

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Samoa	Project Title:	SAM: Renewable Energy Development and Power Rehabilitation Project
Lending/Financing Modality:	Project Loan	Department/Division:	Pacific Department Transport, Energy and Natural Resources

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General intervention

A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy

Samoa has made significant progress toward achievement of the Millennium Development Goals (MDGs). However, providing rural and urban communities with formal employment and income-generating opportunities remains a critical issue. Agriculture, fishery, and tourism are the main economic sectors, and economic growth is constrained by the small size of the economy, the high cost of production resulting from geographic fragmentation, and distance as well as remoteness from the major markets. Samoa's long-term development vision is to improve quality of life for all Samoans, as stated in the Strategy for the Development of Samoa (SDS), 2008–2012: Ensuring Sustainable Economic and Social Progress. The goals of the SDS are (i) sustained macroeconomic stability; (ii) private sector led economic growth and employment creation; (iii) improved education outcomes; (iv) improved health outcomes; and (v) community development, including improved economic and social well-being and improved village governance. The SDS is aligned with Asian Development Bank's Country Partnership Strategy 2008- 2012.^a It supports the achievement of its goals through (i) pro-poor, environmentally sustainable integrated urban infrastructure development; (ii) improved delivery of public services; (iii) promotion of private sector development; and (iv) effective prudent macroeconomic and fiscal management. The project will contribute to poverty reduction by reducing the country's reliance on costly imported fossil fuels for power generation. At the macroeconomic level, this will improve Samoa's balance of payments and reduce fiscal deficits. A stable tariff would strengthen access to modern energy services essential for socioeconomic development.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. In Samoa, the incidence of poverty has declined and exceeded the target. 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. However, not all Samoans have fully shared the benefits of growth: the poorest 10% of households still earn just 1.8% of the total national income. The average household income in the semi-urban area of the capital, Apia, is below that of other regions and the national average. Hardships experienced by Samoan households include (i) lack of access to public services, quality education, reliable and affordable power, and safe water and sanitation; (ii) lack of adequate income to meet basic household needs and customary obligations to the family, village community, and church; and (iii) lack of opportunities to participate fully in the socioeconomic life of the community. Creation of formal employment and income-generating opportunities is a critical issue for communities for urban and rural areas. The private sector, which could provide employment and income-generating opportunities, is constrained by lack of infrastructure and high costs of essential services.

Samoa's reliance on fossil fuels poses a major constraint to the provision of sustainable and reliable electricity services at affordable prices, which is necessary to promote economic growth in both the private and public sector. The energy sector in Samoa is highly vulnerable to rising international oil prices, characterized by a heavy reliance on imported petroleum rather than renewable energy sources for power generation. Samoa's total fossil fuel consumption accounts for about 15% of the total import expenditure every year. Fuel imports represent about 10% of the total gross domestic product. Removing impediments to private sector development and improving access to public services are keys to ensuring faster, sustained, and equitable economic growth. The proposed project will assist the government's efforts to reduce the country's heavy reliance on imported fossil fuels for power generation by providing a secure, sustainable, and environmentally sound source of electricity for consumers and the private sector.

2. Beneficiaries. The primary beneficiaries will be the public, and businesses will benefit as this renewable energy project would allow the Electric Power Corporation (EPC) to provide better quality and cleaner services. The private sector will benefit from a reliable supply and relatively stable tariff. Local people in the project sites will benefit from the project through the provision of unskilled and semi-skilled labor work during project implementation. Households will spend a smaller proportion of their incomes on monthly electricity bills because of the stable tariff.

3. Impact channels. Focus group interviews with consumers from lower income and poor households show that households and small businesses spend a significant amount (\$50 to more than \$100) on monthly electricity bills. In 2010, EPC installed cash power meters using pre-paid electricity cards, which has increased awareness of for conserving electricity by consumers. Focus group interviews with domestic customers suggest that a stable tariff would allow households to manage monthly energy bills better, and savings could be used for family welfare and purchasing electrical appliances. Poor households would also benefit from stable tariffs, since fluctuation of energy prices is a constraint for the poor to manage household energy expenses. Tariff stabilization would stimulate economic growth, income opportunities, and improve health and education.

4. Design features. Through the construction of hydropower plants, the project will provide a reliable power supply and stable power tariffs to commercial and domestic consumers in Samoa, including low-income and poor households, allowing business and households to better plan monthly expenditures. Recruitment of skilled and semi-skilled labor from local communities will create income-earning opportunities during the construction of hydropower plants.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Summarize the participatory approaches and the proposed project activities that strengthen inclusiveness and empowerment of the poor and vulnerable in project implementation.
Consultations were held at all proposed sites and at national level—at the household level, with government agencies, and donor agencies. Consultations were conducted through focus group interviews, key informant interviews, with village leaders, women consumers, and women entrepreneurs. At the national level, consultations were conducted with representatives of the Ministry of Finance, Ministry of Natural Resource and Environment (MNRE), Samoa Water Authority, Samoa Land Development Board, and development partners such as representatives of the Australian Agency for International Development and the New Zealand Aid Programme.
2. Explain how the project ensures adequate participation of civil society organizations in project implementation.
During project implementation, civil society organizations will be involved in consultations along with affected households to discuss the impact of resettlement and monitoring of compensation.
3. What forms of civil society organization participation are envisaged during project implementation?
 Information gathering and sharing Consultation (H) Collaboration (M) Partnership
4. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable?
 Yes No. The project does not envisage a significant negative impact on the poor and vulnerable.

III. GENDER AND DEVELOPMENT

Gender mainstreaming category: Some gender elements

A. Key issues.

Samoa has ratified the United Nations Convention on the Elimination of All Forms of Discrimination against Women. Efforts to advance gender equality and MDGs in the education sector are addressed under the Ministry of Education, Sports and Culture Strategic Policy and Plan, 2006–2015 as well as a National Education for All action plan. Samoa ranks highest of the Pacific islands for women in parliament (8.1%), but is ranked very low at 112 out of 133 countries globally. The female literacy rate is 92%, while female life expectancy is 74 years. The government, in partnership with the private sector and its development partners, is supporting programs to expand livelihood options and other income-generating opportunities for women. These include microfinance supporting schemes through the South Pacific Business Development, Small Business Enterprise Centre, Development Bank of Samoa, and organic farming and fine mat weaving through the Women in Business Foundation. Traditionally, agriculture and fisheries were men's work, while women produced mats, baskets, thatch, and other valuable manufactured products. Women and men engage in marketing, but women appear to dominate marketing activities. Census data indicate that women comprise 7% of the 32% of the population who engage in agriculture.

Women hold an estimated 20% of *matai* (head of family clan) titles. Under Samoa's Land and Titles Act, 2008, women and men have equal rights and opportunities, either through heritage or services rendered, to hold a *matai* title. The number of women given *matai* titles increased by 10% from 2001 to 2006. Some villages maintain a ban on female *matai* participating in local government. Women are significantly underrepresented in formal local government decision making. All villages have women's committees, which play a major practical role in village government, but not a decision-making role. This has implications for women from households affected by resettlement in terms of receiving compensation for land acquisition and loss of productive assets. The compensation is received by *matai* and normally given to the male head of the household.

Gender assessment of the EPC staff structure (total 540) and the project management unit (PMU) shows that women have 20% representation at the senior level and 25% at the managerial level. At the PMU level, only five out of 22 staff are women; out of the five female staff, two are engineers. EPC's Legal, Policy, Monitoring and Evaluation Department is drafting a gender policy to address gender sensitivity in its operations.

The project will not provide women with any direct benefit in terms of access to services or financial resources. However, stabilization of the electricity tariff will have a positive impact on women's work and will allow households to save money from monthly electricity bills. Focus group interviews with women household consumers and women micro-entrepreneurs show that a stable tariff structure would help women micro-entrepreneurs to expand businesses through the increased use of electrical appliances. Similarly, women from non commercial households would benefit from purchasing of household electrical appliances, lessening the drudgery of women's work.

B. Key actions

- Gender action plan Other actions or measures No action or measure

The PMU will include 5% female professional staff, including female engineers. Community consultation, and disclosure of the project and safeguard documents, will include 100% participation of women. The detail measurement survey and inventory of loss survey will include women from all affected households. Compensation will be provided to both men and women from the affected households. The construction company contract includes 5% women staff in managing and administering construction works. Institutional support for female labor-based workers, such as separate sanitation facilities, has been included. Equal pay for equal work by male and female workers has been ensured. Contractors appointed for construction will be informed of the percent of women staff, required facilities for women, and equal pay before bidding.

IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

A. Involuntary Resettlement

Safeguard Category: A B C FI

1. Key impacts. The impact of resettlement is limited to land acquisition, and no relocation of affected households is required. A small number of people are expected to be affected through land acquisition. During implementation of the project, the resettlement plan will be updated based on the detail measurement survey and household survey.
2. Strategy to address the impacts. A resettlement plan has been prepared, following ADB's Safeguard Policy Statement (2009) including the entitlement matrix, grievance readdress mechanism, disclosure, consultation requirement, budget, implementation arrangements, and monitoring mechanism.
3. Plan or other Actions. Resettlement plan

B. Indigenous Peoples

Safeguard Category: A B C FI

1. Key impacts. The population in the project area includes the mainstream population of Samoa. The customary land in the project area is part of the traditional social and cultural practice of the mainstream population. The project is not expected to affect any distinct and vulnerable group of indigenous peoples, as defined under ADB's Safeguard Policy Statement.
2. Is broad community support triggered? Yes No
3. Plan or other actions. No action

V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market.
 unemployment underemployment retrenchment core labor standards is medium (M)
2. Labor market impact. The project is expected to create small-scale local employment through construction contracts and works.

B. Affordability

The project will improve affordability by stabilizing and reducing the cost of production of electricity, and by replacing high-cost diesel generation with renewable energy in part.

C. Communicable Diseases and Other Social Risks

1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):
 Communicable diseases Human trafficking (NA)
 Others (please specify) _____
2. Describe the related risks of the project on people in project area. (NA)

VI. MONITORING AND EVALUATION

- Targets and indicators: Some 5% women professional staff in the PMU and 5% women staff in the construction company managing and administering construction works. Indicators include the number of women receiving compensation, the number of women staff recruited in the PMU, and the number of women in the construction company.
1. The human resources budgeted and integrated in the project implementation arrangements to monitor the poverty and social impact of the project, includes counterpart staff, consultants, and ADB staff. In addition the project administration manual (PAM) explains in detail the review, and monitoring processes.
 2. Monitoring tools: Supervision consultants will monitor and will prepare quarterly reports and a completion report.

^a ADB 2012. Country Partnership Strategy 2008-2012. Manila
Source: Asian Development Bank Estimates