



Samoa: Renewable Energy Development and Power Sector Rehabilitation Project - Additional Financing

Project Name	Renewable Energy Development and Power Sector Rehabilitation Project - Additional Financing
Project Number	46044-003
Country	Samoa
Project Status	Approved
Project Type / Modality of Assistance	Grant
Source of Funding / Amount	Grant 0456-SAM: Renewable Energy Development and Power Sector Rehabilitation Project - Additional Financing European Union US\$ 5.06 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Energy - Energy sector development and institutional reform
Gender Equity and Mainstreaming	Some gender elements
Description	<p>On 15 November 2013, the Board of Directors of the Asian Development Bank (ADB) approved grant financing of \$18.21 million from ADB's Special Fund resources and the administration of a grant of \$1.00 million provided by the Multi-Donor Clean Energy Fund under the Clean Energy Financing Partnership Facility for the Renewable Energy Development and Power Sector Rehabilitation Project. The Government of Samoa provided a contribution equivalent to \$4.62 million to bring the total investment cost to \$23.83 million. The grants became effective on 26 May 2014 and the inception mission was held from 21 to 29 July 2014. The ongoing grants are expected to close on 30 June 2019. The impact of the current project will be increased energy security. The outcome will be that customers have access to a higher share of electricity generated by hydropower. The current project will: (i) rehabilitate three small hydropower plants (SHPs) on Upolu Island damaged by Cyclone Evan in 2012; (ii) construct three new SHPs on the islands of Upolu and Savai'i; (iii) help the implementing agency, the Electric Power Corporation (EPC), implement the project efficiently by recruiting the project owner's engineers; and (iv) provide training to the EPC on operation and maintenance of the SHPs for up to 2 years after plant commissioning.</p>

Project Rationale and Linkage to Country/Regional Strategy

The European Union (EU) has agreed to provide a grant not exceeding 4.61 million (\$6.16 million equivalent) and the Government of New Zealand has agreed to provide a grant not exceeding NZ\$6.00 million (\$5.07 million equivalent) to expand the scale of the current project and deliver greater benefits. A contribution agreement between ADB and the EU was concluded on 23 April 2014. The contribution agreement between ADB and the Government of New Zealand will be prepared, setting out the administration arrangements. Both grants will be fully administered by ADB as part of overall project administration.

The proposed additional financing will allow the building of two additional grid-connected SHPs with a total preliminary capacity of 1.11 megawatts (MW): the 0.68 MW Fuluasou plant and the 0.43 MW Tiapapata plant, both on Upolu Island. The proposed additional sites had been identified during project appraisal but were not included in the original project scope because cofinancing could not be confirmed at the time of project approval. These sites are proposed based on (i) their potential to add the largest amount of capacity and energy to the EPC, (ii) their technical and financial feasibility, and (iii) the readiness of ADB project processing.

The EU grant will be used to implement the new SHP on Fuluasou stream in accordance with the signed contribution agreement between ADB and the EU. The grant from the Government of New Zealand will be used for the implementation of the overall project. The proposed cost sharing by both cofinancing partners will be useful from cash-flow and risk management perspectives for the overall project as the amounts required for turnkey packages can be timely contributed by different financiers.

The proposed additional financing will support the government's efforts to reduce Samoa's reliance on imported fossil fuels for power generation by providing clean and reliable electricity. The government's Strategy for the Development of Samoa, 2012- 2016; the Samoa Energy Sector Plan, 2013- 2016; and the EPC's corporate plan, 2013- 2015 all emphasize the development of indigenous and renewable energy resources as a high priority to reduce the economy's risk exposure to foreign exchange fluctuations and fuel price increases. The proposed additional financing is included as a firm 2015 project in ADB's country operations business plan, 2015- 2017 for Samoa.

Impact	Increased energy security
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Project Outcome

Description of Outcome	Customers will have access to a higher share of electricity generated by hydropower
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Progress Toward Outcome

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. EPC rehabilitates and reconnects to the grid 4.69 MW of hydropower capacity. 2. EPC builds and connects to the grid 0.81 MW of hydropower capacity. 3. O&M knowledge transfer program completed. 4. Project implemented efficiently. 5. In addition to Output 2, EPC builds and connects to the grid 1.11 MW of hydropower capacity.
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible Staff

Responsible ADB Officer	Woo Yul Lee
Responsible ADB Department	Pacific Department
Responsible ADB Division	Transport, Energy and Natural Resources Division, PARD
Executing Agencies	<i>Ministry of Finance Ministry of Finance Government of Samoa Private Bag, Apia, Samoa</i>

Timetable

Concept Clearance	-
Fact Finding	14 Sep 2014 to 19 Sep 2014
MRM	-
Approval	18 Nov 2015
Last Review Mission	-
Last PDS Update	26 Nov 2014

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
18 Nov 2015	03 Dec 2015	06 Jan 2016	30 Jun 2019	-	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	6.27		Cumulative Contract Awards			
ADB	0.00		18 Nov 2015	0.00	0.00	0%
Counterpart	1.21		Cumulative Disbursements			
Cofinancing	5.06		18 Nov 2015	0.00	0.00	0%

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Milestones					
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			Original	Revised	Actual
18 Nov 2015	03 Dec 2015	06 Jan 2016	30 Jun 2019	-	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	0.00		Cumulative Contract Awards			
ADB	0.00		18 Nov 2015	0.00	0.97	39%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	0.00		18 Nov 2015	0.00	0.00	0%

Project Page	https://www.adb.org/projects/46044-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=46044-003
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