Project Coordination and Procurement Division.

**Table A2.11: Lending Scenarios and Performance Triggers
(2004-2006)**

Low Case (indicative allocation: \$12 million)	Base Case (indicative allocation: \$15 million)	High Case (indicative allocation: \$18 million)
Poverty Reduction		
<ul style="list-style-type: none"> • No internal and external dialogue on hardship in Samoa • No progress made toward signing poverty partnership agreement (PPA) • No progress in achieving Millennium Development Goals (MDGs) 	<ul style="list-style-type: none"> • Adequate provisions for programs related to poverty reduction in 2004 and subsequent budgets • Progress made toward signing of poverty partnership agreement • Satisfactory progress in achieving Millennium Development Goals 	<ul style="list-style-type: none"> • Recognition of poverty as a major issue • Poverty partnership agreement signed • Significant progress made in achieving Millennium Development Goals
Macroeconomic Reforms		
<ul style="list-style-type: none"> • Macroeconomic instability as evidenced in a sharp decline in Gross Domestic Product (GDP) and a large and unsustainable fiscal deficit; and deterioration in budget management as evidenced by a decline in development expenditure and unsustainable levels of official external debt 	<ul style="list-style-type: none"> • Satisfactory macroeconomic framework with prudent macroeconomic and budgetary management as evidenced by a balanced budget and an overall balanced or modest level of deficit associated with sustainable financing 	<ul style="list-style-type: none"> • Significant improvements in macroeconomic and economic sector planning and management
Structural Reforms		
<ul style="list-style-type: none"> • Reversal of public service reforms 	<ul style="list-style-type: none"> • Satisfactory progress in implementing public service reforms 	<ul style="list-style-type: none"> • Strong progress in public service reforms
Private Sector Development		
<ul style="list-style-type: none"> • No progress made in developing a privatization policy framework • Reversal of state-owned enterprise (SOE) reforms; significant deterioration in management and performance of SOEs • No progress made in establishing the proposed law commission, with land reform as a priority area 	<ul style="list-style-type: none"> • Progress made in developing a privatization policy framework • Modest improvements in performance of public enterprises • Progress made in establishing the proposed law commission, with land reform as a priority area 	<ul style="list-style-type: none"> • Adoption of privatization policy framework • Significant improvements in SOE performance • Progress made in reforms to mobilize and securitize customary land use, beyond the establishment of law commission
Portfolio Management		
<ul style="list-style-type: none"> • Deterioration of portfolio performance: one or more projects becoming "at risk" 	<ul style="list-style-type: none"> • Maintenance of satisfactory portfolio performance 	<ul style="list-style-type: none"> • Strong improvement of portfolio performance: better-than-planned implementation progress in one or more projects

Table A2.12: Assistance Pipeline for Lending Products, 2004–2006

Year/Sector/ Project or Program Name	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)				
					ADB			Gov't	Cofi- nancing
					OCR	ADF	Total		
2004 Firm Loans									
Social Infrastructure									
Education and Youth Development	HD	PAHQ	2003	5.0		5.0	5.0		
Total 2004				5.0	0.0	5.0	5.0	0.0	0.0
2005 Firm Loans									
Energy									
Savaii Renewable Energy	ECO	PAHQ	2002	10.0		5.0	5.0		5.0
Total 2005				10.0	0.0	5.0	5.0	0.0	5.0
2006 Firm Loans									
Social Infrastructure									
Sanitation & Drainage, Phase 2	ENV	PAHQ	2005	5.0		5.0	5.0		
Total 2006 (firm)				5.0	0.0	5.0	5.0	0.0	0.0
2006 Standby Loans									
Private Sector Development									
Securitization of Land Leases	PSD	PAHQ	2005	3.0		3.0	3.0		
Total 2006 (standby)				3.0	0.0	3.0	3.0	0.0	0.0

ADB = Asian Development Bank, ADF = Asian Development Fund, ENV = environmental protection, Gov't = government, HD = human development, PSD = private sector development, OCR = ordinary capital resources, ODI = other development interventions, PAHQ = Pacific Operations Division.

Table A2.13: Assistance Pipeline for Nonlending Products and Services, 2004–2006

Year/Sector/ Assistance Name	Responsible Division	Assistance Type ^a	Sources of Funding				Total (US\$'000)
			ADB		Others		
			Source ^b	Amount (US\$'000)	Source ^c	Amount (US\$'000)	
2004							
Social Infrastructure							
Capacity Building for Youth Development	PAHQ	ADTA	TASF	350.0			350.0
Private Sector Development							
Land Mobilization and Securitization	PAHQ	ADTA	TASF	300.0			300.0
Private Sector Development							
Strengthening SOE Corporate Governance	PAHQ	ADTA	TASF	250.0			250.0
Total 2004				900.0		0.0	900.0
2005							
Energy							
Savaii Renewable Energy Support	PAHQ	ADTA	TASF	400.0			400.0
Social Infrastructure							
Preparation of Sanitation and Drainage, Phase 2	PAHQ	PPTA	TASF	200.0			200.0
Private Sector Development							
Securitization of Land Leases	PAHQ	PPTA	TASF	400.0			400.0
Total 2005				1,000.0		0.0	1,000.0
2006							
Private Sector Development							
Supporting Securitization of Land Leases	PAHQ	ADTA	TASF	500.0			500.0
Total 2006				500.0		0.0	500.0

ADTA = advisory technical assistance, ADB = Asian Development Bank, PAHQ = Pacific Operations Division, PPTA = project/program preparatory technical assistance, TASF = Technical Assistance Special Fund.

UPDATED COUNTRY AND THEMATIC STRATEGIES AND PLANS

Private Sector Development in Samoa

A. Introduction

1. The Samoan economy is one of the few bright spots in the Pacific region in terms of economic development and policy and institutional reforms. Following reform in the mid- to late 1990s, the economy has been growing at rates that have substantially exceeded those of other island states. Nevertheless, per capita income remains low by the standards not only of the developed world but also of middle-income developing countries.

2. Samoa has a small, nascent private sector made up largely (80%) of many small enterprises that have fewer than five employees. The private sector business environment has improved over the past few years, with the Government giving increasing priority to stimulating private sector development. While in many ways progress has been slow and lacking in depth, recent and continuing government reforms are designed to facilitate a more open and accessible enabling environment for business. Private sector development has been a pillar of the Government's Strategy for the Development of Samoa (SDS). Recent poverty surveys also show that poor communities identify the development of markets, jobs, and finance—which requires expansion of private sector activity—as the main factors that would reduce hardship.

3. Macroeconomic stability, liberalization of financial markets, public service reforms, and some reduction of government presence in the business sector have significantly improved the private sector business environment. Samoa offers substantial opportunities for foreign and domestic investments that utilize the natural advantages of the country: tourism and related services, niche products, and diverse production for the local market, among others. But many of these opportunities are not being explored, in part because the environment for a flourishing and successful private sector requires further enhancement: reducing the role of the state in the economy through privatization or contracting out, improving the quality of infrastructure, enhancing regulatory processes, and strengthening institutional foundations for the private sector. Asian Development Bank (ADB) technical and financial assistance is needed to accomplish these.

4. Many of the critical issues for PSD are being addressed by the Government, partly with ADB assistance. Hence, the next reform steps will largely depend on the outcome of the ongoing reform activities. Progress in addressing the major issues and challenges for PSD needs to be closely followed and continually reviewed so that future problems can be readily identified and solved.

B. Major Issues and Challenges for Private Sector Development

1. Natural versus Human-Made Private Sector Development Impediments

5. A number of factors, natural and introduced, constrain business activity. Natural endowment constraints include the country's remoteness, economic exposure and susceptibility to natural disasters, narrow resource base, and small domestic market, which cannot be changed. What can be changed, however, is the business environment in which the Government—deliberately or inadvertently, directly or indirectly—adds to the cost of doing business, thus reducing profits, and discouraging dynamism and entrepreneurship.

2. Reducing the Role of the State

6. To develop a business environment that encourages innovation, entrepreneurship, and investment, Samoa needs to address some of the most persistent and politically difficult issues. Many are historically based on the perception that small remote island economies require higher levels of public involvement and state ownership than usual. On the contrary, however, small economies such as Samoa have to be flexible to adjust to events from the outside over which they have no control. Although based on good intentions, state intervention and control usually amplify the impact of distance and isolation on the economy by raising costs for the private sector and the poor. The 2002 participatory poverty assessment of ADB for Samoa showed that a high proportion of those interviewed described poor and high-cost, or nonexistent, utility services as the major cause of hardship and lack of opportunity. The poor environment for the private sector, and economic inefficiencies combine to keep investment productivity low.

7. In recognizing that the role of the public sector has to be smaller than that of the private sector, the Government has launched a substantial public sector and state-owned enterprise (SOE) reform program. It includes making government departments more efficient, insisting on more efficient SOE operation, and reforming the laws and regulations governing private and public sector activity. Recently, the Ministry of Works was drastically downsized, with the number of employees reduced from 450 to 50, and some major functions outsourced to former employees.

8. Clarification of the role, efficiency, and ownership of SOEs poses a real challenge. With ADB TA, the Government is developing a privatization policy framework and implementing the 2001 Public Bodies (Performance and Transparency) Act. The TA also includes assistance leading to privatization and improvement of the regulatory framework. This policy reform has the potential to have a widespread and long-term impact on competitiveness, and has already created substantial momentum within the Government, among SOEs, and in the public. Further measures to enhance the accountability and performance of SOEs remain a priority, and ADB will continue to provide assistance.

9. Considering SOEs' dominant role in the economy, and impact on the government budget, ADB is helping the Government introduce improved tools and systems to manage the remaining SOE portfolio. The Public Bodies Act requires public trading bodies to be run like private sector companies. The SOE portfolio's return on equity could be improved by (i) subjecting major public development projects, especially those associated with SOEs, to cost-benefit analysis; (ii) cutting costs in several SOEs, including outsourcing of noncore activities to the private sector; and (iii) finding innovative solutions for a turn-around of Polynesian Airlines.¹⁰

3. Progress in Financial Sector Reforms

10. Starting with the ADB-funded Financial Sector Reform Program in 1997,¹¹ the Government has implemented a series of reform measures to establish market-based policies

¹⁰ Continuing support for Polynesian Airlines will cost the Government greatly, in cash (the 2003 capital injection to the airline is equivalent to almost 70% of the 2003/04 budget deficit) and management consistency. As long as other SOEs see that the Government is continuing to support the airline, they might question the consistency of the Government's approach to SOE portfolio policy and management. The Government's efforts to engage the International Finance Corporation to help pursue the restructuring and/or possible privatization of the airline are, therefore, strongly supported.

¹¹ ADB. 1998. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Samoa for the Financial Sector Program*. Manila. The program loan was completed in November 2001. ADB. 1998. *Technical Assistance to Samoa for Institutional Strengthening of Government Financial Institutions*. Manila.

to encourage financial intermediation, mobilize and allocate financial resources efficiently, and foster private sector-led economic growth and employment generation. Key legislation established principles of fiscal responsibility, and improved accountability and transparency. Effective implementation of tax and tariff reforms to reduce distortions greatly improved compliance and total collection in a sustained manner, and helped achieve fiscal balance. With ADB support, the Central Bank of Samoa was restructured to sharpen its focus on implementing market-based policies. The bank also developed supervisory guidelines for nonbank financial institutions and for drafting new insurance legislation. The bank strengthened its supervisory capacities, by introducing on-site inspection of banks and through efforts to comply with the Basel Core Principles. ADB helped establish the Financial Intelligence Unit to combat money laundering, and strengthen the Development Bank of Samoa and the National Provident Fund as part of their integration into the financial system. Both institutions have developed market-based interest rate policies, introduced loan classification systems, developed strategic and corporate plans, reviewed the composition of their respective boards, and are complying with the prudential supervisory requirements of the Financial Institutions Act.

11. The Government, however, is encouraged to increase the availability of credit and reduce the risks and costs associated with credit practices by establishing the proposed credit bureau as proposed in an ADB-funded viability study. The recent establishment of a fourth commercial bank, Samoa Commercial Bank, is expected to enhance competition in credit service provision.

12. With ADB assistance, the Government has made good progress in improving the access of micro- and small enterprises to credit, business training, and advisory services. A small-business loan guarantee scheme has been extended, a pilot microfinance facility run by a nongovernment organization (NGO) set up, and a funding facility to enhance business advisory and training services established. Participating institutions have been substantially strengthened.

13. Limitations imposed by customary land tenure, as well as the limited use of all forms of collateral, constrain the development of financial markets. The system of customary land ownership presents particular challenges to lenders hoping to secure loans against property. The system for using movable property, particularly chattels, as security for loans is cumbersome and expensive, and repossession in the event of default is time-consuming and costly. Little lending, therefore, is secured by movable property. ADB has been helping the Government remove the legal impediments to the economic use of customary land, improve debt recovery mechanisms, and facilitate secured transactions.¹² Legislation to support the establishment of an upgraded chattels registry—to facilitate loan securitization—is being drafted, and a viability study for the creation of a credit bureau has been finalized. A law commission is being set up primarily to develop proposals for land reform; inform, and consult with, the community about such proposed reforms; and prepare a report on reform of the customary land law. The legislation to establish the law commission has been enacted and the position of the law commissioner advertised. The Government has also taken steps to improve the commercial legal environment by passing the 2001 Companies Act (which is, however, still to be enforced, pending integration of companion legislation).

¹² ADB. 2000. *Technical Assistance to Samoa for Capacity Building of Financial and Business Advisory Intermediaries*. Manila.

4. Tourism Sector Development

14. Tourism is Samoa's largest source of foreign exchange. Despite the considerable potential for tourism to expand, development has been relatively slow, in part because of the insecure land-lease arrangements; limited airline capacity; and the inadequate quality and supply of infrastructure, services, and trained personnel. Sector development lacks clear direction despite tourism being a development priority in the SDS.

15. Many reports point to Samoa's cultural, environmental, and economic suitability for tourism; and lowered tariffs, reduced income taxes, and a more open regime for foreign direct investment. However, Samoa must overcome other limitations if it is to benefit from tourism. Many of these limitations are well-known but the Government has only partly addressed them:

- (i) **Land tenure.** Freehold land for hotel development is very limited and customary leases are generally not satisfactory for hotel development as they cannot be used to secure financing. If the land tenure system is not changed, the development of all classes of tourist accommodation will be jeopardized.
- (ii) **Airline capacity.** Few people visit Samoa, and most are expatriate Samoans rather than tourists. Thus, increasing the capacity of the airline service specifically for tourists is problematic, as airlines are most interested in serving the needs of the larger expatriate community. The state-owned airline operates at a loss covered by the Government for strategic reasons. The airline could be operated in a less costly way; for instance, through a management contract with another airline or by calling for bids on the rights to provide a certain level and frequency of service. Some of the savings from subsidizing the airline's operation could be used to promote tourism.
- (iii) **Quality and supply of infrastructure.** Tourism operators complain about poor quality and supply of water and electricity. Backup systems are needed, adding to the capital requirements and operating costs of tourist businesses and, therefore, discouraging investment in tourist facilities and activities.

16. The Government should not invest in tourism development, but facilitate it by removing impediments to the private sector.

17. The public is ambivalent about boosting tourism. Some believe that the Samoan way of life would be disrupted by a large influx of tourists. Therefore, a nationwide discussion about the costs and benefits of increased tourism should be undertaken to clarify its role in Samoa. The Government should then support any consensus that emerges.

C. External Assistance

18. ADB is working closely with New Zealand Agency for International Development (NZAID) to support the Small Business Enterprise Center and the Women in Business Foundation. NZAID also provides assistance for the startup and extension of small tourism businesses, as well as general trade and marketing support to Samoan enterprises. The European Union (EU) lends to the Development Bank of Samoa (through the European Investment Bank), and gives advice on trade issues under the EU's economic partnership program. United Nations Development Programme (UNDP) is providing a structural adjustment facility to cushion the impact of the country's planned access to the World Trade Organization.

Various development partners are helping strengthen government agencies that are often crucial to improve the business environment. The World Bank's infrastructure projects are also vital for PSD. The World Bank and ADB are cooperating to establish a chattels registry for Samoa.

D. The Asian Development Bank Private Sector Development Strategy for Samoa

19. PSD is a major strategic thrust of ADB's country strategy for Samoa. ADB aims to improve the enabling environment for accelerated private sector growth and job creation by enhancing the policy and institutional framework for private sector development; supporting sound macroeconomic and financial policies and management; freeing customary land's untapped productive and economic uses; facilitating public-private partnerships; and enhancing accountability and performance of SOEs.

E. Performance Monitoring

20. Medium- and long-term sector impact and performance can be monitored through indicators gauging the fiscal regime, access to credit, privatization and SOE reform, costs for and reliability of infrastructure services, foreign investment, and export performance relative to imports.

Private Sector Development Plan

Item	Indicators	
	Current (2002)	10 Years
1. Thematic Outcomes/Impact <ul style="list-style-type: none"> • Fiscal surplus/deficit (+ / - in % of GDP) -2.1% • Increased commercial bank credit to the private sector (% of GDP) 32% • Decreased average commercial lending rates, reflecting lower lending risks 11.3% • Reduced ratio of government expenditure to GDP 35.5% • Reduced share of public sector employment (% of formal employment) 41% (in 2000) • Increased ratio of gross capital formation to GDP — • Per unit transportation costs (air and surface) reduced — • Per unit communication costs (telephone and internet) reduced — • Increased foreign investment in nominal terms (\$ million) 1.0 • Increased ratio of revenue from exports to imports (%) 10.2% 		Surplus Higher Lower Lower Lower Higher Lower Lower Higher Higher
2. Thematic Outputs <ul style="list-style-type: none"> • Consistent and sound macroeconomic, financial, and sector policies; improved public sector efficiency; and improved general and business-related education Needs improvement Improved • Secured transactions framework established, including for land secure land titles, in combination with a credit bureau Insufficient Established/improved • Continued reform of laws and institutions Needs improvement Improved • Policy for role, efficiency and ownership of SOEs formulated None Formulated • Size of SOE portfolio reduced High Reduced • Performance of remaining SOE portfolio improved Insufficient Improved • Regulatory frameworks improved and effective regulatory authorities established Insufficient Established/improved • Improved quality and supply of infrastructure facilities and services Insufficient Improved • Improved public-private dialogue, including in the tourism sector, and effective public-private partnerships established Needs improvement Improved 		
3. Thematic Issues/Constraints <ul style="list-style-type: none"> • Cost disadvantages in terms of remoteness, dispersion, and market size (natural endowment constraints) • Dominant role of the state in the economy in terms of public service and SOEs, and tendency to protect and financially support domestic industries • Unreliable and/or costly infrastructure and infrastructure services, including lack of appropriate regulatory frameworks • Relatively underdeveloped financial sector, including lack of a well-functioning secured transactions framework, lack of system for access to and exchange of credit information, lack of access to secure land title • Lack of comprehensive national dialogue on the role of tourism • Need for improved, regular public-private sector consultations 		

— = not available, GDP = gross domestic product, SOE = state-owned enterprise.

Education Sector Development in Samoa

A. Overview

1. Education in Samoa consists of 8 years of primary, 5 years of secondary, and 4 years of higher education. Two national examinations are given, in years 8 and 12 (Samoa School Certificate). In year 13 students take a regional examination (Pacific Senior Secondary Certificate) administered by the South Pacific Board of Education Assessment, which provides access to the university preparatory year. The National University of Samoa (NUS), Samoa Polytechnic, and a number of small postsecondary institutions, mainly located in Apia, offer postsecondary and tertiary education.

2. The Government is strongly committed to social development and allocates a substantial portion of recurrent expenditure to the education sector. The Government's education policy and strategy for 1995-2005 seek to make education equitable, of good quality, relevant, and efficient. The policy aims to (i) develop early childhood education; (ii) improve the overall quality of primary education; (iii) improve the access to quality senior secondary education by upgrading all junior secondary schools to senior colleges; (iv) strengthen teacher education and improve the quality of graduates; (v) meet the requirements of special education; (vi) facilitate linkages between secondary schools and postsecondary institutions; (vii) support nonformal education; (viii) improve management, planning, and policy formulation at the central level of Ministry of Education, Sports and Culture (MESCC); and (ix) improve school management. The 2003–2004 Budget Speech reiterated the Government's strong commitment to education as the foremost priority, and noted the reduction of social inequality as the prime development strategy.¹³ However, in recent years the focus has been on tertiary education. To equalize access to quality education, especially by the disadvantaged, the Government should consider focusing on redistributing resources to favor primary education.

B. Issues and Challenges

1. Access to Schooling

3. At the primary level, 141 government schools enrolled 32,704 (83%) students; the 15 mission schools, 6,075 (15%); and the 3 private schools, 860 (2%). At the secondary level, 25 government schools enrolled 8,558 (58%); 15 mission schools, 6,079 (41%); and 1 private school, 210 (1%).

4. The gross enrollment rate (GER) at the primary level is 85%, and at the secondary level, 83%. The net enrollment rates (NER) for the same levels are 95% and 55%, respectively. In general, the GER in any given country is always much higher than the NER, given that the GER counts overage and underage children in the school system. In Samoa, however, the primary-level GER is much lower than NER, which calculates only enrollment of primary school-age children. The information management system should be made efficient to be able to target and monitor the Education for All (EFA) goals.

5. Government primary schools have between 35 and 922 students, and secondary schools between 20 and 1,534. Most villages have primary schools, and when the total student population is divided by the established maximum student-classroom ratio, the result is about

¹³ Government of Samoa. *2003-2004 Budget Address* by Misa Telefoni, Deputy Prime Minister and Minister of Finance. 2003.

259 extra classrooms. These classrooms or schools were sometimes not built on the basis of student population needs, and resulted in too many schools for too few children within a very short walking distance. This continuous expansion will take its toll on government resources as well as school quality and student performance. The Government has to provide teachers for schools once they are built. To ensure sustainability and quality, alternative approaches should be examined to determine how to balance the desire for village schools against system costs and how to use the school facilities efficiently.

6. All full secondary schools (and colleges) are in urban areas, especially Apia. Savaii has only one full secondary school. Rural students, therefore, cannot compete with their urban counterparts, and fail to be accepted at postsecondary and tertiary schools either because of poor academic performance or lack of places. Secondary schools now go up to year 12, and will go up to year 13 by 2004. Only about 1% of the total population is enrolled in tertiary schools.

2. Quality and Efficiency

7. **Teacher Quality.** In recent years, demand for teachers has been outstripping supply, especially for qualified teachers with skills to transmit knowledge interactively and effectively manage classrooms. The Government is trying to improve the intake of preservice training. However, many with the basic entry requirements do not perceive the teaching profession highly, and seek other options. While some candidates are highly motivated, low salaries and limited opportunities for professional development fail to attract higher performers and to keep those already teaching. Around half the teachers have had 12 or less years of service. The annual attrition rate is high by international standards: 5.2% per year among primary and 7.5% among secondary teachers, meaning that 61 primary and 34 secondary school teachers leave the service each year. Average annual output from NUS is 75. The merger of the Western Samoa Teachers Training College (WSTTC) with NUS as the Faculty of Education (FOE) has resulted in changes in preservice training. The number of courses was reduced and many compulsory elements were made optional. As a result, FOE perceives that its graduates may have lower competency in basic areas of lesson design and delivery than those who graduated from WSTTC. Teacher quality is also affected by a shortage of teaching and learning resources and limited facilities and equipment, especially in the practical subjects. School management should be more responsive, and schools and the MESC central office should communicate more to boost teachers' morale. The Cabinet has approved installation of telephones in schools to improve communication, and a new mail system to improve communication between schools and the MESC central office.

8. **Teacher and Student Absenteeism.** The Government is concerned with student and teacher absenteeism and has strengthened systems to control it. A mechanism is needed to solve this problem.

9. **Curriculum, Textbooks, and Learning Materials.** The primary curriculum was developed from the mid-1970s and early-1980s and is represented in a series of scope and sequence charts for the curriculum areas and in various scheme documents. The curriculum is now outdated and irrelevant. No curriculum policy framework exists at the primary level, and no subject- and year-based curriculum statements delineate the objectives of primary education by providing an overview of the scope of each subject and the sequencing of learning. The Government understands the need to develop a national curriculum framework and primary curriculum statements for each subject and year level (1–13), and has initiated discussions with development partners.

10. Development work has been ongoing to unify the curriculum for years 9–13.¹⁴ A secondary education curriculum is being developed with donor assistance, and a new single-stream curriculum for years 9–12 is being implemented in all secondary schools. Year-13 curriculum statements will be developed in 2004.

11. Textbooks, learning materials, teachers' manuals, and other learning resources are generally in short supply. At the primary level, Australian Agency for International Development (AusAid) has provided student textbooks, teacher manuals, and learning materials for years 1-8 on the basis of the old curriculum. After completing the new curriculum statements for primary education, supply of textbooks and teacher manuals will remain a major problem. Based on the new curriculum, textbooks for years 9-12 were supplied to all secondary schools, but textbooks for year 13 will be procured after completing the curriculum for year 13 if financing is available. MESCS's recurrent budget now provides for reprinting of primary-level textbooks to ensure resupply after 5 years. A similar resupply arrangement of textbooks to secondary schools is yet to be developed. Few schools have resources such as libraries to enrich students' learning experience. The few libraries usually have sparse and outdated collections. The ADB-funded Education Sector Project (ESP) will be supplying library resources to 19 project schools.

12. **Efficiency in Schooling.** School enrollment does not give a true picture of the system. The system is inefficient, with high repetition and dropout rates, and low transition and completion rates. In 2003 repetition was high in years 1 (6%), 8 (4%), 11 (5%), 12 (10%), and 13 (9%). Transition rates are also low. Overall, the dropout rate in years 1–2 was 5%, and increased to 9% in years 8–9. The dropout rate is high in years 10-11 (12%) and 12-13 (38%), indicating that more than half the secondary school students drop out before completing the primary and secondary school cycle.

13. **Youth issues.** The continuous dropouts at all levels, particularly the secondary level, will have serious socioeconomic implications. On average, in 1993–1999 some 4,500 primary- and secondary-level students may have dropped out. The number of school leavers and dropouts is estimated at around 5,000 annually, which is significantly high for the small population. Many are not absorbed by the economy and have no access to alternative learning systems. Youth education and unemployment must be addressed, otherwise these youth are likely to face a lifetime of chronic unemployment and poverty, and fall prey to a number of social ills, including delinquency, crime, alcohol and drug abuse, unwanted teenage pregnancies, sexually transmitted diseases including HIV/AIDS,¹⁵ depression, and suicide. Some of these problems have already started surfacing. Addressing the problems of youth also emerged as a common priority theme from the EFA 2000 Assessment in the Pacific region. It emphasizes the need to ensure that "learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programs." Dropouts and school leavers have few opportunities to learn relevant vocational or employable skills. The options for absorbing these youth in formal, vocational and skill training programs and in the labor market must be explored.

C. External Assistance

14. In 1998–1999, external funding concentrated heavily on education, especially at the postsecondary and tertiary level (71%). Primary and secondary education received 15% and 8%, respectively. AusAid, NZAID, EU, Japan International Cooperation Agency (JICA), United Nations agencies, and others have been heavily involved in a number of component projects in

¹⁴ The government policy is to have a single stream of secondary education. Implementation began in 2002.

¹⁵ Human immunodeficiency virus/acquired immunodeficiency syndrome.

education. However, the limited financial and personnel resources for education, compartmentalization of education by donors' component project approach, multiple planning requirements for different agendas and agents, and the short-term nature of projects and of the structure and parameters under which funding agencies work are not conducive to long-term cohesive planning for education sector development. The multiplicity of projects supported by different donors burden the country with an additional management and administrative load. Thus, government-led donor coordination is needed to systematically address the emerging issues in education, taking a long-term, sector-wide approach in the future.

D. Asian Development Bank's Strategy

15. ADB helps improve primary and secondary schools through ESP,¹⁶ focusing extensively on rehabilitation, expansion, and construction of schools, providing furniture and equipment as well as learning materials for school libraries. Through the proposed education and youth development project, programmed for 2004, ADB will focus on improving primary and secondary school processes, including access to an improved learning environment, to improve school efficiency and quality, and students' academic outcomes. This will be done after carefully reviewing and evaluating external assistance to the education sector to ensure that activities do not overlap. The project preparatory technical assistance will also evaluate the needs and the basis of selection of schools that require upgrading. The analyses of the issues indicate urgent need to (i) ensure equitable access to an improved learning environment, especially for the most disadvantaged; (ii) improve the quality of education to ensure higher-learning outcomes; (iii) provide out-of-school youth and dropouts a relevant skills training program to make them productive; and (iv) strengthen the capacity of the Government to develop and deliver a relevant demand-driven program for the youth.

E. Performance Monitoring

16. Medium-term performance will be monitored in the following areas: (i) qualified teacher supply and retention; (ii) new updated relevant primary curriculum and textbooks supply; (iii) reduction in dropout rates; (iv) Government's budgetary allocations for subsectors, especially for the primary and secondary levels; (v) access to full secondary education by disadvantaged groups; (vi) higher completion rates at the primary and secondary level; and (vii) a relevant demand-driven skills training program for out-of-school youth. Indicators to monitor the impact of government and donor interventions will be developed to prepare the education and youth development project.

¹⁶ Loan 1752-SAM (SF): Education Sector Project (ESP) was approved on September 2000 and became effective on 17 October 2000. The expected closing date of this project is in October 2004.

Energy Sector Development in Samoa

A. Overview

1. Samoa has an estimated final energy consumption of around 140,000 tons of oil equivalent. Around 47% of the demand is met by biomass, 45% by petroleum products, and 8% by hydroelectricity. Biomass products are used mainly for household cooking. Most of the petroleum products are used by the transport sector. The largest energy-consuming sectors are transport (36% of total energy use) and households (30%).

2. Total electricity demand in 2002 was 98,545 megawatt-hours (MWh), including 5,751 MWh in Savaii. Electricity supply capacity comprises 18 megawatts (MW) of diesel generation in Upolu and 2 MW in Savaii, 12 MW run-of-river hydroelectric plants in five locations, and 4 MW of hydropower with reservoir in Afulilo. However, most of the plants have been derated, and electricity-generating capacity in 2002 was estimated at 18.3 MW (15.8 MW in Upolu and 2.5 MW in Savaii).

B. Needs and Challenges

1. Increase the Share of Renewable Energies

3. Samoa relies on imported petroleum products, mainly gasoline and diesel oil, to meet the bulk of its commercial energy requirements. The country, however, is vulnerable to external economic shocks, especially those caused by sharp increases in petroleum prices. Samoa is well endowed with renewable energies, with biomass and hydropower representing almost half of energy consumption.

4. In 2002, the Electric Power Corporation (EPC) supplied 44,362 MWh of hydroelectricity (45% of the total). While hydropower resources are almost fully utilized in Upolu, they are still largely untapped in Savaii.

2. Improve the Reliability of the Power System

5. EPC has had very frequent power outages due to a variety of reasons: in 2000, of the 77 power outages, 19 were caused by the generation section and 58 by the transmission/distribution section. Main issues are (i) organizational—lack of a unit for overall maintenance planning and scheduling, (ii) logistic—lack of a central workshop, (iii) maintenance planning and scheduling, and (iv) parts procurement and stock management.

6. Annual losses in the power sector varied in the last few years between 13% and 18%. The EPC target of 12% per annum losses in 5 years should be achievable. Most losses are nontechnical (around 11% of the generation), due to incorrect wiring of meters, meter tampering, slow meters, neglect of meters that are difficult to access, un-metered supply, and others. EPC is also poor in collecting, checking, and preserving essential operating data.

3. Improve the Financial Conditions of Electric Power Corporation

7. EPC's financial condition used to be poor despite the policy changes required under Asian Development Bank (ADB) loans. One reason was that EPC could not adjust its tariff on time to offset the increase in costs of providing electricity.

8. In February 2001, the EPC board adopted ADB's recommendations to (i) apply and automatically adjust tariffs for changes in the fuel price and foreign currency exchange rate, (ii) establish a lifeline rate for low-income electricity consumers, and (iii) phase out the discount given for prompt payment of bills within 10 days. Although the cash flow of EPC has improved dramatically, it is still not financially sound.

4. Enhance Private Sector Development

9. All sectors need electricity, and reliable and affordable energy supply is indispensable for private sector growth. With the exception of the power sector, where EPC has the monopoly, Samoa's energy sector is run by the private sector. Wood and biomass are freely collected and then consumed or marketed by the collectors, and petroleum products are traded through private sector firms.

10. EPC is a commercial entity fully owned by the Government. The EPC board is chaired by the minister of works and energy, and includes representatives of consumer groups, nongovernment organizations, and the private sector (Chamber of Commerce). Under the 2001 Public Bodies (Performance and Transparency) Act, EPC must be run like a comparable private sector company. ADB is helping the Government and state-owned enterprises implement the act, especially by improving management tools and systems in general, and reporting and monitoring mechanisms in particular. EPC performance could be improved by adopting a cost-cutting strategy, including outsourcing of noncore activities to the private sector, and strengthening management systems and processes.

11. Market size, lack of technical skills, and the need to supply rural areas are, at least in the short to medium term, constraints to full privatization of EPC. Private sector participation in the running of EPC should be a priority. Legal and nonlegal impediments to private power generation, especially for hotels and industries with electricity generators, should be abolished. Competition in power generation should be supported and encouraged.

5. Reduce Negative Environmental Impact

12. Maintaining engines, appliances, and electricity generators in Samoa is a challenge. The average efficiency of diesel power plants in Samoa is 3.8 kWh per liter of diesel oil per kWh produced, further straining the already-fragile environment.

C. External Assistance

1. Asian Development Bank Assistance

13. As a major development partner of Samoa in the power sector, ADB has provided it with 8 loans and 14 technical assistance grants over the last 30 years. EPC was formed in 1972 during ADB's first power development loan to Samoa, which financed new diesel capacity and extended the distribution network. One ADB loan for power sector improvement is ongoing, and one loan for Savaii renewable energy is programmed for 2005.

14. ADB continues to help the energy and power sector in Samoa, with emphasis on improving the commercial viability of EPC, expanding the use of renewable resources, and refocusing assistance from Upolu to Savaii. The medium- to long-term goal of ADB assistance is the sustainability of reliable and affordable power supply.

2. Other External Assistance

15. Australia, the European Union, European Investment Bank, and World Bank assisted the Afulilo hydroelectric project. The Organization of Petroleum Exporting Countries (OPEC), in cofinancing with ADB, helped rehabilitate damaged hydropower generation facilities. Australia, New Zealand, and the United Nations Development Programme (UNDP) provided assistance to engage the services of key personnel in EPC.

D. Asian Development Bank's Strategy

16. The ADB Pacific strategy calls for protection of the fragile environments of the Pacific islands. The strategy is consistent with the Samoa energy policy to reduce national spending on imported petroleum products. Emphasis is given to (i) employing indigenous energy resources, in place of imports, whenever economically feasible; and (ii) promoting energy conservation, especially through the use of more efficient energy equipment.

17. **Increase the Share of Renewable Energy.** ADB is helping the Government increase the use of renewable energies and the efficiency of energy transformation and transport. ADB is also helping EPC improve its generation and transmission/distribution efficiency, as well as the share of renewable energy, mainly hydropower, in the electricity supply.

18. **Improve the Reliability of the Power System.** ADB is helping EPC improve the reliability of its power supply through advisory technical assistance to enhance the organization and management of the generation and transmission/distribution systems, and through loans to expand/improve the supply and dispatching systems.

19. **Improve the Financial Condition of EPC.** ADB is helping EPC charge consumers for the full cost of electric power, including interest cost. ADB also stresses that the tariffs should provide for automatic and timely adjustments for variation in fuel prices and exchange rates.

20. **Enhance Private Sector Development.** ADB is helping the Government implement state-owned enterprise reforms. Through previous privatization-related assistance, ADB was instrumental in the corporatization of EPC. The next step is full commercialization of, and private sector participation in, EPC. The Government should promote increased competition through private power generation generally and by amending laws.

21. **Reduce Environmental Negative Impact.** ADB is helping the Government reduce the use of hydrocarbons in the energy and power sector by increasing awareness and supporting appropriate policies to increase the efficient use of renewable energies. ADB is also providing loans to develop renewable resources in Savaii.

E. Performance Monitoring

22. Medium-term performance will be monitored in (i) power system reliability, (ii) financial sustainability of EPC, (iii) environmental impact, (iv) impact in the balance of payment, and (v) private sector participation.

Energy Sector Plan

Item	Indicators	
	Current (2002)	5 Years
1. Sector Outcomes/Impacts		
Proportion of population with access to power supply	80%	90%
Number of power outages per year	80	30
Carbon dioxide emission (kg/capita)	—	TBD
Import of petroleum products (\$ millions)	13.7	TBD
2. Sector Outputs		
Improved biomass use efficiency	15%	25%
Increased share of hydropower	45%	50%
Reduced transmission and distribution losses	17%	12%
Optimized price of electricity (\$/kWh)	0.20	TBD
Improved legal and nonlegal environment for private power generation	Insufficient	Improved
Increased private sector participation in EPC activities (outsourcing, etc.)	Low	Increased
Improved financial situation of EPC (ROE)	1%	3%
3. Sector Issues/ Constraints	Smallness of market Lack of managerial capacity and lack of skilled labor at EPC High input costs Legal impediments to private power generation Low income and consumer ability to pay	

— = not available, TBD = to be determined.

Water Sector Development Plan^a in Samoa

A. Sector Outcomes	Indicators				
	5 years (1998)	Current (2003)	5 years (2008)	10 years (2013)	15 years (2018)
National Water Reforms					
1. Effective national water policy	None	Exists but needs expansion to be comprehensive	Comprehensive policy exists and is effective		
2. Effective water sector apex body	None	Under discussion with the Government and other stakeholders			
3. Effective water action agenda		Under development	Exists and under implementation		
Water Resources Management					
4. Total annual withdrawals as share of annual water resources (include ground and surface water in 1991)	Data collection ongoing				
5. Existing policy and capacity to collect, coordinate, and manage water data among agencies	None	Limited policy under development	Exists		
6. Integrated water resources management	To be developed concurrent with water policy improvements				
7. Water quality effects	Poor in certain coastal areas and urban streams		Measured improvement ^b	Water quality meets enacted standards at 80% of locations sampled	
8. Effective water resources (including water quality) and environmental management in place	Limited	Planning and Urban Bill due for enactment ^c	Environmental Impact Assessment; Pollution Control and Environmental Standards Law enacted		
9. Economic losses from floods and droughts (annual average from 1990 to 2000)	Data collection ongoing				
Water Service Delivery					
10. Access (% population) to safe water ^d	10%	99% (33%)	95% (60%)	100% (75%)	100% (90%)
a. Urban	40%	72%	100%	100%	100%
b. Rural	0%	10%	40%	60%	80%
11. Access (% population) to adequate sanitation ^e	40%	88% (58%)	93% (70%)	97% (80%)	100% (90%)
a. Urban	51%	70%	90%	100%	100%
b. Rural	36%	48%	55%	70%	90%
13. Water-related diseases					
General	Data collection ongoing; current systems makes data disaggregation difficult		Improved statistics systems in place		
Indicator diseases	Data collection ongoing				
14. Master plan-guided service improvement	None	General planning framework	Yes	Yes	
15. Nonrevenue water performance	77%	55%	40%	25%	20%
a. Water losses from leakage	50%	40%	30%	20%	15%
b. Other nonrevenue water	27%	15%	10%	5%	5%
16. % of central collection and treatment of urban wastewater ^f	0	0	10%	25%	33%
a. Municipal collection and treatment	None	None			
b. Private industrial wastewater treatment and disposal	Partial or varying effectiveness				
17. Level of treatment of wastewater treatment					

18. Cost recovery for urban water services					
a. Water supply	Data collection ongoing				
b. Wastewater management	N.A.	N.A.	O&M plus maintenance	O&M plus maintenance and management	
19. Private sector participation in urban water services (including water and wastewater services)	None	None	Provision of O&M for wastewater services		
20. Effective regulatory system for water supply	Under discussion among stakeholders				
21. Self-sustaining rural water supply systems ^g	0	0	40%	60%	80%
22. Awareness programs in schools and for public					
B. Sector Outputs	INPUTS				
1. Comprehensive National Water Policy established		Sector planning			
2. Effective water resources and environmental management		Sector planning			
3. Increase wastewater collection and treatment rehabilitation in urban areas		Sector planning	ADB Loan		
4. System water losses substantially reduced		Sector planning	SWA		
5. Water demand reduced		Sector planning	SWA tariff adjustments	Community awareness programs, including those supported by loan, and TA attached to loan	
6. Rural sanitation access increased		Sector planning	Multiple donor assistance		
7. Drainage and wastewater master plans		Sector planning	TA attached to loan		
8. Improved urban individual sanitation systems		Sector planning	Loan and TA attached to loan		
C. Sector Issues and Constraints					
1. Inadequate funds and limited relevant skilled human resources and expertise to implement improvements and efficiently operate the wastewater system					
2. Inadequate cost recovery due to low tariff structure, reform of which has been constrained by concerns of affordability					
3. Financial management systems that do not allow for transparency of community service obligations by Government to SWA					
4. Environmental quality, particularly water quality, degraded from inadequate wastewater collection and treatment systems, adversely affecting public health					
6. Lack of effective, comprehensive framework for water resources management					
7. Lack of effective legislative framework for environmental management, particularly pollution control and water quality					
8. Continued urbanization, creating additional demand for water and wastewater services					
9. Need for additional details for planning and urban management systems					

D. Actions, Milestones, Investments	By Issue	Schedule	By Agency		
			ADB	Others/ External	Govt.
National Water Policy updated and comprehensive	Lack of effective, comprehensive framework for water resources management	2003-2004			X
PUMA bill enacted	Lack of effective legislative framework for environmental management, particularly pollution control and water quality	2003			
Tariff and Subsidy Program adjusted to provide for	Low cost recovery due to low tariff structure, reform of which has been constrained by concerns of affordability	2005	Advisory assistance via TA		X

recovery of at least O&M plus maintenance costs			attached to loan		
Master plans for drainage and wastewater management developed	Continued urbanization, which will create additional demand for water and wastewater services	2004	Advisory assistance via TA attached to loan		X
Effective Wastewater Management Division established in SWA	Inadequate funds and limited relevant skilled human resources and expertise to implement improvements and efficiently operate wastewater system	2004	Loan and TA attached to loan		X
PUMA Implementing Guidelines and regulations developed	Need for more detail in planning and urban management systems	2005	TA attached to loan		X
Pollution control and environmental standards legislation enacted	Lack of effective legislative framework for environmental management, particularly pollution control and water quality		Under discussion	Under discussion	X

ADB = Asian Development Bank, Govt = government, N.A. = not applicable, O & M = Operations & Maintenance, PUMA = Planning and Urban Management Agency, SWA=Samoa Water Authority, TA = technical assistance.

- ^a This draft represents agreements with the Government. Further discussions to refine the roadmap are ongoing. The final roadmap will be completed by end-2003.
- ^b Targets are under discussion and may be pending based on data collected under proposed sanitation and drainage project.
- ^c Planning and Urban Management Bill expected to be enacted by end-2003.
- ^d Definition of access to safe water needs to be agreed on and data updated accordingly. The country-wide data (first number given) indicate access to piped water without regard to quality or level of treatment. All other data indicate "safe water", defined here as treated water (chlorinated). There is also a considerable amount of water supply that is not treated.
- ^e Definition of access to safe sanitation needs to be agreed on and data updated accordingly. Safe sanitation is defined here as access to flush toilets. *Pisikoa*-type (latrine) toilets are not considered here as safe sanitation.
- ^f By volume; and for percentage of domestic population.
- ^g Percentage of the total rural population.

CONCEPT PAPERS FOR LENDING PRODUCTS

Table A4.1: Education and Youth Development

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input type="checkbox"/> Institutional development (associated TA)</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p> <p style="margin-left: 20px;"><input type="checkbox"/> Activities financed by JFICT or JFPR</p>		
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social infrastructure Subsector: Education</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p style="margin-left: 20px;"><input type="checkbox"/> Economic growth</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Gender and development</p> <p style="margin-left: 20px;"><input type="checkbox"/> Environmental protection</p> <p style="margin-left: 20px;"><input type="checkbox"/> Regional cooperation</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> </td> <td style="width: 50%; vertical-align: top;"> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Human development</p> <p style="margin-left: 20px;"><input type="checkbox"/> Good governance</p> <p style="margin-left: 20px;"><input type="checkbox"/> Private sector development</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Social protection</p> </td> </tr> </table>	<p style="margin-left: 20px;"><input type="checkbox"/> Economic growth</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Gender and development</p> <p style="margin-left: 20px;"><input type="checkbox"/> Environmental protection</p> <p style="margin-left: 20px;"><input type="checkbox"/> Regional cooperation</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p>	<p style="margin-left: 20px;"><input checked="" type="checkbox"/> Human development</p> <p style="margin-left: 20px;"><input type="checkbox"/> Good governance</p> <p style="margin-left: 20px;"><input type="checkbox"/> Private sector development</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Social protection</p>
<p style="margin-left: 20px;"><input type="checkbox"/> Economic growth</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Gender and development</p> <p style="margin-left: 20px;"><input type="checkbox"/> Environmental protection</p> <p style="margin-left: 20px;"><input type="checkbox"/> Regional cooperation</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p>	<p style="margin-left: 20px;"><input checked="" type="checkbox"/> Human development</p> <p style="margin-left: 20px;"><input type="checkbox"/> Good governance</p> <p style="margin-left: 20px;"><input type="checkbox"/> Private sector development</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Social protection</p>	
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>		
<p>4. Responsible division/department: PARD/PAHQ</p>		
<p>5. Responsible ADB officer(s): K. Chowdhury</p>		
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: Education and poverty reduction are clearly related. Poverty entails not only simple income deprivation, but also lack of empowerment, knowledge, opportunity, and income and capital. An educated and trained population is productive and contributes to the country's economic and social development.</p> <p>In Samoa, most people lack access to quality primary and secondary education, resulting in high repetitions, dropouts, and low level of completion rates, making the system very inefficient. Even though students complete the full cycle of primary and secondary education, they often lack the skills required by the economy or for self-employment. Every year, therefore, a large number of dropouts and out-of-school youth join the ranks of the vulnerable groups.</p> <p>b. Goal and purpose: The project will continue the work of the first Education Sector Project to improve equitable access to quality education in primary and secondary schools, particularly in rural and remote areas. The proposed project's goal is to develop human resources. The project's purpose is to improve the school processes at</p>		

the primary and secondary level to improve school quality and efficiency, and students' academic outcomes, including access to improved learning environment. This will be done after carefully reviewing and evaluating the external assistance to the education sector so that activities do not overlap. The PPTA consultant will evaluate the needs and the basis of selection of schools that require upgrading.

c. Components and outputs: The components are the following: (i) equitable access to improved learning environment, especially for the most disadvantaged; (ii) improving the quality of education to ensure higher learning outcomes; (iii) providing out-of-school youth and dropouts a relevant employable skills training program; and (iv) strengthening the capacity of Ministry of Women, Community, and Social Development (MWCSO) to develop and deliver a demand-driven program for the youth. The likely outputs will be determined during project preparation but are likely to include upgrading and rehabilitating municipal primary schools and district secondary schools in disadvantaged rural areas; reviewing, renewing, and implementing the primary curriculum, examination, and assessment system; providing textbooks, learning materials, and teacher manuals for primary and secondary education; and developing relevant curriculum for skills development programs; reviewing and providing pre- and in-service teacher training for primary and secondary education; and training personnel of MWCSO and other relevant agencies to implement a skills development programs for youth.

d. Expected results and deliverables:

To be determined during project preparation.

e. Social or environmental issues or concerns:

The growing body of economically inactive and disenchanted youth presents increasing social and economic problems. All youth need the self-identity that comes from having defined social roles and responsibilities in society and economic opportunities.

f. Plans for disseminating results/deliverables:

To be determined during project preparation.

7. Proposed executing/implementing agencies: The executing agency will be the Ministry of Finance. The implementing agencies will be the Ministry of Education, Sports, and Culture for the formal education components, and MWCSO to implement components related to youth development.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

The Government and civil society, including nongovernment organizations, church groups, private entrepreneurs, and development partners will be consulted through workshops during project preparation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP update: 2001
- b. Expected date of submission for approval
 - Lending: 2004
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory):
 - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
 - Lending: 2004–2007
 - Nonlending;
 - Activities financed by JFICT or JFPR:

10. Financing

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund: \$5 million
 - Other:
- b. For nonlending
 - No resources required, other than ADB staff

<input type="checkbox"/> ADB's administrative budget:
<input type="checkbox"/> Grant TA funds
<input type="checkbox"/> TA Special Fund:
<input type="checkbox"/> Japan Special Fund:
<input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):
c. For projects financed by
<input type="checkbox"/> JFICT:
<input type="checkbox"/> JFPR:

ADB = Asian Development Bank, CSP = country strategy and program, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operations Division, PARD = Pacific Department, SCSP = subregional cooperation strategy and program, TA = technical assistance, UNDP = United Nations Development Programme.

Table A4.2: Savaii Renewable Energy

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Hydropower</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PARD/PAHQ</p>										
<p>5. Responsible ADB officer(s): L. Bodda</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: Energy development is an important element underpinning the government strategy for economic growth and social development. Since 1971, ADB has provided 14 TAs and 8 loans for power sector development. While the projects benefited the entire country, most projects were primarily located in Upolu. The Government has requested ADB to consider assistance to provide adequate power supply to Savaii by developing the hydropower resources of the Sili River basin.</p> <p>b. Goal and purpose: The project will provide least-cost reliable electricity to reduce poverty and develop private sector activities in Savaii with indigenous renewable resources.</p> <p>c. Components and outputs: The project will include (i) construction of (a) an access road; (b) dam, canals, and penstock; and (c) a water reservoir; (ii) installation of a 1.8-megawatt (MW) generator; and (iii) upgrade of the Savaii transmission loop to accommodate the new power plant.</p> <p>d. Expected results and deliverables: The project will provide around 8.8 gigawatt-hours per annum of indigenous renewable electrical energy to Savaii at least cost.</p>										

<p>e. Social or environmental issues or concerns: A few environmental issues are related to land tenure as well as the need to construct an access road. A detailed socioeconomic survey with special emphasis on poverty, environmental assessment, and resettlement plan may be required. Other purposes for the dam, including water supply, irrigation, and aquaculture schemes, will be studied during project preparation.</p> <p>f. Plans for disseminating results/deliverables: Not applicable</p>
<p>7. Proposed executing/implementing agencies: Electric Power Corporation (EPC)</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Community involvement is vital to the success of the project. EPC is already conducting an awareness campaign of the possible benefits of the hydropower project in Savaii.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP update: 2001</p> <p>b. Expected date of submission for approval Lending: 2005 Nonlending (project preparatory): 2002 Nonlending (other than project preparatory): Activities financed by JFICT or JFPR:</p> <p>c. Period and duration of assistance Lending: 2005-2009 Nonlending: Activities financed by JFICT or JFPR:</p>
<p>10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources: <input checked="" type="checkbox"/> Asian Development Fund: \$5 million <input checked="" type="checkbox"/> Other: \$5 million cofinancing (source to be determined)</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input type="checkbox"/> Grant TA funds <input type="checkbox"/> TA Special Fund: <input type="checkbox"/> Japan Special Fund: <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>c. For projects financed by</p> <p><input type="checkbox"/> JFICT: <input type="checkbox"/> JFPR:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, EPC = Electric Power Corporation, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operations Division, PARD = Pacific Department, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A4.3: Sanitation and Drainage II

<p>1. Type/modality of assistance (check)</p> <p><input type="checkbox"/> Lending</p> <p><input checked="" type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other: (specify, e.g., loan-financed project preparatory, project implementation, or advisory activities)</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other: Sector Structuring Intermediation</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p> <p>JFPR = Japan Fund for Poverty Reduction, JFICT = Japan Fund for Information and Communication Technology</p>										
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p>Sector: Human development Subsector: _____</p> <p>b. For project preparatory and lending, classification (check one)</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s) (check more than one category, if applicable)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input checked="" type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td colspan="2"><input type="checkbox"/> Other: (check more than one category, if applicable)</td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other: (check more than one category, if applicable)	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input checked="" type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other: (check more than one category, if applicable)										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PARD</p>										
<p>5. Responsible ADB officer(s): N. Convard</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy</p> <p>The project is directly linked to three of ADB's key strategies for the country: (i) enhancing access to, and delivery of, basic social services by providing infrastructure and enhancing management and performance of the relevant public sector institutions; and (ii) improving the enabling environment for accelerated private sector growth and employment by enhancing the policy framework for private sector development, supporting sound macroeconomic and financial policies and management, freeing up of untapped productive and economic uses of customary land, facilitating public-private partnerships, and enhancing accountability and performance of state-owned enterprises. The project addresses key environmental concerns, including increasing urbanization, waste management, and depletion of natural resources.</p>										

b. Goal and purpose:

The overall goal of the project is to support improved sanitation/wastewater services and drainage by implementing the PPTA recommendations. The project will improve planning and management of (i) drainage and drainage maintenance and (ii) sanitation/wastewater management. Improved environmental quality is expected to improve the environment for the private sector. Like phase 1 of the sanitation and drainage improvements, the project will encourage private sector participation in providing wastewater and sanitation services.

c. Components and outputs:

The investment project will provide improved sanitation/wastewater management through additional wastewater facilities to improve environmental quality. Drainage facilities will also be expanded and enhanced.

Specific components and outputs will be developed during the PPTA through consultation with the Government, community, and other stakeholders.

d. Expected results and deliverables:

Wastewater collection and treatment systems will be expanded, and drainage infrastructure improved. Operation and maintenance of individual wastewater/sanitation systems will be enhanced.

e. Social or environmental issues or concerns:

Environmental quality improvements are an intended outcome of the project. Participatory planning and community dialogue will ensure that social development needs are also addressed.

f. Plans for disseminating results/deliverables:

Project reports

7. Proposed executing/implementing agencies: Ministry of Finance (EA) and Samoa Water Authority (IA)

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval
 Lending: 2006
 Nonlending (project preparatory):
 Nonlending (other than project preparatory):
 Activities financed by JFICT or JFPR

c. Period and duration of assistance
 Lending: 5 years
 Nonlending:
 Activities financed by JFICT or JFPR:

CSP = country strategy and program,
 SCSP = subregional cooperation strategy and program.

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources: \$ _____
- Asian Development Fund: \$5 million
- Other: (specify) \$ _____

If cofinancing is required indicate sources, and amount sought:
If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$ _____
- Grant TA funds
- TA Special Fund: \$ _____
- Japan Special Fund: \$ _____
- Other (specify, e.g., bilateral and multilateral trust funds): \$ _____

If cofinancing is required indicate sources, and amount sought:
If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT: \$ _____
- JFPR: \$ _____

If cofinancing is required indicate sources, and amount sought: _____

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, EA = Executing Agency, IA = Implementing Agency, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

Table A5.1: Capacity Building for Youth Development

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Sector development program loan</p> <p style="margin-left: 20px;"><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p style="margin-left: 20px;"><input type="checkbox"/> Project preparatory</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Other than project preparatory</p> <p style="margin-left: 40px;"><input type="checkbox"/> Economic, thematic, and sector work</p> <p style="margin-left: 40px;"><input checked="" type="checkbox"/> Institutional development</p> <p style="margin-left: 40px;"><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>		
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Social infrastructure Subsector: Education</p> <p>b. For project preparatory and lending, classification</p> <p style="margin-left: 20px;"><input type="checkbox"/> Core poverty intervention</p> <p style="margin-left: 20px;"><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other: </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input checked="" type="checkbox"/> Social protection </td> </tr> </table>	<input type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input checked="" type="checkbox"/> Social protection
<input type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Gender and development <input type="checkbox"/> Environmental protection <input type="checkbox"/> Regional cooperation <input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Human development <input type="checkbox"/> Good governance <input type="checkbox"/> Private sector development <input checked="" type="checkbox"/> Social protection	
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>		
<p>4. Responsible division/department: PAHQ/PARD</p>		
<p>5. Responsible ADB officer(s): K. Chowdhury</p>		
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: Education and poverty reduction are clearly related. Poverty entails not only simple income deprivation, but also lack of empowerment, knowledge, opportunity, and income and capital. An educated and trained population is productive and contributes to the country's economic and social development. In Samoa, most people lack access to quality primary and secondary education, resulting in high repetitions, dropouts, and low level of completion rates, making the system very inefficient. Even though students complete the full cycle of primary and secondary education, they often lack the skills required by the economy or for self-employment. Every year, therefore, a large number of dropouts and out-of-school youth join the ranks of the vulnerable groups.</p> <p>While the Government has stated its concern and the need to address youth issues in its National Youth Policy and Strategy 2001-2010, for the Development of Samoa, resources are scarce, and inadequate budget allocation to the Ministry of Women, Community, and Social Development (MWCSD) and other concerned agencies makes it impossible to solve these problems. A number of nongovernment organizations (NGOs) operating in Samoa, and external assistance agencies are increasingly turning their attention to the needs of the youth. While the parties do not lack commitment, these initiatives suffer from limited funding and lack of capacity and leadership.</p>		

b. Goal and purpose: The TA will build MWCS D's institutional capacity to promote social and economic development by training youths to be socially and economically productive. The TA will help MWCS D implement some elements of the National Youth Policy and Strategy.

c. Components and outputs: These will be determined as an outcome of the PPTA provided for the education sector in 2003.

d. Expected results and deliverables: The TA will strengthen the capacity of MWCS D and concerned agencies to implement its policy strategies, as well as improve resource allocation to better serve the youth community. The TA will improve communications and the consultative process among the Government, private sector entrepreneurs, NGOs, church and youth groups, and the community.

e. Social or environmental issues or concerns: The Samoan family is adjusting to new roles and new expectations as it transforms from extended to nuclear, and as the economy shifts from independent subsistence to market transactions and economic interdependence. Like other Pacific countries, Samoa is adjusting to the needs of a modernizing economy. Society and Government are reconsidering their roles, responsibilities, and capacities in providing social safety nets and social welfare in general. The youth face a challenging and often distressing social and economic environment. Traditionally with little voice in family affairs, some youth may suffer a loss of self-esteem and self-respect. The lack of opportunity combined with the lack of a forum in modern society has been linked, in part, to increasing social ills, including crime, teenage pregnancies, sexually transmitted disease, drug and alcohol abuse, and suicide. A growing number of economically inactive and disenfranchised youth will likely present increasing social and economic problems.

f. Plans for disseminating results/deliverables: not applicable

7. Proposed executing/implementing agencies: The executing agency will be the Ministry of Finance, and the implementing agency the Ministry of Women, Community, and Social Development.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

Consultations will be conducted with all major stakeholders during the fact-finding mission. The TA will be designed as a consultative process to increase and enhance commitment and ownership of all stakeholders. The Government and civil society, including NGOs, church groups, and community and youth groups, will be included in the consultative process and encouraged to participate actively in the TA.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP update: 2002
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): 2004
 - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
 - Lending:
 - Nonlending: 2004-2005
 - Activities financed by JFICT or JFPR:

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds
 - TA Special Fund:
 - Japan Special Fund: US\$350,000
 - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT:
- JFPR:

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank; CSP = country strategy and program; JFICT = Japan Fund for Information and Communication Technology; JFPR = Japan Fund for Poverty Reduction; MWA = Ministry of Women Affairs; MYSC = Ministry of Youth, Sports and Culture; MWCSD = Ministry of Women, Community, and Social Development, NGO = nongovernment organization; PAHQ = Pacific Operations Division; PARD = Pacific Department; PPTA = project preparatory technical assistance, SCSP = subregional cooperation strategy and program; TA = technical assistance, UNDP = United Nations Development Programme.

Table A5.2: Land Mobilization and Securitization

<p>1. Type/modality of assistance (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PAHQ/PARD</p>										
<p>5. Responsible ADB officer(s): W. Wicklein</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy:</p> <p>Land ownership and use in Samoa is an unresolved economic and social problem. Land is a central part of the lives and customs of Samoans. Around 80 % of land is held in custom, while 16 percent is public and 4 percent is freehold land. Traditionally, customary ownership is vested in the elected head of an extended family (<i>matai</i>) or a local chief. Tackling the problems of a customary system is difficult and highly sensitive. Hence, solutions have not emerged and land issues continue to limit development. The Government has recognized the current system of land tenure as severely limiting national development.</p> <p>The Government is establishing a law commission to recommend reforms in land tenure and procedures. ADB supported recent work to provide a detailed legal analysis of the issues and a roadmap for change as well as a valuable framework for changing land laws. The findings of the law commission will be critical to formulate changes that will create a functioning land market. In late 2002 ADB carried out a private sector assessment, which</p>										

determined that assistance was needed to shorten the time to obtain a lease, ensure that lease agreements are reliable, allow untitled Samoans to lease land, codify customary practice, strengthen the rulings of the Lands and Titles Court, remove restrictions on freehold land, and reduce the cost and attestation requirements for land registration.

During the 2003 country programming mission, the Government requested ADB to support a new generation of reforms to mobilize and securitize customary land. Such reforms could mean groundbreaking progress for Samoa and would promise significant regional impact. Considering how sensitive the land issue is in the Pacific, however, any reform measures will have to be handled with utmost cultural empathy and patience, in close consultation with landowners, and with a high degree of flexibility and innovation in timing and approach.

The ADB 2004-2006 country program for Samoa, therefore, proposes a series of technical (and possibly loan) assistance, throughout the program cycle, to support reform. This series of assistance will be initiated through the proposed TA on mobilization and securitization of customary land.

b. Goal and purpose:

The long-term goal is poverty reduction and economic growth by facilitating private sector development through the economic use of land for collateral. To achieve this, the TA will support the initiation of the proposed new generation of reforms through a study on the options for mobilization and securitization of customary land.

c. Components and outputs:

The TA will help analyze the issues related to mobilization and securitization of customary land, and identify and assess options and solutions. The study will also lay out an implementation plan for comprehensive reforms in this area, including identification of areas for ADB assistance. The study will be prepared in close cooperation and coordination with the law commission, and the output of the TA will feed directly into its work program.

d. Expected results and deliverables:

A study on ways to mobilize and securitize customary land

e. Social or environmental issues or concerns: None

f. Plans for disseminating results/deliverables:

The process will involve extensive consultations and participation. Results should be broadly disseminated as part of a comprehensive publicity strategy to ensure broad-based support during reform.

7. Proposed executing/implementing agencies:

The executing agency will be determined during fact finding.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

All stakeholders will be closely consulted and involved in TA preparation.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): July 2004

Activities financed by JFICT or JFPR:

c. Period and duration of assistance

Lending:

Nonlending: 12 months
Activities financed by JFICT or JFPR:

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

- Ordinary capital resources: \$
 Asian Development Fund: \$
 Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 TA Special Fund: \$300,000
 Japan Special Fund: \$
 Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT: \$
 JFPR: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A5.3: Strengthening State-Owned Enterprise Corporate Governance

<p>1. Type/modality of assistance (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PAHQ/PARD</p>										
<p>5. Responsible ADB officer(s): W. Wicklein</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy:</p> <p>The Government has taken decisive steps to improve the commercial legal environment through passage of the 2001 Companies Act, and enhancing performance and transparency of state-owned enterprises (SOEs) through the 2001 Public Bodies (Performance and Transparency Act), which became effective in March 2003. The new SOE legislation constitutes an improved framework for reporting and monitoring, and is expected to lead to enhanced SOE performance and corporate governance.</p> <p>Under TA 3768-SAM: Implementation of SOE Reforms (approved in 2001), ADB is helping the Government implement SOE reforms by (i) helping implement the reporting and performance monitoring provisions of the new Public Bodies Act; (ii) helping privatize selected SOEs; (iii) helping formulate portfolio objectives and reform strategies for SOEs foreseen for a second tier of privatization in the medium term, and for those that will remain in the public sector; and (iv) capacity building for SOEs and the SOE Monitoring Division, Ministry of Finance. As</p>										

ongoing SOE reforms enjoy strong momentum, continued TA is proposed to enhance the accountability and performance of SOEs.

Corporate governance of the SOE sector in Samoa is characterized by boards largely composed of politicians and public servants; decisions made by boards that have nothing to do with profitability; inconsistent size and fees of boards; board directors' lack of knowledge of the provisions of the Public Bodies Act; failure to observe corporate governance strictures, including the requirement for audits and prevention of conflict of interest; lack of experienced people in the private sector who would be suitable for appointment as directors of SOEs; shortage of good auditors; and the need for SOEs to comply not just with legislation but also to comply with listing regulations of, for instance, the Fiji Stock Exchange. The proposed TA will systematically address the most vital of these issues.

b. Goal and purpose:

The objective of the TA is to raise economic growth by enhancing corporate governance, efficiency, and profitability of SOEs.

c. Components and outputs:

The TA will review the underlying issues and problems in relation to governance of public enterprises, then identify and assess options for improvement, and recommend an implementation plan. The TA will help the Government implement the plan and establish an institute of directors.

e. Expected results and deliverables:

The TA will (i) prepare a report on issues, options, and recommendations to improve SOE governance; and (ii) help implement the recommended options and solutions.

e. Social or environmental issues or concerns: None

f. Plans for disseminating results/deliverables:

The process will involve extensive consultations and participation, and broad dissemination of the results will be necessary as part of a comprehensive publicity strategy.

7. Proposed executing/implementing agencies:

The Ministry of Finance will be the executing agency.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

All stakeholders will be closely consulted on and involved in TA preparation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): July 2004
 - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
 - Lending:
 - Nonlending: 18 months
 - Activities financed by JFICT or JFPR:

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

- Ordinary capital resources: \$
 Asian Development Fund: \$
 Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 TA Special Fund: \$250,000
 Japan Special Fund: \$
 Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT: \$
 JFPR: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, SOE = state-owned enterprise, TA = technical assistance.

Table A5.4: Savaii Renewable Energy Support

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Non-lending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Hydropower</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <p><input checked="" type="checkbox"/> Economic growth</p> <p><input type="checkbox"/> Gender and development</p> <p><input type="checkbox"/> Environmental protection</p> <p><input type="checkbox"/> Regional cooperation</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Human development</p> <p><input type="checkbox"/> Good governance</p> <p><input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Social protection</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: PARD/PAHQ</p>
<p>5. Responsible ADB officer(s): L. Bodda</p>
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: Energy development is an important element underpinning the Government's strategy for economic growth and social development. ADB has helped Samoa develop the energy sector, particularly the power subsector, since 1971. ADB has provided 14 TAs and 8 loans for power sector development, including institutional strengthening and policy reforms, tariff and revenue studies, and improvement of the financial management of the Electric Power Corporation (EPC). This assistance will build on the achievements of previous assistance to strengthen the capacity of EPC to deliver power services.</p> <p>b. Goal and purpose: Help the Government and EPC undertake further policy reforms and capacity building to ensure that EPC continues to evolve toward full private sector orientation.</p> <p>c. Components and outputs: To be identified</p> <p>d. Expected results and deliverables: The TA will help EPC provide reliable and affordable power supply commercially to facilitate its privatization.</p>

<p>e. Social or environmental issues or concerns: Not applicable</p> <p>f. Plans for disseminating results/deliverables: Not applicable</p>
<p>7. Proposed executing/implementing agencies: Electric Power Corporation</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Stakeholder involvement is vital to the success of the full commercialization and privatization of EPC.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP update: 2002</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): 2005 Activities financed by JFICT or JFPR:</p> <p>c. Period and duration of assistance Lending: Nonlending: 2005-2006 Activities financed by JFICT or JFPR:</p>
<p>10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund: <input type="checkbox"/> Other:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds <input checked="" type="checkbox"/> TA Special Fund: US\$400,000 <input type="checkbox"/> Japan Special Fund: <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>c. For projects financed by <input type="checkbox"/> JFICT: <input type="checkbox"/> JFPR:</p> <p>If cofinancing is required indicate sources, and amount sought: If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, EPC = Electric Power Corporation, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, PAHQ = Pacific Operations Division, PARD = Pacific Department, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A5.5: Preparation of Sanitation and Drainage II

<p>1. Type/modality of assistance (check)</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other: (specify, e.g., loan-financed project preparatory, project implementation, or advisory activities)</p> <p><input type="checkbox"/> Nonlending</p> <p><input checked="" type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other: Sector Structuring Intermediation</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>
<p>2. Assistance focus</p> <p>b. If assistance focuses on a particular sector or subsector, specify the Sector: Human development Subsector: _____</p> <p>b. For project preparatory and lending, classification (check one)</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s) (check more than one category, if applicable)</p> <p><input type="checkbox"/> Economic growth <input checked="" type="checkbox"/> Human development</p> <p><input type="checkbox"/> Gender and development <input type="checkbox"/> Good governance</p> <p><input checked="" type="checkbox"/> Environmental protection <input type="checkbox"/> Private sector development</p> <p><input type="checkbox"/> Regional cooperation <input type="checkbox"/> Social protection</p> <p><input type="checkbox"/> Other: (check more than one category, if applicable)</p>
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>
<p>4. Responsible division/department: PARD</p>
<p>5. Responsible ADB officer(s): N. Convard</p>
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy</p> <p>The project is directly linked to three of ADB's key strategies for the country: (i) enhancing access to, and delivery of, basic social services by providing infrastructure and enhancing management and performance of the relevant public sector institutions; and (ii) improving the enabling environment for accelerated private sector growth and employment by enhancing the policy framework for private sector development, supporting sound macroeconomic and financial policies and management, freeing up of untapped productive and economic uses of customary land, facilitating public-private partnerships, and enhancing accountability and performance of state-owned enterprises. The project addresses key environmental concerns, including increasing urbanization, waste management, and depletion of natural resources.</p>

b. Goal and purpose:

The project goal is to develop an investment project that builds upon the first phase sanitation and drainage project to further improve sanitation/wastewater services and drainage in Apia. The project recommends ways to improve the planning and management of (i) drainage and drainage maintenance and (ii) sanitation/wastewater management. Improved environmental quality is expected to support an improved environment for the private sector. As with phase 1 of the sanitation and drainage improvements, the project will encourage private sector participation in the provision of wastewater and sanitation services.

c. Components and outputs:

The PPTA will provide a preliminary design with appropriate technical, economic, financial, environmental, and social analysis for improved sanitation/wastewater management and drainage infrastructure.

Specific components and outputs will be developed in consultation with the Government, community, and other stakeholders, and through review of the outputs of the 2003 investment project.

d. Expected results and deliverables:

Wastewater collection and treatment systems will be expanded, and drainage infrastructure improved. Operation and maintenance of individual wastewater/sanitation systems will be enhanced.

e. Social or environmental issues or concerns:

Environmental quality improvements are an intended outcome of the project. Participatory planning and community dialogue will ensure that social development needs are also addressed.

f. Plans for disseminating results/deliverables:

Project reports

7. Proposed executing/implementing agencies: Ministry of Finance (EA) and Samoa Water Authority (IA)

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory): October 2005

Nonlending (other than project preparatory):

Activities financed by JFICT or JFPR

c. Period and duration of assistance

Lending:

Nonlending: 6 months

Activities financed by JFICT or JFPR:

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources: \$ _____

Asian Development Fund: \$ _____

Other: (specify) \$ _____

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$ _____
 Grant TA funds
 TA Special Fund: \$ 200,000
 Japan Special Fund: \$ _____
 Other (specify, e.g., bilateral and multilateral trust funds): \$ _____

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT: \$ _____
 JFPR: \$ _____

If cofinancing is required indicate sources, and amount sought: _____

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, EA = Executing Agency, IA = Implementing Agency, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A5.6: Securitization of Land Leases

<p>1. Type/modality of assistance (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PAHQ/PARD</p>										
<p>5. Responsible ADB officer(s): W. Wicklein</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy:</p> <p>Land ownership and use in Samoa is an unresolved economic and social problem. Land is a central part of the lives and customs of Samoans. Around 80 % of land is held in custom, while 16 percent is public and 4 percent is freehold land. Traditionally, customary ownership is vested in the elected head of an extended family (<i>matai</i>) or a local chief. Tackling the problems of a customary system is difficult and highly sensitive. Hence, solutions have not emerged and land issues continue to limit development. The Government has recognized the current system of land tenure as severely limiting national development.</p> <p>The Government is establishing a law commission to recommend reforms in land tenure and procedures. ADB supported recent work to provide a detailed legal analysis of the issues and a roadmap for change as well as a</p>										

valuable framework for changing land laws. The findings of the law commission will be critical to formulate changes that will create a functioning land market. In late 2002 ADB carried out a private sector assessment, which determined that assistance was needed to shorten the time to obtain a lease, ensure that lease agreements are reliable, allow untitled Samoans to lease land, codify customary practice, strengthen the rulings of the Lands and Titles Court, remove restrictions on freehold land, and reduce the cost and attestation requirements for land registration.

During the 2003 country programming mission, the Government requested ADB to support a new generation of reforms to mobilize and securitize customary land. Such reforms could mean groundbreaking progress for Samoa and would promise significant regional impact. Considering how sensitive the land issue is in the Pacific, however, any reform measures will have to be handled with utmost cultural empathy and patience, in close consultation with landowners, and with a high degree of flexibility and innovation in timing and approach.

The ADB 2004-2006 country program for Samoa, therefore, proposes a series of technical (and possibly loan) assistance to support reform. In 2004, this series of assistance will be initiated through a study on options to mobilize and securitize customary land. The study will, inter alia, lay out the details and implementation plans for the proposed reform package. The TA will support the process by preparing a loan project on land mobilization and securitization, if required.

b. Goal and purpose:

The long-term goal is poverty reduction and economic growth through the development of the private sector through the economic use of land for collateral. To achieve this, the TA will help prepare a loan project to support the mobilization and securitization of land for economic use.

c. Components and outputs:

The TA will help conceptualize and design the loan project. Details will depend on the actual needs as identified under the previous TA.

d. Expected results and deliverables:

Expected results and deliverables will be specified once the need for the loan has been determined.

e. Social or environmental issues or concerns: To be determined

f. Plans for disseminating results/deliverables:

The process will necessarily involve extensive consultations and participation, as well as broad dissemination of the results. This will be necessary as part of a comprehensive publicity strategy to ensure broad-based support during implementation of the reforms.

7. Proposed executing/implementing agencies:

The executing agency will be determined during fact finding.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

All stakeholders will be closely consulted and involved in TA preparation.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory): July 2005
 - Nonlending (other than project preparatory):

Activities financed by JFICT or JFPR:

c. Period and duration of assistance
 Lending:
 Nonlending: 12 months
 Activities financed by JFICT or JFPR:

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending
 Ordinary capital resources: \$
 Asian Development Fund: \$
 Other: \$

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 TA Special Fund: \$400,000
 Japan Special Fund: \$
 Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by
 JFICT: \$
 JFPR: \$

If cofinancing is required indicate sources, and amount sought:
 If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

Table A5.7: Supporting Securitization of Land Leases

<p>1. Type/modality of assistance (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p>4. Responsible division/department: PAHQ/PARD</p>										
<p>5. Responsible ADB officer(s): W. Wicklein</p>										
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy:</p> <p>Land ownership and use in Samoa is an unresolved economic and social problem. Land is a central part of the lives and customs of Samoans. Around 80 % of land is held in custom, while 16 percent is public and 4 percent is freehold land. Traditionally, customary ownership is vested in the elected head of an extended family (<i>matai</i>) or a local chief. Tackling the problems of a customary system is difficult and highly sensitive. Hence, solutions have not emerged and land issues continue to limit development. The Government has recognized the current system of land tenure as severely limiting national development.</p> <p>The Government is establishing a law commission to recommend reforms in land tenure and procedures. ADB supported recent work to provide a detailed legal analysis of the issues and a roadmap for change as well as a valuable framework for changing land laws. The findings of the law commission will be critical to formulate changes</p>										

that will create a functioning land market. In late 2002, ADB carried out a private sector assessment, which determined that assistance was needed to shorten the time to obtain a lease, ensure that lease agreements are reliable, allow untitled Samoans to lease land, codify customary practice, strengthen the rulings of the Lands and Titles Court, remove restrictions on freehold land, and reduce the cost and attestation requirements for land registration.

During the 2003 country programming mission, the Government requested ADB to support a new generation of reforms to mobilize and securitize customary land. Such reforms could mean groundbreaking progress for Samoa and would promise significant regional impact. Considering how sensitive the land issue is in the Pacific, however, any reform measures will have to be handled with utmost cultural empathy and patience, in close consultation with landowners, and with a high degree of flexibility and innovation in timing and approach.

The ADB 2004-2006 country program for Samoa, therefore, proposes a series of technical (and possibly loan) assistance, throughout the program cycle, to support the reform process. This series of assistance will be initiated, in 2004, through a study on options for the mobilization and securitization of customary land. The study will, inter alia, lay out the details and implementation plans for the proposed reform package. A standby loan to support mobilization and securitization of land is programmed for 2006. This TA is proposed to be attached to the loan, should the underlying loan be required.

c. Goal and purpose:

The long-term goal is poverty reduction and economic growth by developing the private sector through the economic use of land for collateral. To achieve this, the TA will support the implementation of the loan project, as proposed as a standby for 2006, to mobilize and securitize land for economic use.

d. Components and outputs:

Components and outputs of the proposed TA will be specified once the need for the underlying loan has been determined.

f. Expected results and deliverables:

Deliverables of the proposed TA will be specified once the need for the underlying loan has been determined.

e. Social or environmental issues or concerns: None.

f. Plans for disseminating results/deliverables:

The process of land-related reforms will necessarily involve extensive consultations and participation, which is regarded as key to successful implementation.

7. Proposed executing/implementing agencies:

The executing agency will be determined during fact finding.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

All stakeholders will be closely consulted and involved in TA preparation.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): July 2006

Activities financed by JFICT or JFPR:

c. Period and duration of assistance

Lending:

Nonlending: 24 months

Activities financed by JFICT or JFPR:

10. Financing Plan (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

- Ordinary capital resources: \$
 Asian Development Fund: \$
 Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget: \$
 Grant TA funds
 TA Special Fund: \$500,000
 Japan Special Fund: \$
 Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT: \$
 JFPR: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.