



Technical Assistance Report

Project Number: 51268-002
Transaction Technical Assistance (TRTA)
April 2018

Independent State of Samoa: Preparing the Central Cross Island Road Upgrading Project

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Asian Development Bank

CURRENCY EQUIVALENTS
(as of 17 April 2018)

Currency unit	–	tala (ST)
ST1.00	=	\$2.519
\$1.00	=	ST0.397

ABBREVIATIONS

ADB	–	Asian Development Bank
ERAP	–	Enhanced Road Access Project
km	–	kilometer
LTA	–	Land Transport Authority
MNRE	–	Ministry of Natural Resource and Environment
PMU	–	project management unit
TA	–	technical assistance
TASF	–	technical assistance special fund

NOTE

In this report, “\$” refers to United States dollars.

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TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 51268-002
Project Name	Preparing the Central Cross Island Road Upgrading Project (formerly Preparing the Land Transport Project)	Department/Division PARD/PATE
Nature of Activity Modality	Project Preparation Regular	Executing Agency Ministry of Finance
Country	SAM	
2. Sector	Subsector(s)	ADB Financing (\$ million)
✓ Transport	Road transport (non-urban)	0.80
	Total	0.80
3. Strategic Agenda	Subcomponents	Climate Change Information
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project High
Environmentally sustainable growth (ESG)	Disaster risk management	
4. Drivers of Change	Components	Gender Equity and Mainstreaming
Governance and capacity development (GCD)	Institutional development	Some gender elements (SGE) ✓
Partnerships (PAR)	Implementation International finance institutions (IFI) Official cofinancing	
Private sector development (PSD)	Public sector goods and services essential for private sector development	
5. Poverty and SDG Targeting		Location Impact
Geographic Targeting	Yes	Nation-wide High
Household Targeting	No	
SDG Targeting	Yes	
SDG Goals	SDG9	
6. Risk Categorization	Low	
7. Safeguard Categorization	Safeguard Policy Statement does not apply	
8. Financing		
Modality and Sources	Amount (\$ million)	
ADB	0.80	
Transaction technical assistance: Technical Assistance Special Fund	0.80	
Cofinancing	0.00	
None	0.00	
Counterpart	0.00	
None	0.00	
Total	0.80	

I. THE ENSUING PROJECT

1. The Government of Samoa requested the Asian Development Bank's (ADB) assistance for Central Cross Island Road Upgrading (the ensuing Project)—a priority investment in transport sector. Samoa's land transport depends on key arterial roads that serve the two main islands, Upolu where capital Apia is located, and Savai'i. Upolu is served by three cross-island roads strategically located at the eastern, western, and central sections. The Central Cross Island Road is the key arterial road connecting West Coast Road in Apia with the South Coast Road in Siumu. The project road is 19.70 kilometers (km) that provides access to eight villages and to the capital, Apia. The existing two-lane narrow carriageway (4 meters–5 meters) road with surface seal carrying up to 6,000 average daily traffic (ADT) along first 5 km, and up to 1,500 ADT thereafter, is unsafe for road users and in need of upgrading. The institutional capacity of executing and implementing agencies to plan, execute and maintain investment projects, and managing road right-of-way information is limited.

2. The socioeconomic impacts from road upgrading are expected to (i) improve access to public services, (ii) increase the rate of tertiary education, (iii) provide faster and safer access to medical services, and (iv) spur economic activity in the medium- to long-term through increase in tourism activities. Samoa's economy is based on subsistence level primary production. Crops, livestock, fisheries, and forestry account for 42% of gross domestic product (GDP) and provides 75% of the employment in the country. Tourism is growing and now represents 25% of the GDP. According to the Samoan Central Bank, the tourism sector is a key driver of country's economic development as it provides considerable employment and generates foreign exchange. The upgraded cross island road will increase access to social services (education, health) and employment opportunities of rural communities, contributing towards the inclusive growth and development of these areas. The climate change proofed road is also a major contribution to the island's disaster preparedness as it provides an alternate route for evacuation and post disaster relief and rehabilitation work between the northern and southern coasts

3. The upgrading of the project road will result in a more reliable and safer road network.¹ The project will be aligned with the following impacts as envisioned in the government's Transport Sector Plan 2014–2019:² (i) Goal 1 – strengthen transport sector governance framework; and (ii) Goal 2 – improve, sustain, and climate proof road transport network.

4. The indicative amount of ADB financing for the ensuing project is \$25 million Asian Development Fund (Special Funds). The ensuing grant and the attached transaction technical assistance (TA) are listed in the current Country Operations Business Plan, 2018–2020.³

II. THE TECHNICAL ASSISTANCE

A. Justification

5. Although passable throughout the year, significant sections of the project road have fallen into disrepair and have become a safety concern for commuters as well as pedestrians walking along the roadside. This is especially an issue along the first 3 km of the road which is situated in a semi-urban area. In 2012, tropical cyclone Evan hit Samoa and caused significant damage to its road infrastructure. Some of the critically damaged road sections in the Central Cross Island

¹ The design and monitoring framework is in Appendix 1.

² Ministry of Works, Transport and Infrastructure. 2014. *Transport Sector Plan 2014–2019*. Apia.

³ ADB. 2017. *Country Operations Business Plan: 11 Small Pacific Island Countries, 2018–2020*. Manila.

Road (5 locations with a total of 3,720 km) have since been widened and resurfaced by the government. The existing narrow road lanes without adequate pedestrian facilities in semi-urban areas, deficient drainage throughout the entire length, as well as unsafe horizontal and vertical alignment in hilly road sections will become a significant hazard as traffic levels increase, particularly in wet conditions.

6. The World Bank and the Government of Australia have provided support to Samoa to restore road infrastructure after cyclone Evan in 2012 under the Enhanced Road Access Project (ERAP). Under the ERAP, initial economic viability, technical designs, preliminary safeguards documents, costs and draft bidding documents were prepared for the Central Cross Island Road and other key road links. Initial economic evaluations suggest high rates of economic return. Initial assessments of social, economic, and land acquisition and resettlement impacts have also been prepared under the ERAP. The detailed design of the Central Cross Island Road was commissioned to the firm SMEC International. However, further detailed assessments will be required primarily to resolve road right-of-way issues relating to deficiencies between the MNRE's land registration data and survey done under the ERAP and ensuring road safety and climate and disaster resilience features are incorporated into the project design.

7. ADB's program for Samoa includes up to \$0.8 million in 2018 to help prepare ensuing project.⁴ To address remaining gaps and prepare a project proposal for ADB financing in 2019, the TA is proposed to: (i) confirm road right-of-way to minimize land acquisition and resettlement impacts and finalize the survey plan, (ii) identify potential social and gender mainstreaming activities and prepare gender action plan, (iii) finalize initial environmental impact assessment and confirm impact on protected areas, (iv) verify project costs, (v) update and finalize economic analysis, (vi) finalize road safety features and components,⁵ (vii) review technical specifications for climate resilience features, (viii) prepare detailed land acquisition and resettlement plans including detailed measurement survey and inventory of losses, (ix) prepare implementation plan and procurement documentation, and (x) undertake institutional capacity and risk assessments (financial management, governance, and procurement) for project implementation. The TA will also make recommendations on other priority projects identified by the Government of Samoa for ADB financing in terms of initial technical feasibility.

B. Outputs and Activities

8. **Output 1: Feasibility study on ensuing project finalized.** A due diligence will be undertaken to confirm and update the technical and economic feasibility of proposed solutions prepared under ERAP and prepare the necessary planning documents as identified in paragraph 7, in particular, tasks (i) to (v).

9. **Output 2: Engineering design components, procurement, safeguards, and implementation plans confirmed and prepared.** The engineering design documents, technical specifications prepared under the World Bank's ERAP program will be reviewed, detailed resettlement plans prepared, overall procurement and project implementation plan prepared as identified in paragraph 7, in particular, tasks (vi) to (x).

⁴ The TA first appeared in the business opportunities section of ADB's website on 9 March 2018.

⁵ The support of the Transport Sector Group Secretariat of SDCC will be sought to carry out a road safety audit of the existing and new road using the existing contract of the Secretariat with the International Road Assessment Program (iRAP). The road safety audit will focus on pedestrians for the urban and semi-urban sections of the road and on vehicle occupants for the full road. A road safety analysis of the existing school on the road will also be explored.

10. **Output 3: Institutional capacity strengthening plan prepared.** An assessment of the road subsector as well as the institutional capacity of executing and implementing agencies to plan, execute and maintain investment projects will be undertaken, and a capacity strengthening plan prepared as a specific output under the ensuing project. Capacity assessment and strengthening plan will also be undertaken for the MNRE including initial support in managing road right-of-way information.

C. Cost and Financing

11. The TA is estimated to cost \$800,000 which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-6). The key expenditure items are listed in Appendix 1.

12. The government will provide final design, counterpart support in the form of counterpart staff, data and information access, facilitation of liaisons with stakeholders, and other in-kind contributions. The government was informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

13. ADB will administer the TA. The Transport, Energy and Natural Resources Division of the Pacific Department will select, supervise, and evaluate consultants. The executing and implementing agencies of the government, as indicated in Table 1 below, will provide necessary counterpart support, and guide the implementation of the TA to achieve the TA outputs and desired outcomes within the agreed implementation period.

14. The implementation arrangements are summarized in Table 1.

Table 1: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	June 2018–June 2019		
Executing agency	Ministry of Finance		
Implementing agency	Land Transport Authority		
Consultants	To be selected and engaged by ADB		
	Firm: SSS	30 person-months (lump sum contract)	\$700,000
	Individual: ICS	8 person-months	\$50,000
Procurement	To be procured by consultants		
	Shopping	1 contract	\$50,000
Advance contracting and retroactive financing	Consulting services		
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	The equipment will be turned over to the recipient government/agency or disposed of in accordance with ADB's instructions.		

ADB = Asian Development Bank, SSS = single source selection, ICS = individual consultant selection, TA = technical assistance.

Source: Asian Development Bank.

15. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions.⁶ SMEC International is proposed to be recruited using Single Source Selection (SSS) to prepare the remaining due diligence and project preparation work for ADB financing of the ensuing project.⁷ The use of the SSS method is appropriate as it presents a clear advantage over competition and the activities represent a natural continuation of previous work carried out by the SMEC International under the World Bank-financed ERAP project. It is essential for time and cost efficiency purposes, continuity of downstream work in terms of technical approach, experience acquired and continued professional liability of SMEC International. The Land Transport Authority and the World Bank evaluated the performance of SMEC International as satisfactory in the activities completed up to date. SMEC International will be asked to prepare technical and financial proposals based on the terms of reference, which shall then be negotiated.

16. The TA will also require 8 person-months of individual consultants to carry out capacity assessment of the MNRE and to support in the implementation of the resettlement plan.

17. **ADB's procurement.** ADB will purchase through the consulting firm above the necessary equipment to provide initial support to the MNRE to improve its land survey system (GPS and other field instruments). The procurement method will be shopping for 1 contract. Procurement of goods will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) and disposal will follow relevant project administration instructions. Disbursement under the TA will follow ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

18. **Detailed engineering design.** The detailed design is being financed under the World Bank's ERAP project and will be completed and separately funded by the Land Transport Authority. In this regard, all professional liabilities in relation to the technical designs and specifications will rest with the design firm engaged under the ERAP. The executing agency may seek direct redress from the consultant for any defect liability. This is confirmed by the executing agency through the Memorandum of Understanding of the reconnaissance mission.

E. Governance

19. The TA will undertake financial management and financial sustainability assessments, procurement capacity assessment, and prepare risk management plan.

⁶ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

⁷ Government will finance the cost of remaining detailed design at estimated \$400,000 (UNDP may finance the gap).

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International and national consultants	600.0
b. Out-of-pocket expenditures	
i. International and local travel	100.0
ii. Office space rental and related facilities	10.0
iii. Surveys	10.0
iv. Reports and communications	10.0
2. Land survey equipment and computer system	50.0
3. Contingencies	20.0
Subtotal (A)	800.0
Total	800.0

Note: The technical assistance (TA) is estimated to cost \$800,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff, data and information access, facilitation of liaisons with stakeholders, and other in-kind contributions. The value of government contribution is estimated to account for 10% of the total TA cost.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 6).

^b Administered by the Asian Development Bank.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=51268-002-TARreport>

1. Terms of Reference for Consultants
2. Indicative Design and Monitoring Framework for the Ensuing Project