



## Asian Development Bank & Samoa

### FACT SHEET

**Table 1. Samoa: Development Indicators**

<b>Non-MDG</b>	
Population in millions	0.18 (2008)
Annual population growth rate (%)	0.4 (2006–2008)
Adult literacy rate (%)	98.7 (2007)
Percent of population in urban areas	22.8 (2007)
<b>MDG</b>	
Percent of population living on less than \$1.25 a day	...
Percent of population living below the national poverty line	20.3 (2002)
Under-5 mortality rate per 1,000 live births	27 (2007)
Percent of population using an improved drinking water source	88 (2006)

... = data not available, MDG = Millennium Development Goal.

Sources: ADB. 2009. *Basic Statistics 2009*. Manila.  
UNESCO. 2009. Institute for Statistics Data Centre.  
World Bank. 2009. World Development Indicators Online.

Samoa has made significant progress in human development since the early 1980s, and is well advanced in achieving the eight Millennium Development Goals (MDGs). The reported incidence of poverty has fallen faster than the targeted rate, universal primary education has almost been achieved, gender disparity in primary and secondary education has been eliminated, and child and maternal mortality have been reduced, though less progress has been made in achieving the MDG of environmental sustainability. This economic and social progress is attributed to the combined impact of steady economic growth, substantial remittances from Samoans abroad, and the maintenance of relatively high levels of public expenditure on education and health. Samoa's performance is also anchored on a sustained commitment to reforms and good governance.

Samoa's economy is estimated to have posted real gross domestic product (GDP) growth of 4% in 2007, up from 2.6% in 2006, with growth over the last 2 years supported by construction of public sector buildings and infrastructure. Tourism and private remittance flows have been stable. The real GDP growth is estimated at 3.3%, 2.5%, and 3.3% for the years 2008, 2009, and 2010, respectively, with an expected slowdown in growth in 2009 due to the effects of food and oil prices increase, and the global financial crisis. A lack of formal employment and income-generating opportunities are critical issues facing the country, while the perceived poor quality of public service delivery—including education and health, and infrastructure-related public services—was identified as an important cause of hardship in many communities. Even the traditional Samoan social structure and associated safety nets are coming under strain as external influences affect attitudes and aspirations. About 20% of households have incomes that cannot support basic needs, and while extreme poverty is not widespread, it is leading to increased social tensions and rising crime.

The economy is still highly import-dependent and lacks the diversity and resilience of larger economies. There have been some pluses, however, with the cost of doing business reduced through changes in the telecommunications and air transport sectors, while Samoa's imminent accession to the World Trade Organization and the opening up of trade under the Pacific Islands Countries Trade Agreement will improve business.

The Government's long-term development vision, as outlined in the Strategy for the Development of Samoa (SDS) 2008–2012, is an improved quality life for all Samoans. The SDS targets sustained macroeconomic stability, private sector-led growth and employment creation, community development, and better standards for health care and education, along with improved governance and enhanced capacity to manage environmental risks. Increased economic activity, social cohesion, and law and order are at the heart of community-level development, while education strategies put specific emphasis on raising basic skills and health programs that aim to raise the number of medical personnel, improve facilities, and support better financing and management of the sector.

## Relationship with ADB

Samoa has received almost \$159.37 million in loans since joining the Asian Development Bank (ADB) at the bank's founding in 1966.

The Country Partnership Strategy (CPS) 2008–2012, approved in September 2008 for Samoa, is aligned with the Government's SDS 2008–2012 and supports the achievement of its goals through interventions targeting improved delivery of public services, including the removal of infrastructure constraints, and promotion of private sector development. The expected CPS outcomes are improved infrastructure, better access to public services, enhanced quality of public services delivery, and an improved private sector enabling environment.

The CPS 2008–2012 can be found at [www.adb.org/Documents/CPSs/SAM/2008/CPS-SAM-2008-2012.pdf](http://www.adb.org/Documents/CPSs/SAM/2008/CPS-SAM-2008-2012.pdf).

## Impact of Assistance

ADB has provided much-needed support for the Government's private sector development efforts. Notable improvements to the policy and legislative environment have been achieved through the support of economic, financial, and public sector reforms, typically in cooperation with other development partners. ADB support has also complemented government efforts to widen access and improve the delivery of basic social services, and to provide quality education for all Samoans to raise living standards and reduce income disparities.

The Education Sector Project focused extensively on the rehabilitation, expansion, and construction of schools, as well as on the provision of resources in selected primary and secondary schools, around the country. This has not only improved access to educational services, it has also enhanced delivery of such services, particularly in rural areas. The technical assistance Supporting the Samoa Schoolnet and Community Access Pilot Project supported the application of

Table 2. Samoa: Economic Indicators, 2004–2008

Economic Indicator	2004	2005	2006	2007	2008
Per capita GDP (\$)	1,760	2,030	2,260	2,430	...
GDP growth (% change per year)	3.3	4.0	1.9	5.5	0.3
CPI (% change per year)	16.3	1.9	3.8	5.5	11.5
Unemployment rate (%)	1.8	...	4.0	...	...
Fiscal balance (% of GDP)	-0.8	0.3	-0.4	1.1	-3.2
Export growth (% change per year)	-19.2	0.6	-13.7	33.7	-28.7
Import growth (% change per year)	22.7	20.6	16.7	3.7	17.9
Current account balance (% of GDP)	-7.1	-4.7	-9.9	-4.3	-10.2
External debt (% of GNI)	162.7	172.2	204.3	234.3	...

... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2009. *Asian Development Outlook 2009*. Manila. ADB staff estimates.

World Bank. 2009. World Development Indicators Online.

Table 3. Samoa: 2008 Loan, TA, and Grant Approvals (\$ million)

Loans		TA	Grants	Total
Sovereign	Nonsovereign			
2.8	–	1.2	2.2	6.2

– = nil.

Cumulative Lending (as of 31 Dec 2008) : \$159.4 million  
Cumulative Disbursements (as of 31 Dec 2008) : \$108.3 million

information and communication technology (ICT) to improve the quality of education and teacher support. It also supported the Government's ICT policy to ensure access to ICT by all Samoans and improved rural access to basic services. At the completion of the pilot project, the Government confirmed its commitment to expand the pilot project and requested \$5.9 million grant funding from ADB for the Schoolnet and Community Access Project, approved in December 2007.

The Small Business Development Project has created opportunities for income-generating activities in micro- and small enterprises by facilitating necessary access to credit. There has been an upgrade in basic business management, as well as technical skills, through the provision of training and advisory services. Along with policy and legislative reforms, there has been an exploration of options for economic use of customary land.

The Power Sector Improvement Project was developed to assist the Government undertake policy changes to increase the efficiency and commercial viability of the publicly owned Electric Power Corporation, and meet the growing demand on Upolu through the development of least-cost renewable generation resources. The project failed to achieve the envisaged outcome and impact because the associated risks were not adequately identified and addressed during project preparation and implementation. The lessons from this were incorporated at the design and implementation levels in the recently approved Power Sector Expansion Project, which will support the provision of sustainable and reliable electricity services to consumers at affordable prices, and support power sector reforms through technical assistance.

Table 4. Samoa: Cumulative ADB Lending as of 31 December 2008

Sector	Loans (no.)	Amount (\$ million)	% <sup>a</sup>
Agriculture and Natural Resources	8	32.87	20.63
Education	2	15.06	9.45
Energy	8	47.66	29.91
Finance	6	23.50	14.75
Industry and Trade	1	3.50	2.20
Multisector	3	21.04	13.20
Transport and Communications	4	12.96	8.13
Water Supply, Sanitation, and Waste Management	1	2.78	1.74
<b>Total</b>	<b>33</b>	<b>159.37</b>	<b>100.00</b>

<sup>a</sup> Total may not add up because of rounding.

Table 5. Samoa: Project Success Rates

By Sector	Percentage <sup>a</sup>	No. of Rated Projects/Programs
Agriculture and Natural Resources	25.0	4
Education	100.0	1
Energy	50.0	4
Finance	20.0	5
Multisector	0.0	2
Transport and Communications	100.0	3
<b>Total</b>	<b>42.1</b>	<b>19</b>
<b>By Year of Approval</b>		
1960s	100.0	1
1970s	37.5	8
1980s	33.3	6
1990s	50.0	2
2000s	50.0	2

<sup>a</sup> Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2008.

ADB is currently supporting the development of flood mitigation and wastewater infrastructure through the Sanitation and Drainage Project approved in November 2003. Despite a delayed start, the project is scheduled to be completed in 2010 with a sewerage network and wastewater treatment plant now being developed. The Government has already confirmed interest in a second phase of the project to continue development of physical infrastructure to improve public services and living standards.

As a reform-oriented country, Samoa has attracted significant international attention in the past decade. The challenge for the Government is to further improve the competitiveness of the economy and for development partners to ensure the country's absorptive capacity is not exceeded. Close coordination with development partners and the Government has been vital in implementing ADB's activities and developing country strategies. In 2005, ADB approved the Second Education Sector Project to be implemented in collaboration with the Governments of New Zealand and Australia, while last year, it observed high-level strategy talks between the Governments of Samoa, Australia, and New Zealand to identify harmonization opportunities. In 2007, ADB also approved a power sector expansion project that benefited from cofinancing from Finland, Japan, and Australia. It is important that these efforts continue.

## Future Directions

In support of the objectives of the SDS 2008–2012, the CPS 2008–2012 is expected to improve growth prospects and living standards, especially for disadvantaged members of the community. Physical infrastructure development and improved public services, within appropriate regulatory frameworks, will also facilitate private sector development. Improved physical infrastructure will be important to improving public health in urban areas, particularly for lower-income households living in areas exposed to poor drainage, and accessing sustainable and reliable electricity services at affordable prices. In the 2009–2012 lending pipeline, the Government has confirmed its interest in a second phase of the Sanitation and Drainage Project, as well as a second phase of the Power Sector Expansion Project.

Table 6. Samoa: Portfolio Performance Quality Indicators for Sovereign Lending, 2007–2008

	2007 (\$ million)	2008 (\$ million)
Number of Ongoing Loans (as of 31 Dec 2008)		5
Contract Awards/Commitments	0.4	9.6
Disbursements	1.4	2.6
Loans at Risk (%)	–	–

– = nil.

Table 7. Samoa: Contractors/suppliers involved in ADB loan projects, 1 January 2004–31 December 2008

Contractor/Supplier	Sector	Contract Amount (\$ million)
Bluebird/AH Lal Joint Venture	Multisector	2.49
Samoa Commercial Bank	Industry and Trade	0.77
ALCC Brown Enterprises Co., Ltd.	Education	0.70
Anz Bank (Samoa) Ltd.	Industry and Trade	0.70
Afolau Construction Ltd.	Education	0.43
Tavita Design and Construction	Education	0.41
Poloa's Builders Co., Ltd.	Education	0.40
Westpac Bank Samoa	Industry and Trade	0.39
Development Bank of Samoa	Industry and Trade	0.30
National Bank of Samoa	Industry and Trade	0.20

Ongoing assistance to improve the quality of education will improve school retention rates, through additional, relevant, and equitably distributed resources that enhance incentives to remain at school. These are being addressed through the recently approved Education Sector Project II, as well as the Schoolnet and Community Access Project. Efforts to improve the private sector enabling environment will be enhanced through better dialogue; public enterprises will be made more accountable and their standard of performance improved, while the commercial legal environment is to be upgraded. The tourism industry is expected to be an important beneficiary, creating new opportunities for youth and less-skilled workers.

## Operational Challenges

Overall, implementation of the current portfolio of projects is progressing satisfactorily; however, some delays have been experienced due to slow project commencement, primarily as a result of a lack of readiness and/or consensus among stakeholders. Capacity constraints have been a key limiting factor in implementing the program, but the absorptive capacity of both the Government and the overall economy has gradually increased, contributing to a stronger base for assistance.

With regard to projects designed to help the private sector grow, risks have included high transaction costs due to remoteness and dispersion, inefficiencies in state-owned enterprises, a relatively underdeveloped financial sector, and poor access to secure land titles.

Factors that could hamper the improved delivery of basic public services include high-input costs, a lack of labor and expertise, the absence of an effective legislative and regulatory framework, and legal impediments to the private generation of energy.

## Partnership

Major development partners are Australia, Japan, European Union, New Zealand, the People's Republic of China, United Nations agencies, and the World Bank.

Close coordination with donors and the Samoan Government is vital for identifying development opportunities, and ADB had an observer role in the High-Level Talks between the Governments of Samoa, Australia, and New Zealand. The recently approved Second Education Sector, Power Sector Expansion, and the Schoolnet Expansion Projects are being delivered in cofinancing with the Governments of Australia, Finland, Japan, and New Zealand. The preparation of the CPS 2008–2012 was undertaken in close coordination with development partners through participation in both the pre-programming and programming Missions and discussions on thematic assessments and cofinancing opportunities. ADB will continue to explore greater harmonization

Table 8. Samoa: Top consultants (individual consultants and consulting firms) involved in ADB loan projects, 1 January 2004–31 December 2008

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Samoa Individual Consultants*	4	0.48
Kew Consult	1	0.33
Kramer	1	0.18

\* Consultant may have one or more contracts within the period covered.

Table 9. Samoa: Top individual consultants involved in ADB technical assistance projects, 1 January 2004–31 December 2008

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Samoa Individual Consultants*	15	0.16

\* Consultant may have one or more contracts within the period covered.

opportunities through joint economic sector work to maximize collective use of diagnostic analysis.

ADB cooperates with civil society organizations in Samoa by enabling women to play an important economic role in a male-dominated society and, in so doing, improving the lives of their families. Through the innovative Small Business Development Project, loans are provided for microenterprises and small businesses for women. Such schemes are run by the Women in Business Development Incorporated and the Ministry of Women, Community Affairs and Social Development.

## Cofinancing and Procurement

Cofinancing operations enable ADB's financing partners—government or their agencies, multilateral financing institutions, and commercial organizations—to participate in financing of ADB projects. The additional funds are provided in the form of grants, official loans, or credit enhancement products.

As of year-end 2008, cumulative direct value-added cofinancing for Samoa amounted to \$64.9 million for three investment projects, and \$2.13 million for six technical assistance projects.

A summary of projects with cofinancing from 1 January 2004 to 31 December 2008 is available at [www.adb.org/Documents/Fact\\_Sheets/Samoa/cofinancing.asp](http://www.adb.org/Documents/Fact_Sheets/Samoa/cofinancing.asp).

As of 31 December 2008, 10,330 consultant contracts were awarded under ADB loan projects worth \$4.17 billion, of which 17 contracts were awarded to Samoan consultants worth \$3.57 million.

From 1 January 1985 to 31 December 2008, 18,104 consultant contracts were awarded under ADB technical assistance projects worth \$2.33 billion, of which 39 contracts were awarded to Samoan consultants worth \$1.6 million.

A summary of procurement contracts awarded to companies and consultants from Samoa for goods and works, and consulting services can be found at [www.adb.org/Documents/Fact\\_Sheets/Samoa/procurement.asp](http://www.adb.org/Documents/Fact_Sheets/Samoa/procurement.asp).

## About Samoa and ADB

Samoa is the 38<sup>th</sup> largest shareholder among regional members and the 46<sup>th</sup> largest shareholder overall.

### ADB Membership

Joined	1966
Shares held	116 (0.003%)
Votes	13,348 (0.30%)

**Ceppie K. Sumadilaga** is the Executive Director and **CJ (Stan) Vandersyp** is the Alternate Executive Director representing Samoa on the ADB Board of Directors.

The Pacific Subregional Office (SPSO) was opened in 2004 and provides the primary operational link between ADB and the government, private-sector, and civil-society stakeholders in its activities. SPSO engages in policy dialogue and acts as a knowledge base on development issues in Samoa, Cook Islands, Fiji Islands, Kiribati, Tonga, and Tuvalu.

**R. Keith Leonard** is the Regional Director of SPSO.

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

## About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2008, lending volume was \$10.49 billion (86 projects), with TA at \$274.5 million (299 projects) and grant-financed projects at \$811.4 million (49 projects). This also generated \$1.65 billion in direct value-added cofinancing from financing partnerships operations. Over the last 5 years (2004–2008), ADB's annual lending volume averaged \$7.70 billion, with TA averaging \$231.5 million and grant-financed projects \$655.1 million. As of 31 December 2008, the cumulative totals were \$143.53 billion in loans for 2,147 projects in 41 countries, \$4.08 billion for 263 grant projects, and \$3.55 billion for 6,599 TA projects.

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### Useful ADB websites

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

### Country website

[www.adb.org/samoa](http://www.adb.org/samoa)

### Asian Development Outlook

[www.adb.org/Documents/Books/ADO/2009/SMALL-PAC.pdf](http://www.adb.org/Documents/Books/ADO/2009/SMALL-PAC.pdf)

### Annual Report

[www.adb.org/Documents/reports/annual\\_report/2008/](http://www.adb.org/Documents/reports/annual_report/2008/)