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## **GOVERNMENT OF SAMOA**

# **PARTNER COUNTRY-LED EVALUATION OF JAPAN'S OFFICIAL DEVELOPMENT ASSISTANCE IN THE ECONOMIC AND SOCIAL INFRASTRUCTURE SECTOR IN THE INDEPENDENT STATE OF SAMOA**

**MARCH 2018**

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## PREFACE

Since independence, Samoa has consistently maintained good multilateral and bilateral relations with Japan. The provision of assistance has been aligned to the Strategy for the Development of Samoa and the policies of Japan's Development Assistance identified at the Pacific Islands Leaders' Meeting which has been held every three years since 1997.

Assistance to Samoa has focused broadly on the areas of conservation, actions against climate change, health and education, disaster prevention and mitigation and strengthening sustainable economic and social infrastructure development. As such, major investments and commitment made by the Government of Japan have impacted and become apparent in the Power, Maritime, Transport and Infrastructure and Environment, Education and Health Sectors which has addressed some of the most significant gaps in Samoa's development. Frequent natural disasters have remained a significant challenge for Samoa.

This partner country led evaluation report aims to provide an overview of Japan's assistance to Samoa during the review period 2007-2017 focusing on 12 major social and economic projects. The findings and assessment provided through this evaluation anticipates to assist in enhancing Samoa's overall efforts to improve the economic and social infrastructure and facilitate the effectiveness of Japan's ODA and other aid donor resources.

## LIST OF ACRONYMS

ACC	Aid Coordinating Committee
ADB	Asian Development Bank
CC	Climate Change
CCA	Climate Change Adaptation
CDC	Cabinet Development Committee
CRICD	Climate Resilience Investment Coordination Division
CROP	Council of Regional Organisations in the Pacific
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
EPC	Electric Power Corporation
EU	European Union
EXP	Expert
FD	Forestry Division
F/U	Follow Up Cooperation
GEF	Global Environment Facility
GHG	Greenhouse Gas
GGP	Grassroots Human Security Grant Aid
GTCP	Grassroots Technical Cooperation Project
GoS	Government of Samoa
IWSA	Independent Water Schemes Associations
JICA	Japan International Cooperation Agency
J-PRISM	Japanese Technical Cooperation Project for Promotion of Regional Initiative on Solid Waste Management
JPP	JICA Partnership Program
JOCV/SV	Japan Overseas Cooperation Volunteers/Senior Volunteers
LDC	Least Developed Country
LTA	Land Transport Authority
MAF	Ministry of Agriculture and Fisheries
MCIL	Ministry of Commerce Industry and Labour
MCIT	Ministry of Communications and Information Technology
MDG	Millennium Development Goals
MESC	Ministry of Education, Sports and Culture
MFAT	Ministry of Foreign Affairs and Trade
MfR	Ministry for Revenue
MJCA	Ministry of Justice and Courts Administration
ML	Multilateral Cooperation
MNRE	Ministry of Natural Resources and Environment
MOF	Ministry of Finance
MoH	Ministry of Health
MoP	Ministry of Police
MPA	Marine Protected Area
MPMC	Ministry of the Prime Minister and Cabinet

MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MWCSD	Ministry of Women, Community and Social Development
MWTI	Ministry of Works Transport and Infrastructure
LA	Loan Aid
NGO	Non-Governmental Organization
NHS	National Health Services
PIC	Pacific Island Countries
PILF	Pacific Island Leaders Forum
PPCR	Pilot Programme for Climate Resilience
PRIF	Pacific Region Infrastructure Facility
PSIP	Public Sector Investment Program
PUMA	Planning and Urban Management Agency
SDS	Samoa Development Strategy
SNEP	Samoa National Energy Policy
SWA	Samoa Water Authority
SWAp	Sector Wide Approach
WB	World Bank
TR	Training Program for Young Leaders/Issue-based Training
UNDP	United Nations Development Programme

## EXECUTIVE SUMMARY

In line with the note verbale from the Ministry of Foreign Affairs and Trade (MFAT) to the Embassy of Japan in Apia on the 18<sup>th</sup> January 2018, the evaluation was undertaken as a joint country study consisting of representatives from the Government of Samoa (GoS) and Government of Japan with technical support from KVAConsult Ltd. The contract between the Embassy of Japan in Apia and KVAConsult Ltd was signed on 20<sup>th</sup> January 2018 with the final report to be submitted by 31 March 2018.

The evaluation aims to take stock of Japan's ODA towards economic and social infrastructure in Samoa from 2007 to 2017 and assess “relevance of policies”, “effectiveness of results”, and “appropriateness of process” as per agreed Terms of Reference. The evaluation also provides an assessment of the development impact to inform future commitments and aligning it with other donor resources to maximise ODA efforts effectively and efficiently.

The evaluation closely followed the "Guidelines for the Partner Country-led Evaluation June 2017" by the Ministry of Foreign Affairs of Japan. For the purposes of this evaluation the following evaluation areas have been adopted to ensure alignment with the 2017 guidelines:

- ***Relevance of Policies (relevant to the “relevance” of the OECD-DAC criteria for evaluating development assistance)*** – assesses the relevance of policies/programs of the evaluation targets, such as Japan’s higher ODA policies, international priority issues, Japan’s comparative advantages and the needs of the partner country.
- ***Effectiveness of Results (relevant to the “effectiveness”, “impact” of the OECD-DAC criteria)*** – assesses whether or not the original goals of the policies/programs have been achieved, based on the relation of the input, output, and outcomes.
- ***Appropriateness of Processes (relevant to the “efficiency” of the OECD-DAC criteria)*** – assesses whether or not appropriate processes have been taken in order to ensure the “relevance of policies” or the effectiveness of results” of the policy/program.

Four major economic and eight social Infrastructure Projects implemented during this period forms the basis of this evaluation approved for by the Embassy of Japan Samoa, Ministry of Finance and the Ministry of Foreign Affairs and Trade. These twelve social and economic infrastructure projects represent 92% of Japan’s ODA during the evaluation period (2007-2017).

### BACKGROUND

Infrastructure is one of the three broad sectors that drive the development of various investments as outlined in the Strategy for Development of Samoa (SDS) and other national planning documents such as the Public Sector Investment Plan (PSIP). The emerging challenges that are likely to influence the development priorities and performance of economic and social infrastructure sectors during the next 3-5 years include:

- Samoa’s small size, with a land area of 2,820 square kilometres and a population close to 200,000 this imposes diseconomies of scale and other constraints to its development efforts.
- High vulnerability to natural disasters. Approximately 70% of the country’s population and infrastructure, including the main international airport, are located in low lying coastal areas.
- Adequate and sustainable funding for investments and maintenance for public sector funded investments given budget constraints and competing demands from other sectors.
- Limited technical and institutional capacity to ensure the successful implementation.

- The multi-faceted nature of agencies involved means that cooperation and exchange of information among sector agencies and with private sector service providers are often challenging. Limited absorptive capacities within all implementing agencies.
- Limited blending of existing modalities to leverage additional financing from private sources.

Identification of financing gaps within the four infrastructure sectors is ongoing with the development of Medium Term Expenditure Frameworks (MTEF). To date, only the Transport and Water & Sanitation sectors have completed their MTEF's. However, a snapshot of pipeline capital investment based on the PSIP 2015/16-2017/18 indicates additional financing amounting to USD\$8.2 million is yet to be secured. These costs are expected to grow as other infrastructure priorities are designed and costed through relevant sector plans and master plans.

To adequately address these concerns Samoa will need to ensure environmental sustainability, climate change adaptation and disaster risk mitigation are integrated into all infrastructure planning, design and construction investments. This entails a high cost and it is increasingly clear that the finance required for a successful, orderly transformation to a low-carbon and resilient Samoan economy runs into the millions.

## RELEVANCE OF POLICIES

The evaluation assessed the relevance of policies based on *Alignment of Japan's International Cooperation, Strategy for the Development of Samoa and Sectoral Planning and Enhancing Climate Resilience Development*.

### ***Alignment Japan's International Cooperation, Strategy for the Development of Samoa and Sectoral Planning***

The evaluation finds economic and social infrastructure projects highly relevant having aligned accordingly to

1. Japan's Initiatives of Development Cooperation (White Paper on Development Cooperation)
2. Objectives of the Pacific Island Leaders Meeting (PALM) 5, 6, 7
3. National Strategies for the Development of Samoa and Sector (SDS) priorities during the 2007-2017 period.

Japan's investment and commitment to the Pacific based on the PALM Agreements has been in the broad areas of **Economic Growth** (Trade and Investment, Infrastructure Development, Fisheries, Agriculture, Tourism), **Sustainable Development** (Climate Change, Renewable Energy, Water and Sanitation, Waste Management, Environmental Conservation, Health, Education, Community Development, Culture), **Good Governance, Security** (Improve natural disaster prevention capability) and **People to People Exchanges**.<sup>1</sup>

The economic and social infrastructure projects have been highly relevant to the Samoa strategic and sector plans during the 2007-2017 period. The national planning framework is the Strategy for Development of Samoa (SDS). There have been several plans developed with four year planning periods during the evaluation period. The recently launched SDS 2016/17-2019/20 has been divided into 3 broad categories (Social, Economic and Infrastructure) of which 14 sectors are subdivided into. The priority outcomes for the infrastructure related sectors in the current SDS include:

- Key Outcome 6: A Healthy Samoa Being Promoted
- Key Outcome 7: Quality Education and Training Improved
- Key Outcome 9: Access to Clean Water and Sanitation Sustained

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<sup>1</sup> Pacific Island Ministers Meeting (PALM) 5, 6, 7 Factsheet and Work Plans

- Key Outcome 10: Transport Systems and Networks Improved
- Key Outcome 11: Improved and Affordable Country Wide ICT Connectivity
- Key Outcome 12: Quality Energy Supply

#### *Enhancing Climate Resilience Development*

Aligned with one of Japan's focal areas in the PALM, sustainable developments that withstand extreme climate events are a priority. While PALM 6 and 7 priorities have converged towards climate change, resilience and oceans, a number of challenges have been identified by Samoa centring on the need for processes which will make the prioritisation and design of relevant national/regional interventions more transparent and enhance ownership by recipient countries. Climate Change continues to increase vulnerabilities in Samoa which has led to significant government intervention to support reconstruction following frequent natural disasters. Samoa is currently taking a more proactive step towards sustainable development through the Community Integrated Management (CIM) Plans for each district in the country.

### **EFFECTIVENESS OF RESULTS**

The evaluation assessed the effectiveness of results against key issues pertaining to: *Resource Allocation and Utilisation* as well as *Achievement of Objectives*. Assessment of impact focussed on the *Economic and Social Benefits as well as Impact on Maintenance of Infrastructure Assets*.

#### *Resource Allocation and Utilisation*

Japan's ODA flows into Samoa are the third largest following Australia and World Bank with an average of USD 14.15 million in disbursements for 2015-2016. The utilisation of ODA funds for economic and social infrastructure has been highly effective given Samoa increased its access to Japan ODA Grant Aid, Loan Aid and Technical Cooperation over the evaluation period. A detailed analysis of total resources disbursed highlights USD 123 million with approximately 31% loan aid, 39% grant aid and 30% technical cooperation from 2007-2015. The 12 approved economic and social infrastructure projects analysed during the evaluation represents approximately 92% of the total ODA disbursed to Samoa during the period of evaluation. Based on these, there were significant annual increases in total ODA disbursements from 2010 onwards due to major projects including the Grassroots Human Security Projects, Project for Improvement of Urban Untreated Water Supply Schemes and Project for the Enhancement of Safety of Apia Port funded by Grant Aid as well as the Power Sector Expansion Project funded by Loan Aid.

#### *Achievement of Objectives*

The economic and social infrastructure projects are considered highly effective when cross referenced between the specific project objectives to their performance since completion of construction. Stakeholder views on the achievement of the respective projects objectives show full achievement with minimal objectives partially achieved. Indicative resources were identified needed for each project as well as the responsible authority for the implementation to ensure ownership on the ground through multilateral, regional and bilateral modalities.

#### *Economic and Social Benefits*

Access to improved source of water for more than 30,000 direct beneficiaries is an example of highly satisfactory social impact of Japan ODA projects. Survey responses indicate that investment in the physical transport infrastructure including roads, seaports, health and education has had a positive impact on total productivity and on economic growth.

#### *Impact on Maintenance of Infrastructure Assets*

Sustainability of the economic and social infrastructure projects is considered moderately satisfactory with the main challenges encountered by the significant constraints in maintenance



budget. The design of the infrastructure projects incorporated a number of features to enhance sustainability. The conditions for setting up a sinking fund for replacement of the inter-island ferry, shows that there has been recognition that sustainability is seen a long term goal. However the relatively large scale infrastructure facilities have often been seen imposing maintenance budgetary requirements beyond the revenue capacities of the beneficiary organisations. The active use of JOCV volunteers supported by small grants has often assisted in scoping out and undertaking of some of the critical maintenance requirements.

## **APPROPRIATENESS OF PROCESS**

The evaluation assessed the appropriateness of process on key issues relating to *Operational Modalities for Resource Flows, Innovative Financing Mechanisms, Monitoring and Reporting Mechanisms*. There are several constraints noted and this presents an opportunity for improvement to ensure a comprehensive monitoring system within the national central agencies and ensure sustainability of project outcomes.

### *Operational Modalities for Resource Flows*

The operational flows utilised for delivery of ODA over the evaluation period has been highly efficient based on the existing flows utilised mainly through JICA. The existing flows under the Government of Japan's aid policy is based on an unbiased, broad perspective that extends beyond assistance schemes such as technical cooperation, ODA loans and grant aid. These operational flows have been aligned as much as possible to GoS processes, however, as evident during the evaluation there is room for improvements to ensure better coordination and avoid possible duplication for project selection. The ODA modalities include 12 schemes utilized by Japan to deliver their assistance to Samoa (including TCP, TCDP, TR, JPP, ML, EQ, JOCV/SV, GGP, GTCP, LA, EXP, F/U). During 2007-2017 the largest project capital investment of USD 38.1 million from Japan's ODA was in the Power Sector Expansion Project (PSEP).

### *Innovative Financing Mechanisms*

The role played by key development partners like Japan is critical to ensure additional resources can be mobilised. This can be facilitated through the support provided by Multilateral Development Banks such as ADB through pooled resources. For example, the Power Sector Expansion Project (PSEP) is a USD\$100 million dollar project funded by ADB, JICA, GoA and GoS that has blended grant and loan financing in order to support GoS objective of providing sustainable and reliable electricity services to all consumers at cost-efficient prices. In that regard, the likelihood of continued grants as opposed to loans is dependent on the country's economic performance.

### *Monitoring and Reporting Mechanisms*

The modalities currently used by Japan are primarily influenced by the nature of tied aid which to some extent has impacted on the ownership of projects. Limited access to overall disbursement of funds by GoS counterparts represents challenges in managing accountability and transparency and using country systems. To improve ownership and future monitoring, emphasis is placed on open and clear communication channels between GoS central agencies (MoF and MFAT) with MoFA, JICA and Embassy of Japan. GoS noted the preferred mode of delivery now for most partners is through budget support. This is easier to manage from GoS perspective. There is an opportunity for Japan to be part of JPAM if future modalities include budget support.

## **Conclusions and Recommendations**

The *relevance of policies* under Japan's ODA has been highly rated given all the social and economic infrastructure projects agreed upon for review during 2007-2017 have been aligned accordingly to the Government of Samoa's National Planning Framework through the SDS, Sector Plans and Japan's ODA Cooperation including key areas from PALM 5,6 and 7. With the increasing focus of Japan's

ODA into climate change and resilience as reflected in the recent PALM planning documents, there is an opportunity for Samoa to utilize its recently established national consultative and planning mechanisms to expedite its access to these future resources from Japan's ODA. These investment plans have been underpinned by robust community and national planning and policy frameworks as well as growing technical capacity within the key implementing agencies. Possible improvements to further enhance the relevance of Japan's ODA to national development priorities of Samoa could include the following:

1. Strengthening of a formal planning/policy framework which will guide identification of the national development priority projects which can be addressed by the focal areas identified by Japan's ODA for Samoa and the Pacific region.
2. Adopt the Community Integrated Management Plans and their existing institutional modalities to facilitate channelling of resources to priority climate change and resilience focal areas.

The *effectiveness of results* has been highly rated given the project identification process at the macro level has facilitated the successful achievement of objectives designed at the National and sector level. The majority of projects that have been undertaken during the evaluation period have addressed significant economic and social infrastructural gaps for Samoa. The impact of Japan's ODA has been significant given substantial investment not only in terms of the relative total aid resources Samoa receives but also the large scale projects like the PSEP which has been channelled to the infrastructure related sectors.

However, in terms of sustainability emerging challenges remain for Samoa due to its small size and population which imposes diseconomies of scale and other constraints to its development efforts. Samoa continues to be highly vulnerable to natural disasters particularly with approximately 80 percent of the country's population and infrastructure located in low lying coastal areas that are mostly prone to floods and cyclonic wind damage. There is a strong need and priority across all sector agencies for increased investment in strengthening technical and institutional capacity to ensure the successful implementation of infrastructure related initiatives over the coming years. This calls for substantial resources, partnership and long term commitment to continuously strengthen training and skills development within each of the sectors.

3. Training needs will have to be strengthened and identified at all levels of the sector, building on the workforce planning mechanisms being introduced through public ministries such as MWTI and MOF. This practice could be expanded to include key SOEs and other key considerations to be taken into account include:
  - Encourage partnerships with key educational institutions offering certificates/degrees relevant to the sector;
  - Provide increased training in critical areas such as results-based project management and analysis, monitoring and evaluation, data management etc to public sector staff;
  - Undertake re-orientation of work processes, instruments, procedures and systems development;
  - Put in place staffing and institutional arrangements for the sector coordination and management;
  - Focus on ICT capacity building to match significant shift of infrastructure to digital based economy given Samoa's recent investment in the ICT Sector Infrastructure. Whilst the digitisation infrastructure is well in place and progressing, there is a need

to invest in upskilling and training for the right skill set to manage this transition. This can be an opportunity for Japan's ODA to explore under People to People Exchanges.

The *appropriateness of processes* in term of efficiency has improved given the existing processes utilised for the projects under review as well as significant improvements to public expenditure management systems which have facilitated the flow of development funds towards infrastructure investments. However, as noted during the evaluation there is a growing financing gap within the key infrastructure sectors which need to be addressed as well as coordination of implementation and monitoring systems which could benefit from the following improvements:

4. Increase introduction of innovative financing mechanisms utilised under the PSEP to address financing gaps within the identified economic and social infrastructure sectors. Future financing arrangements to draw on improved additionality of resources from co financing and securing highly competitive concessionary loan financing.
5. Enhance joint coordination monitoring frameworks through the use/adaptation of existing tools such as JPAM to ensure joint monitoring by all relevant agencies of all the types of ODA modalities. Regular communication and sharing of 5 year rolling plans between MoFA and MoF will also strengthen information management for future programs. The combined impact of these measures would be to improve closer alignment of project results to the national development sectoral objectives.

## INTRODUCTION

Samoa's small size, with a land area of 2,820 square kilometres and a population close to 200,000 imposes diseconomies of scale and other constraints to its development efforts. The national planning framework is the Strategy for Development of Samoa (SDS). There have been several plans developed with 4 year planning periods during the evaluation period. In terms of resources, approximately 85 percent of public expenditure for capital investment in Samoa is directly concerned with infrastructure based on its Public Sector Investment Programme (PSIP). The large majority of economic and social infrastructure expenditure is on sectoral projects including transport, water and sanitation, education and health facilities.

Identification of financing gaps within the economic and social infrastructure-related sectors is ongoing with the development of Medium Term Expenditure Framework (MTEF). To date, Transport, Water & Sanitation, Energy, Health and Education sectors have completed their MTEF's. A snapshot of pipeline capital investment based on the PSIP 2015/16-2017/18 indicates additional financing amounting to USD\$8.2 million is yet to be secured, however, these costs are expected to grow as other infrastructure related priorities are designed and costed through relevant sector plans and master plans. Given the high cost associated with infrastructure related investments, it is increasingly clear that the finance required for a successful, orderly transformation to a low-carbon and resilient Samoan economy runs into the millions.

Japan's ODA focus in the Pacific Region has been increasingly driven by the initiatives set by the last seven Pacific Islands Leaders Meetings (PALM). These PALM meetings have provided three yearly joint review of the priorities in the Pacific to be targeted by Japan's ODA. Japan's overall assistance in general and type of modality is founded on the Development Cooperation Charter which was reviewed and endorsed by the Government of Japan in February 2015 as outlined below.

Figure 1: Japan's ODA Modalities



\*This excludes Grant Aid which the Ministry of Foreign Affairs will continue to directly implement for the necessity of diplomatic policy.<sup>2</sup>

Source: MoFA

The Japan International Cooperation Agency (JICA) has traditionally been the main agency through which bilateral grant funding has been disbursed directly to Government Ministries and other organisations with the exception of special initiatives through the Embassy of Japan. During the last decade there has been a new trend of channelling Japan's ODA through the regional and multilateral organizations. Japan's ODA flows to Samoa have been primarily grant aid and technical cooperation,

<sup>2</sup> JICA Charter 2015

however, the Power Sector Expansion Project (PSEP) led to the introduction of a concessionary loan element through the Japan Bank for International Cooperation (JBIC) in 2007. The PSEP also provided a mechanism whereby Japan's ODA funding was combined with Asian Development Bank (ADB) concessionary loan and the Australian Department of Foreign Affairs (DFAT) grant aid.

## EVALUATION TARGET

### **Purpose**

The evaluation aims to take stock of Japan's ODA towards economic and social infrastructure in Samoa from 2007 to 2017 and assess "relevance of policies", "effectiveness of results", and "appropriateness of process" as per agreed Terms of Reference (**Annex 1**). The evaluation also provides an assessment of the development impact to inform future commitments and aligning it with other donor resources to maximise ODA efforts effectively and efficiently.

### **Target**

Four major economic and eight social infrastructure projects implemented during this period forms the basis of this evaluation approved for by the Embassy of Japan Samoa, Ministry of Finance and the Ministry of Foreign Affairs and Trade. These 12 projects as reflected in Annex 2 combine to represent 92% of Japan's ODA in the specified timeframe (2007-2017).

#### *Economic Infrastructures*

1. Enhancement of Safety for Apia Port Project
2. Power Sector Expansion Project - Fiaga Power Station and Alaoa Hydro Power Station
3. Programme for Improving Weather Forecasting System & Meteorological Warning Facilities - Economic Infrastructure
4. Construction of Inter Island Ferry - Economic

#### *Social Infrastructure*

5. Improvement of Urban Untreated Water Supply Schemes
6. J- PRISM Solid Waste Management in Oceania
7. Forest Preservation Project
8. Weigh- Bridge Instalment at Tafaigata Landfill
9. Medical Equipment Supply Program (Filariasis)
10. Lufilufi District Hospital
11. USP Savaii KU-Band Satellite for Distance Education
12. Recycled Equipment Provision Programme (Ambulances)

### **Methodology**

In line with the note verbale from the Ministry of Foreign Affairs and Trade (MFAT) to the Embassy of Japan in Apia on the 18<sup>th</sup> January 2018, the evaluation was undertaken as a joint country study consisting of representatives from the Government of Samoa (GoS) and Government of Japan with technical support from KVAConsult Ltd. The contract between the Embassy of Japan in Apia and KVAConsult Ltd was signed on 20<sup>th</sup> January 2018 with the final report to be submitted by 31 March 2018.

The evaluation closely followed the "Guidelines for the Partner Country-led Evaluation June 2017" by the Ministry of Foreign Affairs of Japan. For the purposes of this evaluation the following evaluation areas have been adopted to ensure alignment with the 2017 guidelines:

- **Relevance of Policies (relevant to the "relevance" of the OECD-DAC criteria for evaluating development assistance)** – assesses the relevance of policies/programs of the evaluation targets, such as Japan's higher ODA policies, international priority issues, Japan's comparative advantages and the needs of the partner country.

- **Effectiveness of Results (relevant to the “effectiveness”, “impact” of the OECD-DAC criteria)** – assesses whether or not the original goals of the policies/programs have been achieved, based on the relation of the input, output, and outcomes.
- **Appropriateness of Processes (relevant to the “efficiency” of the OECD-DAC criteria)** – assesses whether or not appropriate processes have been taken in order to ensure the “relevance of policies” or the effectiveness of results” of the policy/program.

A comprehensive desk research and literature review of key documents, reports, statistics and data made available by the Embassy of Japan, Ministry of Finance and e-research was undertaken. The full list of documents and statistical information reviewed are outlined in **Annex 3**.

The preliminary findings of the desk research and literature review formed the basis of the consultations and online survey circulated to stakeholders. The online consultations were undertaken via an online tool (Survey Monkey) with the aim of gauging the perception and views of stakeholders on Japan’s ODA to economic and social infrastructure to Samoa from 2007-2017. A total of 14 respondents most of which were from the Samoan Government organisations (approximately 64%) out of 22 targeted stakeholders responded to the survey. The main stakeholders targeted for meetings and online consultations are outlined in **Annex 4**.

#### ***Restrictions of Evaluation***

There were constraints in accessing documentation, however, the evaluation team have been able to compile adequate data (project information representing 92% ODA during 2007-2017) to inform a comprehensive evaluation.

## **EVALUATION RESULTS**

### **RELEVANCE OF POLICIES**

The relevance of policies is high given the alignment of Japan’s International Cooperation with the country’s strategies for development and sectoral plans for the period under review. Continued alignment is envisaged under future PALMs towards climate resilient development.

#### ***Alignment with Strategy for the Development of Samoa, Sectoral Planning and Japan’s International Cooperation***

The economic and social infrastructure projects have been highly relevant to the Samoa strategic and sector plans during the 2007-2017 period. The national planning framework is the Strategy for Development of Samoa (SDS). There have been several plans developed with 4 year planning periods during the evaluation period. The recently launched SDS 2016/17-2019/20 with the vision “Accelerating Sustainable Development and Broadening Opportunities for All” has been divided into 4 broad categories (Social, Economic Infrastructure and Environment) of which are subdivided into 14 sectors. The relevant priority outcomes from the current SDS 2016/17-2019/20 are:

- Key Outcome 6: A Healthy Samoa and Well-being Promoted
- Key Outcome 7: Quality Education and Training Improved
- Key Outcome 9: Access to Clean Water and Sanitation Sustained
- Key Outcome 10: Transport Systems and Networks Improved
- Key Outcome 11: Improved and Affordable Country Wide ICT Connectivity
- Key Outcome 12: Quality Energy Supply

The evaluation notes the close alignment of the selected projects to the priorities set in Japan's Development Cooperation Charter, the PALM 6 and PALM 7 for the period being evaluated. The detailed Key Priority areas for the PALMs were further aligned to the SDS for this period. This ensured the activities set out under the projects were consistent with the overall goals internationally, regionally and nationally.

The economic and social infrastructure projects have been aligned according to Japan's White Paper on Development Cooperation 2016 and Objectives of the Pacific Island Leaders Meeting 5, 6, and 7. Japan's investment and commitment to the Pacific based on the PALM Agreements has been in the broad areas of **Economic Growth** (Trade and Investment, Infrastructure Development, Fisheries, Agriculture, Tourism), **Sustainable Development** (Climate Change, Renewable Energy, Water and Sanitation, Waste Management, Environmental Conservation, Health, Education, Community Development, Culture), **Good Governance, Security** (Improve natural disaster prevention capability) and **People to People Exchanges**<sup>3</sup>.

Table 1: National and International Strategic Linkages

PALM Areas of Priorities (5,6 & 7)	SDS Priorities (2008-2012, 2012-2016, 2017-2020)	Economic Infrastructures (Sample Projects)
Economic Growth - Infrastructure Development <ul style="list-style-type: none"> <li>● Increase Energy Supply</li> </ul>	<p>SDS 2008/09-11/12  Priority Area 1: Economic Policies (Economic Infrastructure)  <ul style="list-style-type: none"> <li>● Energy - electricity generation from proven renewable energy technologies (hydro, wind, solar, biomass, geothermal) will be promoted</li> </ul> </p> <p>SDS 2012/13 - 2015/2016  Priority Area 3 : Infrastructure Sector  <ul style="list-style-type: none"> <li>● Sustainable Energy Supply</li> </ul> </p> <p>SDS 2016/2017 - 2019/2020  Priority Area 3: Infrastructure  <ul style="list-style-type: none"> <li>● Quality Energy Supply</li> </ul> </p>	1. Power Sector Expansion Project 2004-2017
Economic Growth - Infrastructure Development <ul style="list-style-type: none"> <li>● Improve Transport Infrastructure</li> </ul>	<p>SDS 2008/09-11/12  Priority Area 1: Economic Policies (Economic Infrastructure - Transport)  <ul style="list-style-type: none"> <li>● Efficient, Safe and sustainable Transport System &amp; Networks</li> <li>● Future Port infrastructure development will be planned in a coordinated way by the Government of Samoa through its agencies</li> </ul> </p>	2.. Construction of Inter Island Ferry 2008-2010
Economic Growth - Infrastructure Development <ul style="list-style-type: none"> <li>● Improve Transport</li> </ul>	<p>SDS 2012/2013 - 2015/2016  Key Area 3: Infrastructure Sector  <ul style="list-style-type: none"> <li>● Key Outcome 10: Efficient,</li> </ul> </p>	3. Enhancement of Safety for Apia Port 2015

<sup>3</sup> Pacific Island Ministers Meeting (PALM) 5, 6, 7 Factsheet and Work Plans

Infrastructure	Safe & Sustainable Transport System & Networks	
a) Sustainable Development - Climate Change b) Security <ul style="list-style-type: none"> <li>Improve Disaster risk management capabilities</li> <li>Provide meteorological information by geostationary meteorological satellite</li> </ul>	SDS 2008/09-11/12 Priority Area 3: Public Sector Management & Environment Sustainability <ul style="list-style-type: none"> <li>Goal 7: Environment Sustainability &amp; Disaster Risk Reduction</li> </ul>	4. Programme for Improving Weather Forecasting System & Meteorological Warning Facilities 2009-2013
<b>Palm Priorities (5,6,7)</b>	<b>SDS Priorities (2008-2012, 2012-2016, 2017-2020)</b>	<b>Social Infrastructures (Sample Projects)</b>
Sustainable Development-Health <ul style="list-style-type: none"> <li>Support Improvement of healthcare infrastructure</li> <li>Assist the improvement of access to health service</li> </ul>	SDS 2008/09-11/12 Key Priority Area 2: Social Policies <ul style="list-style-type: none"> <li>Improved Health Outcomes</li> </ul>	5. Recycled Equipment Provision Programme (Ambulances): 2009
Sustainable Development-Health <ul style="list-style-type: none"> <li>Enhance measures for infectious diseases in the Pacific region, including PacELF (The Pacific Program to Eliminate Lymphatic Filariasis)</li> </ul>	SDS 2008/09-11/12 Key Priority Area 2: Social Policies <ul style="list-style-type: none"> <li>Improved Health Outcomes</li> </ul>	6. Medical Equipment Supply Program (Filariasis): 2009-2014
Sustainable Development-Environmental conservation <ul style="list-style-type: none"> <li>Support sustainable use of forestry resources <ul style="list-style-type: none"> <li>❖ Cooperation for Forest Preservation</li> </ul> </li> </ul>	SDS 2008/09-11/12 Priority Area 3: Public Sector Management and Environment Sustainability <ul style="list-style-type: none"> <li>Environment Sustainability <ul style="list-style-type: none"> <li>❖ Number of Trees provided under the community forestry programme</li> <li>❖ Number and area of protected areas</li> </ul> </li> </ul>	7. Forest Preservation Project 2010
Sustainable Development-Health <ul style="list-style-type: none"> <li>Support Improvement of healthcare infrastructure</li> <li>Assist the improvement of access to health service</li> </ul>	SDS 2008/09-11/12 Key Priority Area 2: Social Policies <ul style="list-style-type: none"> <li>Improved Health Outcomes <ul style="list-style-type: none"> <li>❖ Quality Health Care Service Delivery (access improved and quality strengthened)</li> </ul> </li> </ul>	8. Lufilufi District Hospital 2011



Sustainable Development - Education <ul style="list-style-type: none"> <li>Cooperation for the improvement for educational infrastructure</li> <li>Cooperation for distance learning program at the University of the South Pacific</li> </ul>	SDS 2008/09-11/12 Key Priority Area 2: Social Policies <ul style="list-style-type: none"> <li>Improved Education Outcomes</li> </ul>	9. USP Savaii KU-Band Satellite for Distant Education: 2012
Sustainable Development - Waste Management, Environment Conservation <ul style="list-style-type: none"> <li>Support Pacific Island countries efforts to implement the regional master plan for waste management in the Pacific</li> </ul>	SDS 2012/2013 - 2015/2016 Priority Area 4: Environment <ul style="list-style-type: none"> <li>Environment Sustainability</li> </ul> SDS 2016/2017 - 2019/2020 Priority Area 4 - Environment <ul style="list-style-type: none"> <li>Environmental Resilience Improved</li> </ul>	10. J-Prism Solid Waste Management in Oceania: 2012-2016
Sustainable Development - Waste Management, Environment Conservation <ul style="list-style-type: none"> <li>Improve landfill system through the Fukuoka Method, promotion of 3 R's initiatives</li> </ul>	SDS 2012/2013 - 2015/2016 Priority Area 4: Environment <ul style="list-style-type: none"> <li>Environment Sustainability</li> </ul>	11. Weigh-bridge Instalment at Tafaigata Landfill: 2013
Sustainable Development - Water and Sanitation <ul style="list-style-type: none"> <li>Build water supply and sewage systems and capacity building for management and maintenance of these infrastructures. <ul style="list-style-type: none"> <li>❖ Comprehensive cooperation for the improvement of access to water resources by using the knowledge of Okinawa<sup>4</sup></li> </ul> </li> </ul>	SDS 2012/2013 - 2015/2016 <sup>5</sup>	12. Improvement of Urban Untreated Water Supply 2014-2016 <sup>6</sup>

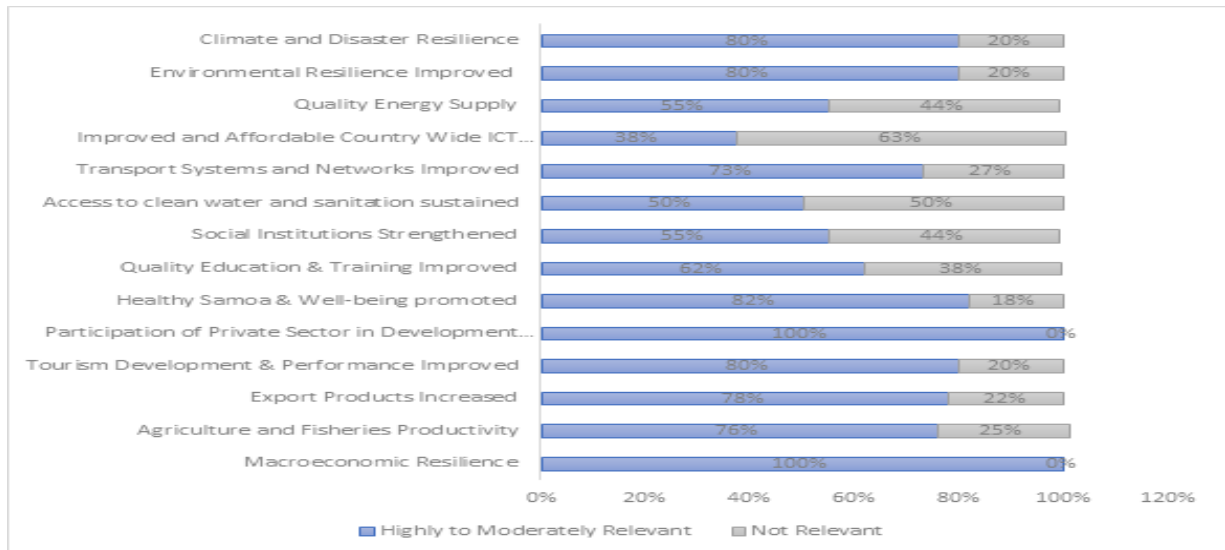
The evaluation survey also gauged the views of respondents to the subsequent SDS's focussing on the four broad key priority areas during 2007-2017. The survey results clearly identified the high relevance under the key priority areas of economic and social sectors focussing on the physical infrastructures implemented under the 12 projects. The survey results below also indicate that the respondents found all key outcomes relevant to Japan's ODA evaluated projects.

<sup>4</sup> PALM 5. 6. 7 Work plans and Key Priority Areas, Ministry of Foreign Affairs Japan [http://www.mofa.go.jp/region/asia-paci/palm/palm5/dec\\_annex2.pdf](http://www.mofa.go.jp/region/asia-paci/palm/palm5/dec_annex2.pdf)

<sup>5</sup> Ministry of Finance Samoa - Strategy for Development of Samoa

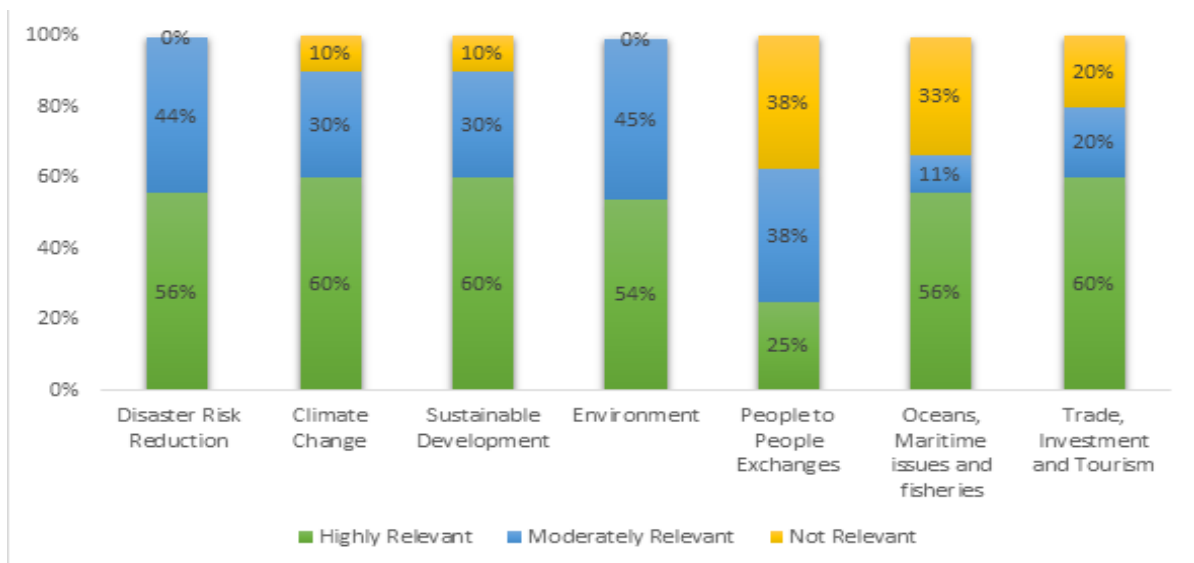
<sup>6</sup> List of Projects approved and agreed to be used for the Evaluation through the Embassy of Japan Samoa, Ministry of Finance and Ministry of Foreign Affairs and Trade, 2018

Figure 2: Relevance of SDS Outcomes



The evaluation survey assessed perspectives on broad Key Areas of the PALM 5, 6 & 7. The questions aimed to obtain stakeholder understanding of relevancy of the key areas to projects they were involved in. Figure 3 shows that six of the seven key areas are considered highly relevant to the social and economic infrastructure projects under some of the PALM broad objectives and specific areas of *Disaster Risk Reduction, Climate Change, Environment, Sustainable Development and Human Security, Trade Investment and Tourism and People to People Exchanges*.

Figure 3: Relevance of PALM Key Areas



*Key Area People to People Exchanges* refers broadly to knowledge exchanges and partnership building between Japan and the Pacific Islands. This also refers to capacity building and technical assistance from Japan. The evaluation finds that while each infrastructure project is highly relevant to key areas such as Disaster Risk Reduction, Climate Change etc, there is an increasing need for ongoing capacity building within the project implementing agencies. Adequate capacity building contributes to optimal use and sustainability of infrastructures and objectives being met.

### ***Enhancing Climate Resilience Development***

The evaluation notes that while PALM 6 and 7 priorities have converged towards climate change, resilience and oceans, a number of challenges have been identified by Samoa around the need for processes which will make the prioritisation and design of relevant national/regional interventions more transparent and hence enhanced ownership by recipient countries. Vulnerabilities have increased in certain areas which have led to significant government intervention to support reconstruction following frequent natural disasters. Climate change-induced modifications to the rural coastal environment are potentially significant to nearly 80% of the country's population. Assets are at risk from continued coastal erosion. The continued further loss of agriculturally productive land will threaten livelihoods and food supplies, and may force further deforestation in the more upland portions of catchments contributing to further soil erosion and increased flooding risk. GoS has put in place measures to implement the approved Community Integrated Management (CIM) Plans on the ground as a practical community based response to adaptation. It will enable the necessary technical and financial resources to be used in a programmatic manner which, when combined with parallel complementary works undertaken through identified funding sources will result in a countrywide adaptation response for community integrated management.

### **Case Study: J-PRISM Programme on Waste Management**

#### **Establishment of a model for in-land waste disposal, replicated in other countries in the Pacific**



The J-PRISM Waste Management Project facilitated Regional collaboration of Pacific Island Waste Management campaigns which has proven highly effective in Samoa and replicated in other Pacific Island countries.

The Tafaigata landfill had been an open dump site for many years before this project began with all the associated problems. It was decided for the obvious reasons to redevelop the existing site in preference to finding a new site given space issues, common problem faced by Small Island States.

Environment sustainability including Waste Management has been a prominent feature in Samoa's environment sector. The landfill development was set up as part of a regional project between JICA,

the government of Samoa and the Secretariat of the Pacific Regional Environment Programme (SPREP).

The redevelopment of the Tafaigata landfill transitioned an open dump into a well-managed landfill using 'simple cost-effective technology'. The use of the Fukuoka semi-aerobic model was developed in Fukuoka in response to common problems raised with landfills and minimal space to manage waste. In contrast to other models, its advantage was also the minimal emission of "greenhouse gases from semi-aerobic landfills calculated as 54% smaller than for anaerobic types"<sup>7</sup>

"The landfill quickly became recognised as a model for developing countries in the Pacific and potentially New Zealand. The Samoan government recognised the benefits of the design and undertook to build a Fukuoka method landfill on the island of Savaii at its own cost (i.e. without financial support from JICA or other aid agencies)."

## EFFECTIVENESS OF RESULTS

The economic and social infrastructure projects are considered highly effective when cross referencing the specific objectives of the projects to their performance since completion of construction. Each project design was aligned accordingly with Japan's ODA Policy PALM objectives, SDS's and sector priorities. Indicative resources needed were identified for each project as well as the responsible authority for the implementation to ensure ownership on the ground through multilateral, regional and bilateral modalities.

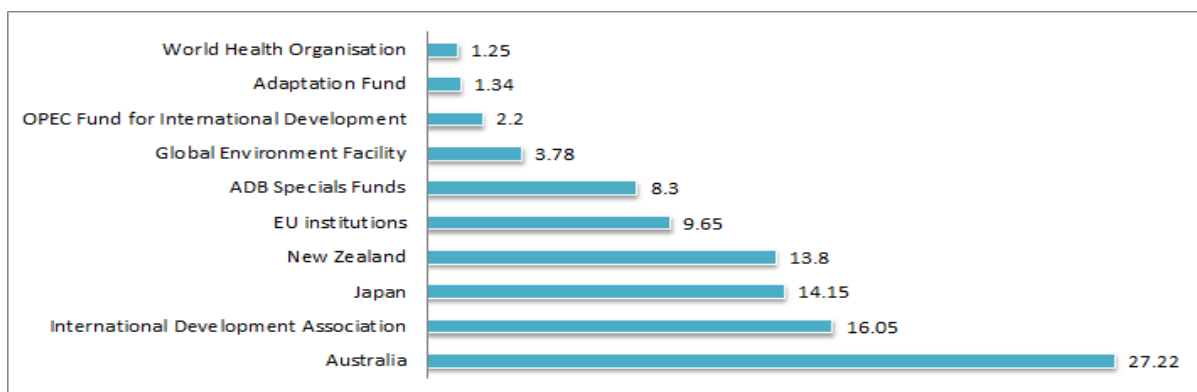
### ***Resource Allocation and Utilisation***

Samoa's revenue base is relatively small compared to the growing demands for more climate resilient infrastructure. The total level of resources available to the Government has increased from USD 195.84 million in 2011/12 to USD\$232.33 million in 2014/15. The grant component of total revenue has averaged around 10% and this is expected to grow as Samoa seeks to secure more grant based funding for infrastructure related investments. Based on total gross ODA, Japan is the third largest donor to Samoa with an average of USD 14.15 million in disbursements for 2015-2016 (refer to Figure 4). The role played by key development partners like Japan is critical to ensure additional resources can be mobilised. There is also scope for enhancing regional approaches to leverage additional resources for projects that have a regional impact or can be replicated. Accessing regional facilities such as Pacific Regional Infrastructure Facility (PRIF) and establishment of a dedicated regional climate finance fund to leverage additional financing are other options worth pursuing. Substantial resources, partnership and long term commitment to training and skills development within each of the infrastructure related sectors is essential for meeting Samoa's sustainable development goals.

Figure 4: Top Ten Donors of Gross ODA for Samoa, 2015-2016 average, USD million

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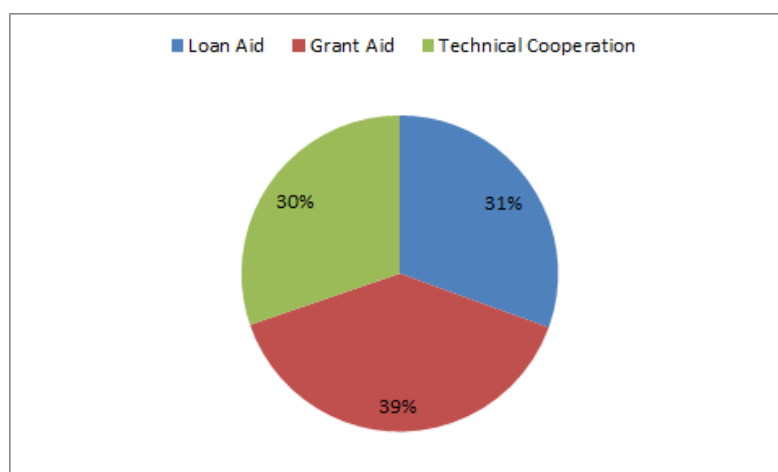
<sup>7</sup> Tashiro, 2005, JICA/SPREP



source: OECD/DAC

The utilisation of ODA funds for economic and social infrastructure has been moderately efficient given Samoa increased its access to Japan ODA Grant Aid, Loan Aid and Technical Cooperation over the evaluation period. A detailed analysis of total resources disbursed highlights USD **123 million** with approximately **31% loan aid, 39% grant aid and 30% technical cooperation from 2007-2015** as outlined below.

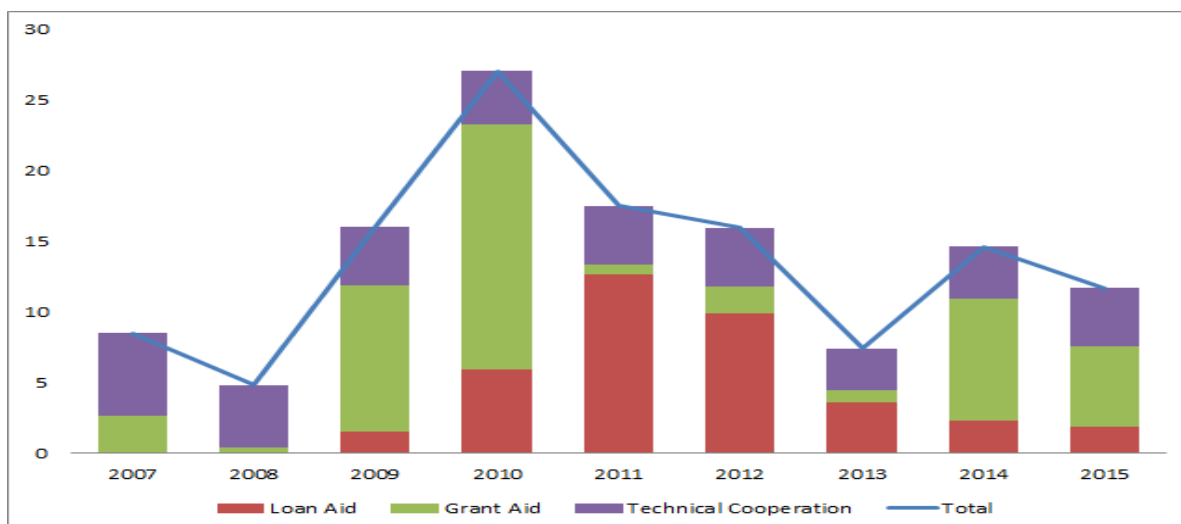
Figure 5: Japan's Total ODA Disbursement by Type, 2007-2015



Source: OECD/DAC and Japan MoFA Rolling Plan for Samoa 2015

The 12 sample economic and social infrastructure projects analysed during the evaluation represents approximately **92%** of the total ODA disbursed to Samoa during the evaluation period. Based on these, there were significant annual increases in total ODA disbursements from 2010 onwards due to major projects including the Grassroots Human Security Projects, Project for Improvement of Urban Untreated Water Supply Schemes and Project for the Enhancement of Safety of Apia Port funded by Grant Aid as well as the Power Sector Expansion Project funded by loan aid (refer figure 6). The projects were delivered through 12 schemes including TCP, TCDP, TR, JPP, ML, EQ, JOCV/SV, GGP, GTCP, LA, EXP, F/U).

Figure 6: Japan's ODA Net Disbursements to Samoa, 2007-2015, USD millions



Source: OECD/DAC and Japan MoFA Rolling Plan for Samoa 2015

### **Achievement of Outcomes/ Objectives**

The effectiveness of the Project Identification process has enabled the high achievement of the Project Objectives during the review period.

**Table 2: List of each Project Objectives 2007-2017**

Name of Projects	Objectives
1.Enhancement of Safety for Apia Port project	<ul style="list-style-type: none"> <li>This project will improve the harbor facilities, primarily extending the wharf and repairing the container yard, and restore tugboats at Apia Port, the only commercial port in Samoa, thereby ensuring safe, efficient harbor operations, and in turn contributing to sustainable economic growth.</li> </ul>
2. Power sector expansion project: 2008-2017 (Fiaga Power Station and Alaoa Hydro Power Station)	<ul style="list-style-type: none"> <li>Meet growing electricity demands</li> <li>Improve the quality, reliability and cost effectiveness of electricity</li> <li>Take institutional and regulatory measures to improve the financial and operational performance of EPC and overall performance of the sector</li> </ul>
3. Construction of Inter island Ferry: 2008-2010	<ul style="list-style-type: none"> <li>Ensure safe and stable maritime traffic and transportation by providing a ferry to operate between Upolu and Savaii Islands.</li> </ul>
4. Programme for Improving Weather Forecasting Systems and Meteorological Warning Facilities:	<ul style="list-style-type: none"> <li>To improve capacity of meteorological observation and ease vulnerabilities to meteorological disasters</li> </ul>
5. Improvement of Urban Untreated Water Supply Schemes	<ul style="list-style-type: none"> <li>To improve the quality of life for the beneficiaries of Tapatapao, Vailima, Vaivase</li> </ul>

6. J-PRISM Solid waste management in Oceania: 2012-2016	<ul style="list-style-type: none"> <li>● Sustainable management of solid waste in the Pacific Region is enhanced</li> </ul>
7. Weigh Bridge Instalment at Tafaigata Landfill 2013	<ul style="list-style-type: none"> <li>● It will assist the MNRE in putting a price on the actual cost of solid waste disposal and assist the government in formulating policies for managing solid waste in a sustainable manner.</li> </ul>
8. Environment Forest Preservation Project 2010 (Regional)	<ul style="list-style-type: none"> <li>● Reducing Emissions from deforestation and forest degradation in developing countries</li> <li>● monitoring forest represented by National Forest Inventory (NFI), and</li> <li>● the activities of sustainable forest management that targets the forest limits such as nature reserves and national parks.</li> </ul>
9. Medical Equipment Supply Program (Filariasis): 2009-2014	<ul style="list-style-type: none"> <li>● To strengthen activities toward eliminating lymphatic filariasis as a public health problem,</li> </ul>
10. Recycled Equipment Provision Programme (Ambulance 2009)	<ul style="list-style-type: none"> <li>● Quality Health Care Services</li> </ul>
11. Lufilufi District Hospital: 2011	<ul style="list-style-type: none"> <li>● Quality Health Care Services</li> </ul>
12. USP Savaii KU-Band Satellite for Distance Education	<ul style="list-style-type: none"> <li>● Ku-band service provides the capability for students to access lecturers/tutors based at other USP campuses, in particular, Laucala, Emalus or Alafua. Students can participate from Savai'i Centre via live classes, lectures and tutorials.</li> </ul>

### ***Economic and Social Benefits***

Investment by Japan into the economic and social infrastructure related sectors has had a significant effect on Samoa's economic growth over the evaluation period. Anecdotal evidence indicates that investment in the physical transport infrastructure including roads, airports and seaports has provided faster returns than equivalent investment in social services including health and education given improved transport infrastructure has a faster impact on total productivity and on economic growth than social infrastructure. The benefits from social infrastructure investment included better access to improved water resulting in better health and therefore better school attendance, with positive longer-term consequences for their lives. Additionally, the improvement to hospital facilities meant better conditions not only for the users but for the staff managing the facilities.





### **Case Study: Improvement of Urban Untreated Water Supply Schemes (Vailima, Vaivase Uta, Alaoa and Tapatapao)**

The Project on Improvement of Urban Untreated Water Supply Schemes is a major milestone under the Water Sector for Samoa.

Safe and readily available water is important for public health, whether it is used for drinking, domestic use, food production or recreational purposes. “Contaminated water can transmit diseases such as diarrhoea, cholera, dysentery, typhoid, and polio.”<sup>8</sup>

Better water sources also mean less expenditure on health, as people are less likely to fall ill and incur medical costs, and are better able to remain economically productive. With children particularly at risk from water-related diseases, access to improved sources of water can result in better health, and therefore better school attendance, with positive longer-term consequences for their lives.

More than 30,000 beneficiaries have been identified to benefit from this investment through the

- installation of the treatment plants and construction of a chlorination and chemical buildings;
- Purchase and installation of reservoir and fittings at the water treatment plant sites.
- Upgrade of the road from the intake;
- Installation of pipeline from the intake to the water treatment intake
- Construction of new pipeline networks which approximately 2,000 meters long for water distribution throughout the villages

The project aimed to improve the sanitation environment in project sites to secure safe drinking water by supplying treated water and its stable supply by service reservoirs and pressure breaking tanks, targeting the three water supply systems of Tapatapao, Vailima and Vaivase –uta. In addition, the project will provide upgrades for water intake facilities, transmission pipelines, distribution pipelines and installation of water meters administered by S.W.A.



“Through the Samoa Water Authority, government is working with our development partners such as the Government of Japan to ensure that water supply is clean and accessible to as many people as possible”.<sup>9</sup>

<sup>8</sup>WHO Report - Water and Sanitation 2015

<sup>9</sup> Samoa Water Authority Annual Report 2015-2016



### ***Maintenance of Infrastructure Assets***

The design of the infrastructure projects incorporated a number of features to enhance sustainability. The conditions for setting up a sinking fund for replacement of the inter-island ferry, shows that there has been recognition that sustainability is seen as a long term goal. However the relatively large scale infrastructure facilities have often been seen imposing maintenance budgetary requirements beyond the revenue capacities of the beneficiary organisations. The active use of JOCV volunteers supported by small grants has often assisted in scoping out and undertaking of some of the critical maintenance requirements.

#### **Case Study: The Construction of the Inter Islands Ferry 2010**



The Construction of the Inter Island Ferry Project in 2010 was evaluated and regarded as sustainable given establishment of the Vessel Replacement Fund 1999 for the purpose of acquiring new vessels. The Corporation continues to transfer surplus funds to the VRF when cash flow permits. The project was well aligned with Japan's Development Cooperation Policy of Quality Growth, PALM Broad Objective Economic Growth and the Key Priority area 3 Infrastructure of the SDS.

In 2010, the passenger cargo ferry project was constructed to facilitate transportation between Samoa's two main Islands of Upolu and Savaii. This project provided an enabling medium for the travelling public between Upolu and Savaii. "The total number of passengers for FY 2010/11 was 399,170 with Vehicles at 33,968 while 425,300 was recorded as passengers and 37,212 vehicles in 2011/12".<sup>10</sup>

The project facilitated economic growth, addressed infrastructure needs of the country and act as an enabler for tourism and trade through agricultural activities. In essence the project is reaffirmed as impacting highly in addressing this major economic infrastructural need for Samoa and has provided

<sup>10</sup> Ex- Post Evaluation for Construction of the Inter Island Ferry Project, 2010

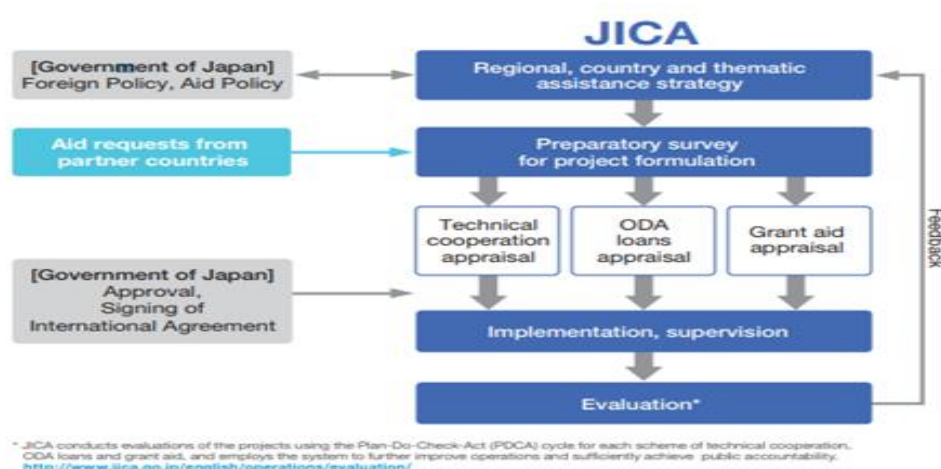
sustainable development within the transport sector.

## APPROPRIATENESS OF PROCESSES

### ***Operational Modalities for Resource Flows***

The operational flows utilised for delivery of ODA over the evaluation period has been effective based on the existing flows utilised mainly through JICA as outlined in Figure 7 below. The existing flows under the Government of Japan's aid policy is based on an unbiased, broad perspective that extends beyond assistance schemes such as technical cooperation, ODA loans and grant aid. These operational flows have been aligned as much as possible to GoS processes, however, as evident during the evaluation there is room for improvements to ensure better coordination and avoid possible duplication for project selection.

Figure 7: Japan ODA Project Identification Process

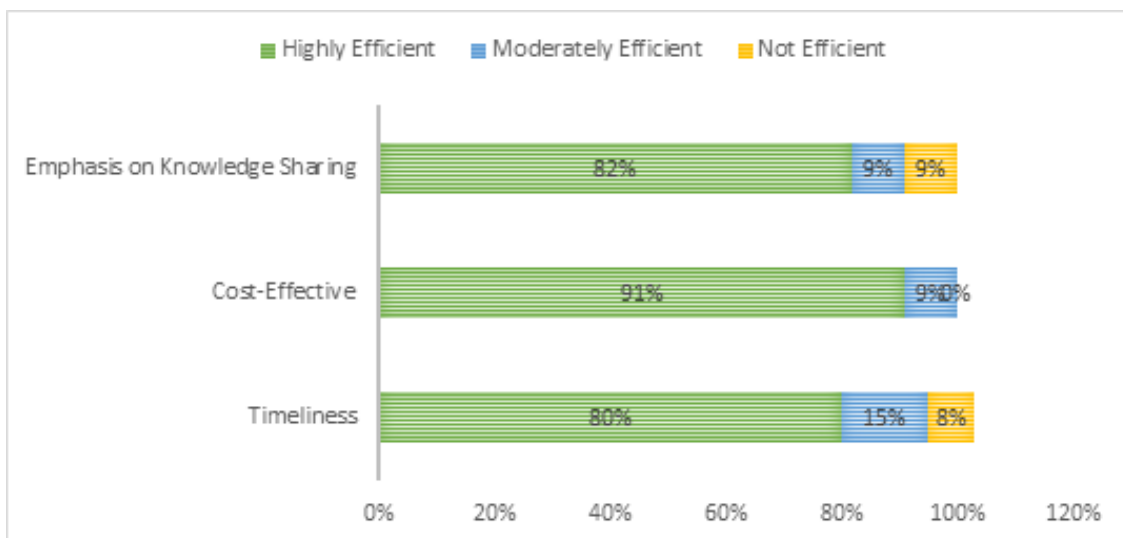


source: MoFA website

The task of identifying viable projects is the most important and crucial step in the process of project preparation. For the projects completed to date, this has been a joint responsibility of Government ministries/agencies and Japan through specific technical assistance programmes. Based on discussions with stakeholders, it is essential that central national agencies such as Ministry of Finance need to be appraised throughout the full project cycle to better inform national planning and policy development.

At the project implementation level, survey respondents indicated that the majority of the 12 projects were highly efficient in terms of timeliness, cost-effectiveness and ensured knowledge sharing as highlighted below.

Figure 8: Efficiency of Japan ODA Delivery Modalities



### ***Innovative Financing Mechanisms***

The issue of financing the large infrastructure needs has become a significant challenge in light of public sector fiscal constraints and difficulties in tapping the international capital markets. Financing infrastructure developments within key sectors such as energy is critical. The Samoa National Energy Policy adopted in 2007, set a goal of increasing the contribution of renewable energy (over that already produced by hydro) by 20% by 2030. Samoa, has initiated some liberalization within the sector, however, the bulk of generation, transmission and distribution of electricity remain largely in government hands through EPC. Users of electricity are normally charged service fees or tariffs. Electricity tariffs, however, are usually not sufficient to cover all the costs of providing electricity to final users. Thus the government has supplemented the revenues of EPC through subsidies from the government budget as well as provision of government guarantees for lenders to the electricity sector.

The role played by key development partners like Japan is critical to ensure additional resources can be mobilised. This can be facilitated through the support provided by Multilateral Development Banks such as ADB through pooled resources. For example, the PSEP has blended grant and loan financing in order to support GoS objective of providing sustainable and reliable electricity services to all consumers at cost-efficient prices. The evaluation noted initial constraints encountered in accessing JBIC funds for financing PSEP and role played by ADB in negotiations was critical in accessing funds.

### **Case Study - Innovative Mechanisms for Infrastructure Financing in Energy Sector**



In 2007, the Government of Samoa with the assistance of ADB, JIBC and Australia signed the US 100 million Power Sector Expansion Project (PSEP) with the overall aim of providing sustainable and reliable electricity services to all consumers at cost-efficient prices. PSEP focused on improving capacity of the power sector to meet growing electricity demand and improve quality, reliability, and cost-effectiveness of power supply by (i) improving the financial performance of EPC, (ii) supporting EPC's investment plan to meet growing demand, (iii) improving the operational efficiency of EPC, and (iv) establishing effective regulation of the power sector.

PSEP included 26% grant aid, 72% concessionary loan and 2% technical assistance funded mainly by ADB (Grant USD 15.39m & USD 26.61m Loan), JIBC (USD 38.1m Loan<sup>11</sup>) and Government of Australia (USD 8m Grant). The innovative funding mechanisms employed included:

(i) establishment of an incentive scheme for canceling repayment by the EPC of the grant relent (on-lending) by MOF, through the treatment of this grant relent portion as a grant from MoF to EPC (up to 7% of Project costs or a ceiling of \$US 10 million) based on the timely and to-budget implementation of the Subprojects by EPC;

(ii) relending proceeds from MoF to EPC in two tranches; the first tranche having a 25 year term (including a grace period of 5 years), an interest rate of 6.5% and a principal amount equal to the relending to EPC for the financing of subprojects completed prior to June 30, 2012; the second tranche having a 28 year term (including a grace period of 8 years) interest rate of 6.5% and a principal amount equal to the remainder of the Loan, the Grant and the JBIC Loan less the principal amount of the first tranche;

(iii) transfer of the interest on the proceeds of the Grant to the Clean Energy Fund;

(iv) annual aggregate disbursements from the Government of Australia Grant is treated as an equity in the EPC's annual financial statements and audited accounts and that this equity shall be reflected as part of the EPC's share capital when the EPC is registered as a limited company;

The project has progressed satisfactorily and at July 2017, overall implementation was 90.5%. EPC's original investment plan comprised: (i) 4 generation projects; (ii) 11 transmission projects; (iii) single- and three-phase prepayment metering project; (iv) a system for control and data acquisition (SCADA); and (v) portable equipment for measuring voltage and current stream-flow gauging, with an estimated completion date of 30 June 2016.

To date, 11 generation projects and 25 transmission projects have been completed and the single- and three-phased prepayment metering, SCADA and portable equipment for measuring voltage and current streamflow gauging, have been procured. Contracts have been signed for additional current transformers, 33KV tieline upgrade from Taelefaga hydropower station and battery energy storage systems. Project management consulting services are ongoing.

To ensure Samoa meets its goal for renewable energy by 2030, the sector will need to adopt more innovative financing mechanisms through concessionary means similar to the PSEP project arrangements.

### ***Monitoring and Reporting Mechanisms***

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<sup>11</sup> First time for Samoa to access the highly concessional loans from JBIC.

Continuous improvements to the Government public finance management systems have facilitated the implementation of the project delivery mechanisms under review. These include (i) general budget support; direct grants as “Outputs to Third Parties” via ministry budgets; (ii) project specific development soft term loans and grants to ministries and on-lending arrangements with SOEs; and (iii) accumulated cash flows from operations and debt financing via commercial loans. With the move towards the sector-wide approach in planning and budgeting the following funding mechanisms have been utilised to date:

- Increased sector or general budget support mechanisms for development funding as opposed to discrete projects for core sector projects/programmes
- Blending of grants, loans and equity investments

To date, Japan’s MoFA has utilised 5 year rolling plans (2013-2017) and 2015-2019) to monitor the progress of approved projects under 5 Priority Areas (i) Environment Conservation, (ii) Climate Change, (iii) Improvement of Health and Medical Services, (iv) Strengthening Education and (v) Strengthening of Infrastructure for Economic Growth. The oversight of projects rests with MoFA in Japan with the operational monitoring conducted by their in-country operational focal points JICA and the Embassy of Japan. There were concerns noted during the evaluation in terms of regular updates on project disbursement and progress between the in-country focal points and GoS central agencies.

The modalities currently used by Japan are primarily influenced by the nature of tied aid which to some extent has impacted on the ownership of projects. MoF has indicated its preference for the Grassroots program to be integrated with the government’s program and budgetary processes to ensure alignment with other existing programs. Limited access to overall disbursement of funds from GoS counterparts represents challenges in managing accountability and transparency and using Country systems. MOF noted that in addition to having only a record of the assets it would be useful to also capture all the relevant information on flow of funds. To improve ownership and future coordination of Implementation and monitoring, it has been identified that open and clear communication channels between GoS central agencies (MoF and MFAT) with MoFA, JICA and Embassy of Japan.

In 2011, a Joint Policy Action Matrix (JPAM) was developed by the Government of Samoa and its major development partners to ensure a more coordinated approach for the delivery of performance linked aid. Japan ODA is currently not monitored through JPAM and discussions with government officials indicate JPAM could be adapted and used as a tool to ensure joint monitoring of all development assistance directed through GoS systems. It was noted that JPAM has provided much needed assistance to date mainly in the form of grants towards Samoa’s budgetary deficits. In that regard, the likelihood of continued grants as opposed to loans is dependent on the country’s economic performance. GoS noted the preferred mode of delivery now for most partners is through budget support. This is easier to manage from GoS perspective. There is an opportunity for Japan to be part of JPAM if future modalities include budget support.

## CONCLUSION AND RECOMMENDATIONS

The *relevance of policies* under Japan’s ODA has been highly rated given all the social and economic infrastructure projects agreed upon for review during 2007-2017 have been aligned accordingly to the Government of Samoa’s National Planning Framework through the SDS, Sector Plans and Japan’s ODA Cooperation including key areas from PALM 5,6 and 7. With the increasing focus of Japan’s ODA into climate change and resilience as reflected in the recent PALM planning documents, there is

an opportunity for Samoa to utilize its recently established national consultative and planning mechanisms to expedite its access to these future resources from Japan's ODA. These investment plans have been underpinned by robust community and national planning and policy frameworks as well as growing technical capacity within the key implementing agencies. Possible improvements to further enhance the relevance of Japan's ODA to national development priorities of Samoa could include the following:

1. Strengthening of a formal planning/policy framework which will guide identification of the national development priority projects which can be addressed by the focal areas identified by Japan's ODA for Samoa and the Pacific region.
2. Adopt the Community Integrated Management Plans and their existing institutional modalities to facilitate channelling of resources to priority climate change and resilience focal areas.

The *effectiveness of results* has been highly rated given the project identification process at the macro level has facilitated the successful achievement of objectives designed at the National and sector level. The majority of projects that have been undertaken during the evaluation period have addressed significant economic and social infrastructural gaps for Samoa. The impact of Japan's ODA has been significant given substantial investment not only in terms of the relative total aid resources Samoa receives but also the large scale projects like the PSEP which has been channelled to the infrastructure related sectors.

However, in terms of sustainability emerging challenges remain for Samoa due to its small size and population which imposes diseconomies of scale and other constraints to its development efforts. Samoa continues to be highly vulnerable to natural disasters particularly with approximately 80 percent of the country's population and infrastructure located in low lying coastal areas that are mostly prone to floods and cyclonic wind damage. There is a strong need and priority across all sector agencies for increased investment in strengthening technical and institutional capacity to ensure the successful implementation of infrastructure related initiatives over the coming years. This calls for substantial resources, partnership and long term commitment to continuously strengthen training and skills development within each of the sectors.

3. Training needs will have to be strengthened and identified at all levels of the sector, building on the workforce planning mechanisms being introduced through public ministries such as MWTI and MOF. This practice could be expanded to include key SOEs and other key considerations to be taken into account include:
  - Encourage partnerships with key educational institutions offering certificates/degrees relevant to the sector;
  - Provide increased training in critical areas such as results-based project management and analysis, monitoring and evaluation, data management etc to public sector staff;
  - Undertake re-orientation of work processes, instruments, procedures and systems development;
  - Put in place staffing and institutional arrangements for the sector coordination and management;
  - Focus on ICT capacity building to match significant shift of infrastructure to digital based economy given Samoa's recent investment in the ICT Sector Infrastructure. Whilst the digitisation infrastructure is well in place and progressing, there is a need to invest in upskilling and training for the right skill set to manage this transition.

This can be an opportunity for Japan's ODA to explore under People to People Exchanges.

The *appropriateness of processes* in term of efficiency has improved given the existing processes utilised for the projects under review as well as significant improvements to public expenditure management systems which have facilitated the flow of development funds towards infrastructure investments. However, as noted during the evaluation there is a growing financing gap within the key infrastructure sectors which need to be addressed as well as coordination of implementation and monitoring systems which could benefit from the following improvements:

4. Increase introduction of innovative financing mechanisms utilised under the PSEP to address financing gaps within the identified economic and social infrastructure sectors. Future financing arrangements to draw on improved additionality of resources from co-financing and securing highly competitive concessionary loan financing.
5. Enhance joint coordination monitoring frameworks through the use of existing tools such as JPAM to ensure joint monitoring by all relevant agencies. Regular communication and sharing of 5 year rolling plans between MoFA and MoF will also strengthen information management for future programs. The combined impact of these measures would be to improve closer alignment of project results to the national development sectoral objectives.

## LIST OF ANNEXES

### Annex 1: Terms of Reference

Proposal for Evaluation of Japan's ODA to the Economic and Social Infrastructure Sector in the Independent State of Samoa.

#### 1. Purpose and Outline of the Evaluation

In light of the significance of Japan's ODA to the Independent State of Samoa, particularly in the areas of Education, Health, Economic Policy, and Environmental Management, the Evaluation Team will conduct a comprehensive evaluation of Japan's ODA policy towards the Economic and Social Infrastructure Sector in the Independent State of Samoa. In this evaluation, the Evaluation Team will utilize the criteria, "relevance of policies", "effectiveness of results", and "appropriateness of process" to make a comprehensive assessment for enhancing Samoa's overall efforts to improve the economic and social infrastructure and facilitate the effectiveness of Japan's ODA and other aid donor resources. This evaluation will be performed by the Evaluation Team based on the Guidelines for the Partner Country-led Evaluations" (June 2017) by the Ministry of Foreign Affairs of Japan.

#### 2. Composition of Evaluation Team

(Name, title and evaluation experiences)

#### 3. Evaluation Targets and Purpose

The target of the evaluation is the Japan's ODA in the economic and social infrastructure in the Independent State of Samoa from FY 2007 to FY 2017. The outlines of the evaluation targets and purpose are as follows.

#### 4. Evaluation Methodology

(Interviews, document survey, field survey, etc.)

#### 5. Restrictions of the Evaluation

(Points that could not be evaluated because of limitation in data, etc.)

#### 6. Evaluation Report

The evaluation report will be about 50 pages, and the summary of the report will be about 3~4 pages. Contents of the Report will be as follows;

1. Preface
2. Table of Contents
3. Executive Summary
4. Text
  - Describing of Evaluation (Purposes, Targets, Methodology, etc.)
  - Outline of Evaluation Target
  - Evaluation Results
  - Recommendations
5. Annexes and References
6. Photographs

#### 7. Deadline of Submission of Report to the Embassy of Japan of the Independent State of Samoa

March 30, 2018



## Annex 2: Detailed List of Social and Economic Infrastructure Projects

Name of Project	Year of Implementation	Total/Estimate (USD Millions)	Relevant Sector	Type of Infrastructure
1. Construction of Inter Island Ferry	2008-2010	13.11	Infrastructure	Economic
2. Programme for Improving Weather Forecasting Systems & Meteorological Warning Facilities	2009-2013	7.03	Environment	Economic
3. Enhancement of Safety for Apia Port Project	2015-2017	32.8	Infrastructure	Economic
4. Power Sector Expansion Project	2008-2017	38.00	Infrastructure	Economic
5. Medical Equipment Supply Program (Filariasis)	2009-2014	0.20	Health	Social
6. Recycled Equipment Provision Programme	2009	0.10	Health	Social
7. Environment Forest Preservation Project	2010	2.83	Environment	Social
8. Lufilufi District Hospital	2011	0.35	Health	Social
9. J-Prism Solid Waste Management in Oceania	2012-2016	1.00	Environment	Social
10. USP Savaii KU-Band Satellite for Distance Education	2012	0.50	Education	Social
11. Weigh Bridge Instalment at Tafaigata Landfill	2013	1.00	Environment	Social
12. Improvement of Urban Untreated Water Supply Schemes	2014-2016	17.27	Infrastructure	Social

### Annex 3: References

1. ADB, 2007, Power Sector Expansion Project. Report to the Board of Directors.
2. Climate Change Cooperation Strategy and Support to Adaptation Actions in Small Island Developing States, JICA, 2017
3. Creating a Sound Material-cycle Society in Small Islands Japan's cooperation in the field of solid waste management in the Pacific region, 2015
4. Efforts in Supporting Adaptation to Climate Change, Hiroshi ENOMOTO, Deputy Director, Office for Climate Change, Japan International Cooperation Agency (JICA) March,15, 2012
5. Exchange of Notes, Oceania, Samoa, Ministry of Foreign Affairs Japan Website
6. Ex-Post Evaluation of Japanese Grant Aid Project "The Project for Construction of the Inter-Islands Ferry", 2012
7. Final Report for Technical Cooperation Service on Japan's Programme Grant Aid ( FY2010) for Forest Preservation Programme in the Independent State of Samoa, July 2014, JAPAN INTERNATIONAL COOPERATION SYSTEM.
8. JICA project reports
9. GoS, 2008, Water for Life: Water Sector Plan and Framework for Action
10. GoS, 2010, Policy for Samoa to Achieve a Neutral Carbon Economy by the year 2020
11. GoS, 2011, Strategic Programme for Climate Resilience.
12. GoS, 2017, Infrastructure Sector Medium Term Expenditure Framework Report
13. GoS, Strategy for Development of Samoa 2016/17-2020/21
14. GoS, Strategy for the Development of Samoa 2008-2012
15. GoS, Strategy for the Development of Samoa 2012-2016
16. Health relevant Sector Plans
17. Independent State of Samoa: Technical Assistance Cluster for Implementing the Samoa National Energy Policy, 2007
18. Improvement of Solid Waste Management – A & E Papua New Guinea, Solomon, Vanuatu and Samoa Project Completion Report, Japan International Cooperation Agency Yachiyo Engineering Co., Ltd, March 2014
19. Japan's ODA: Rolling Plan for the Independent State of Samoa, Ministry of Foreign Affairs Japan, 2013
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21. JICA Annual Report 2008-2017
22. JICA's Cooperation for NMHSs, Taisuke Watanabe, Japan International Cooperation Agency, 28 Oct, 2014
23. Ministry of Foreign Affairs (MoFA), Partner Country-Led Evaluation Guidelines, June 2017
24. Meeting the Challenge, Ellen Blake, 2012
25. MNRE and SWA, 2008, Water Sector Vulnerability and Adaptation Assessment
26. MNRE, 2010, Samoa's Second National Communication to the UNFCCC
27. MOF, 2008-17, Government of Samoa Annual Budgets
28. MOF, 2010, Aid Development Cooperation Policy - Partners in Development: Promoting Aid Effectiveness.
29. MOF, 2015/17, Public Sector Investment Plan
30. MOF, 2016, Samoa Public Financial Management Performance Report

- 31.ODA Evaluation Guidelines, 8th Edition, ODA Evaluation Division, Minister's Secretariat, Ministry of Foreign Affairs of Japan, May 2013
- 32.ODA Evaluation Guidelines, 8th Edition, ODA Evaluation Division, Minister's Secretariat, Ministry of Foreign Affairs of Japan, 2016
- 33.Pacific Island Ministers Meeting ( PALM) 5, 6, 7 Plan of Action.
- 34.Power Sector Expansion Environmental and Social Monitoring Report, 2017
- 35.Project Result Case Study, ,Asian Development Bank, 20017
- 36.Samoa Lymphatic Filariasis Transmission Assessment Survey 2013 Final Report
- 37.Samoa Water Authority Annual Report 2015-2016
- 38.Solid Waste Characterization and Generation Study, Vaitele,SAMOA, 2011.
- 39.The Project for Enhancing Management Capacity for National Parks and National Reserves of Samoa, Summary Table of the Evaluation Survey Results, 2010
- 40.Trade, Commerce and Manufacturing Sector Plan 2017/2018 – 2020/2154.
- 41.Weather Systems Project JICA, 2012

## Annex 4: List of Stakeholders Consulted

### Government

Name	Position/Ministry
1. Hon Sili Epa Tuioi	Minister of Finance
2. Hon Niko Lee – Hang	Minister of Works Transport and Infrastructure
3. Peseta Noumea Simi	CEO, MFAT
4. H.E Faalavaau Perina Sila - Tualaulelei	Samoa's Ambassador to Japan.
5. Tupaimatuna Lavea Iulai Lavea	CEO, MOF
6. Ulu Bismarck Crawley	CEO, MNRE
7. Papalii Nansen	General Manager, Samoa Shipping Services
8. Sooalo Kuresa Sooalo	General Manager, Samoa Ports Authority
9. Seugamalii Jammie Saena	Managing Director, Samoa Water Authority
10. Su'a Pou Onesemo	CEO, MWTI
11. Palanitina Tupuimatagi Toelupe	General Manager, National Health Service,
12. Leausa Dr Take Naseri	Director General, Ministry of Health
13. Ruby Vaa	USP Campus Director
14. Lita Lui	ACEO, Aid Coordination, MOF
15. Seumaloisalafai Afele Faiilagi	ACEO Environment and Conservation
16. Papalii Helen Aiono Lei Sam	Planning and Design Engineer, SWA
17. Sione Foliaki	ACEO, Energy Sector, MOF.

### Donors

18. Cassandra Betham	<i>Senior Manager, Health and Disability, Australia DFAT</i>
19. Dr Rasul Baghirov	WHO Representative for Samoa, American Samoa, Tokelau, Niue and Cook Islands.
20. Ropati Mualia	Programme Manager,

21. Filomena Nelson	Climate Change Advisor, SPREP
22. Faafetai Sagapolutele	Deputy Chief Adviser, J-PRISM, SPREP

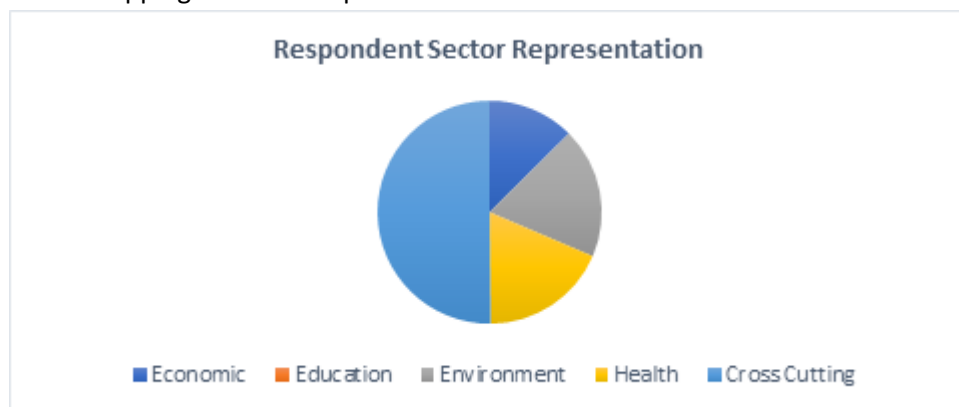
## Annex 5: Online Survey Results

This online survey sought perspectives from local government ministries, authorities, other development partners/donors and regional organizations who were focal points or involved of the 12 major social and economic infrastructure projects from 2007-2017. The survey assessed stakeholder perspectives on the *Relevance, Effectiveness, Efficiency, Impact/Sustainability* of the 12 projects.

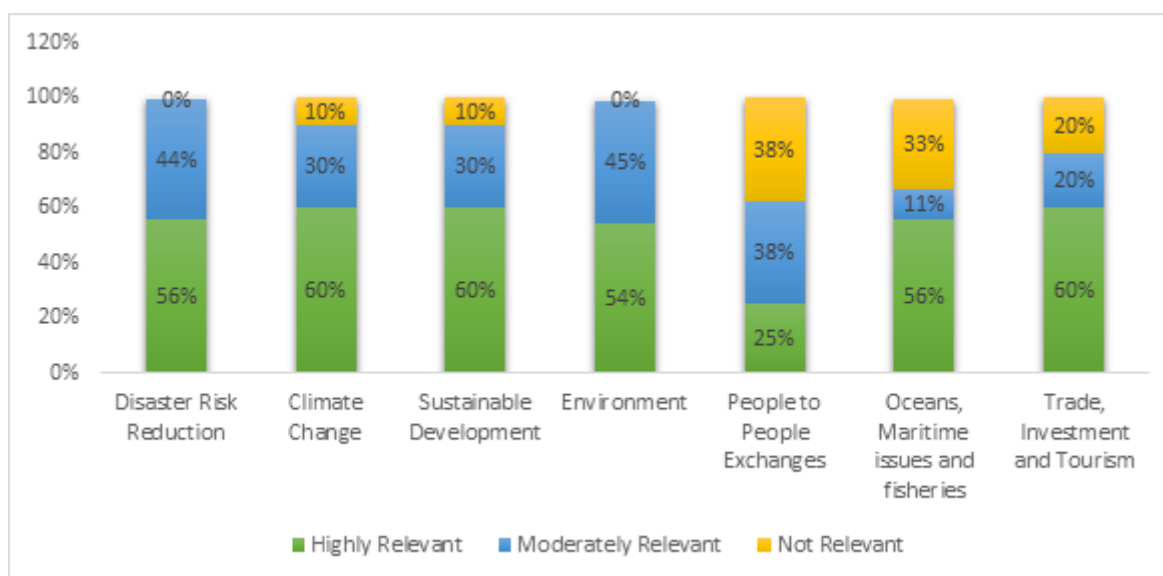
### Respondent Profiles

Out of the targeted 22, there were 14 respondents to the online survey from the following organizations

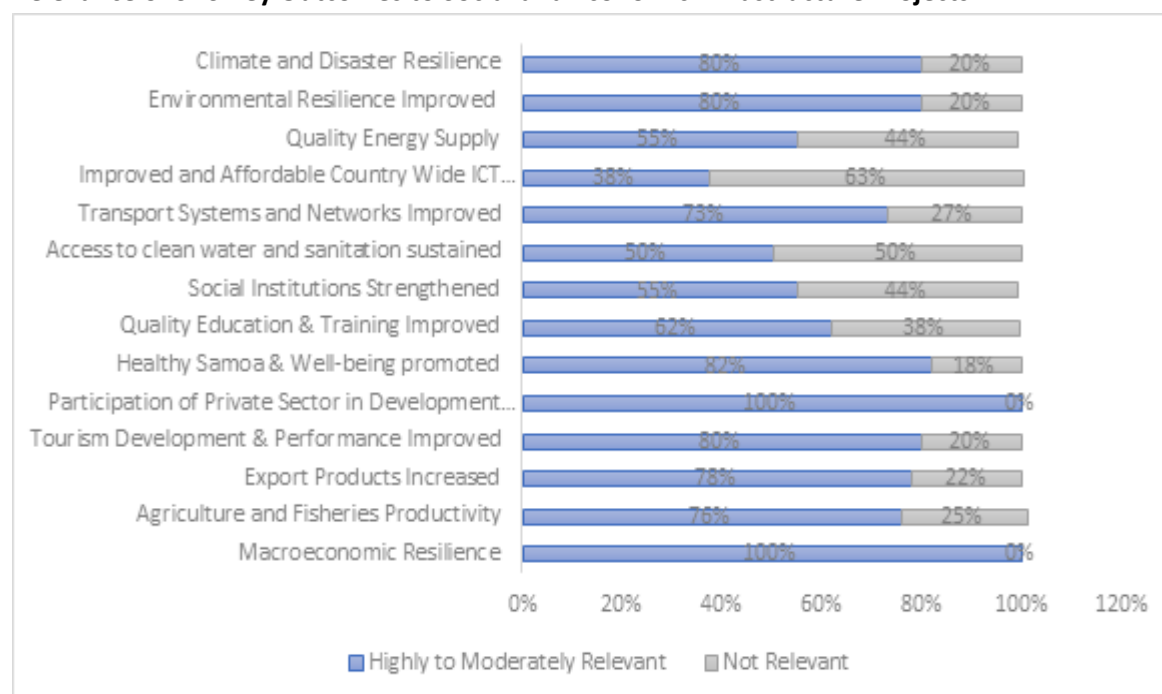
1. Ministry of Foreign Affairs and Trade (MFAT)
2. Ministry of Finance (MOF)
3. Samoa Water Authority (SWA)
4. Secretariat of the Pacific Region for Environment Programme (SPREP)
5. Australian Department of Foreign Affairs and Trade (Aus-DFAT)
6. Ministry of Natural Resources and Environment (MNRE)
7. National Health Services (NHS)/Ministry of Health (MOH)
8. Samoa Ports Authority (SPA)
9. Samoa Shipping Services Corporation Ltd



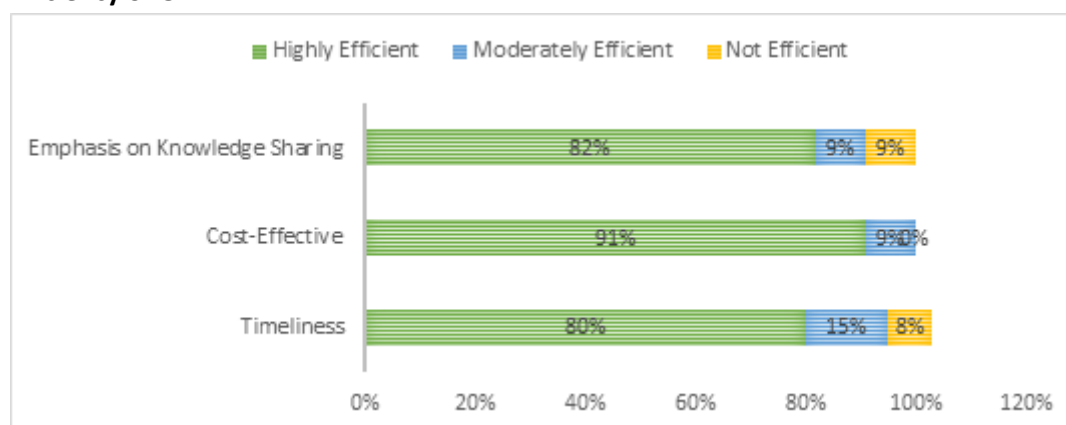
### Relevance to PALM Key Areas



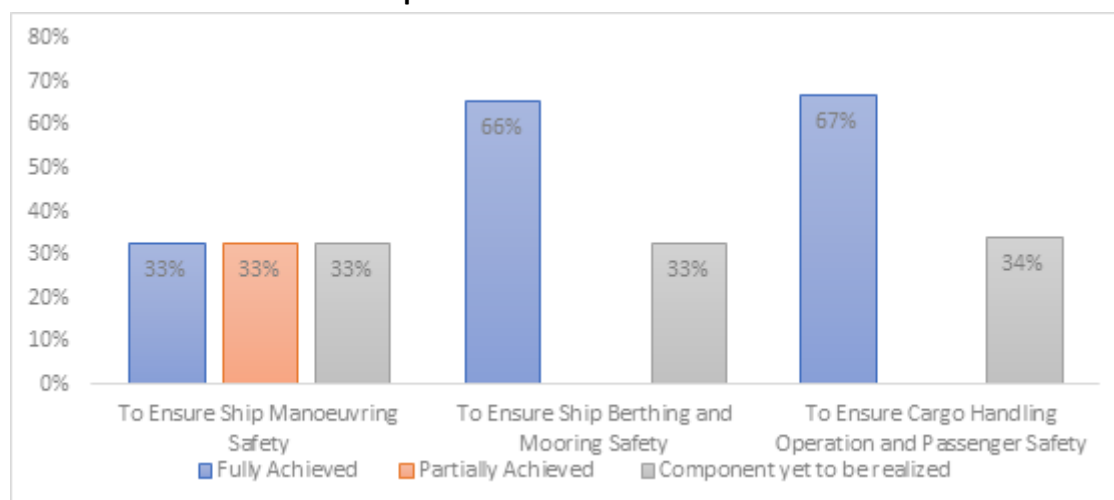
### Relevance of SDS Key Outcomes to Social and Economic Infrastructure Projects



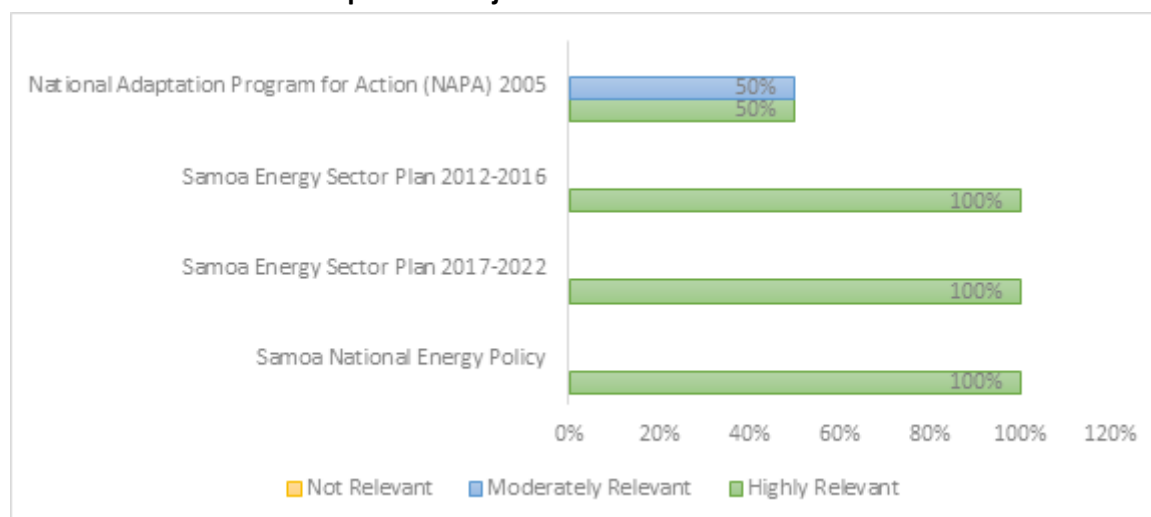
### Efficiency of ODA



### Effectiveness- Enhancement of Apia Port

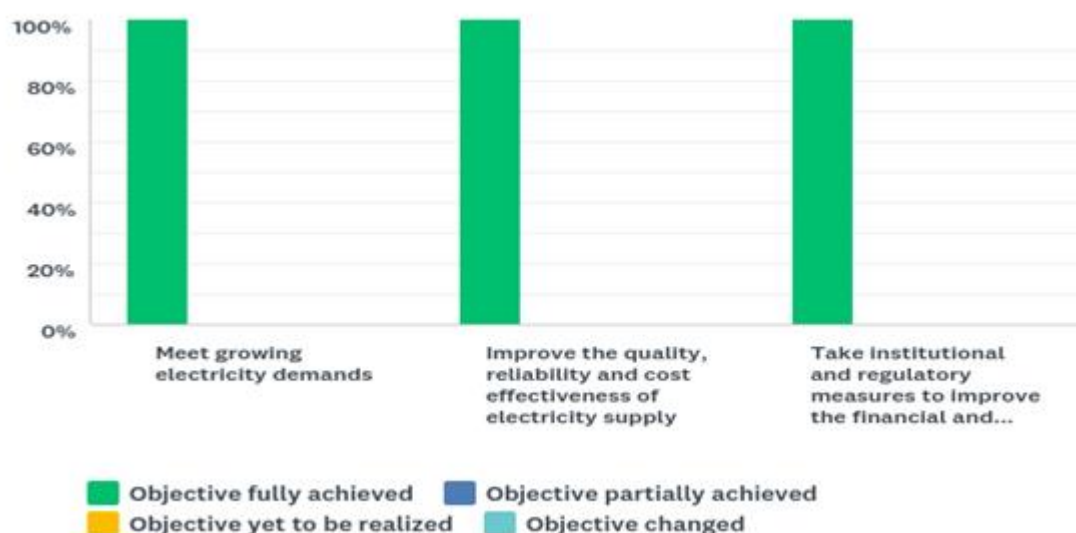


### Relevance- Power Sector Expansion Project



### Effectiveness of Objectives- Power Sector Expansion Project





### Construction of Inter-island Ferry

Rate in your opinion the relevancy of the following local policies and frameworks or strategies to the Construction of Inter Island Ferry Project

Key Area	Sector Plan	Relevance
Improve Effectiveness, safety, security and competitiveness of maritime services	Transport Sector Plan 2014-2019	Highly Relevant
Safer and better inter-island ferry facilities	National Infrastructure Strategic Plan	High Relevant
To investigate feasibility of fast ferry service to Salelologa and to upgrade safety measures in relation to all ferry services	Samoa Tourism Authority Development Plan 2009-2013	Highly Relevant

**To what extent has the project objective to ensure safe and stable maritime traffic and transportation between Upolu and Savaii Islands been met?**

Objective fully achieved

**Meteorological Warning Facilities**

**Rate how effective the project objective is to improve capacity of meteorological disasters by establishing the weather forecasting system and meteorological warning facilities has been achieved**

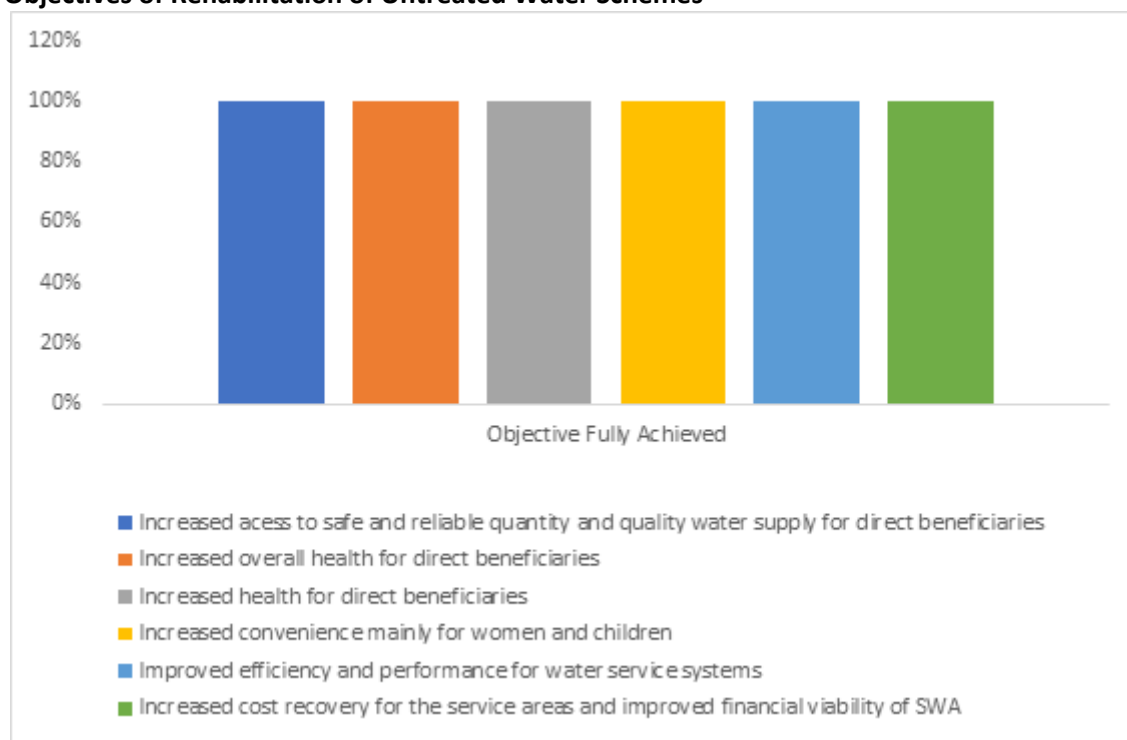
Objective Fully and Successfully

## Sanitation Water

Rehabilitation of untreated water schemes for Tatapao, Vailima, Vaivase and Magiagi targeted to improve quality of life for direct beneficiaries. In your opinion please rate how effectiveness in meeting this target/goal

Highly Effective

### Objectives of Rehabilitation of Untreated Water Schemes



### Weigh-Bridge Instalment

Objective	Output Fully Achieved	Output Partially Achieved
Produce Tafaigata Land Use Development Plan		100%
Incoming waste data recorded periodically and reported monthly using the weighbridge	100%	
Improved quality of leachate at Vaiaata Landfill	100%	

Management and control of waste pickers		100%
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### Millennium Development Goals

