

ADB

Development
Effectiveness
Brief

Samoa ▶

Building a More Resilient Economy



Asian Development Bank



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Samoa

Development Indicators

Non-MDG

Population in millions	0.18
Annual population growth rate, percent (2007–2009)	0.4
Adult literacy rate (2007)	98.7
Percentage of population in rural areas (2008)	23.0
Migrant workers' remittances as percent of GDP (2009)	25.1

MDG

Percent of population living below the national poverty line (2004)	20.2
Under-5 mortality rate per 1,000 live births (2008)	26
Percent of population using an improved drinking water source (2006)	88

Sources: ADB Fact Sheet 2010, and ADB *Key Indicators for Asia and the Pacific* 2010.

Samoa and ADB: Following a Common Course

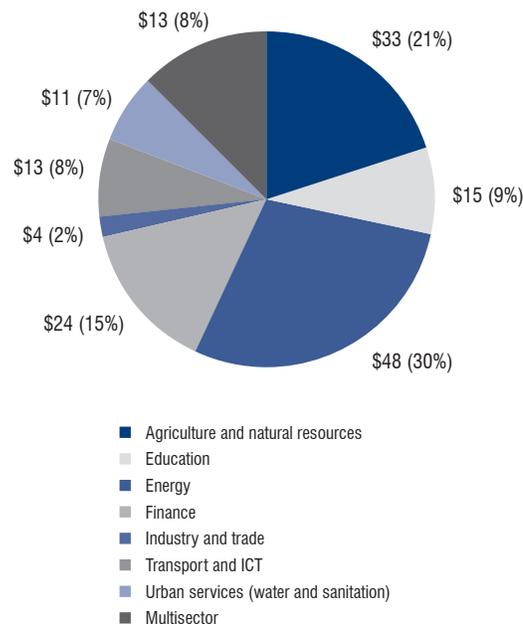
Farmers cultivate steep hillside plantations of taro and bananas. Fishing communities pull tuna and marlin from the blue depths of the Pacific Ocean. Households tend mile after mile of neatly trimmed roadside gardens. Samoa's beautiful natural environment also offers a striking setting for a rich and complex culture. Communities headed by traditional leaders, the *matai*, meet regularly in *fale*, the open-sided houses, to reach communal decisions. And on Sundays the roads are flooded with families dressed in dazzling white clothes flocking to hundreds of churches.

Samoa is culturally rich but is relatively poor in financial terms. Of the 180,000 population, one fifth survive below the national poverty line. Young people struggle to find decent work and thousands seek employment abroad in New Zealand or beyond: more than one-third of Samoans live overseas and their remittances make up 25% of gross domestic product (GDP). Samoans must cope too with the hazards of nature: the islands are regularly battered by tropical cyclones and, in 2009, were struck by a massive tsunami.

For all these setbacks, Samoa has been making impressive progress. Between 1999 and 2007, Samoa's economic growth averaged over 4%—based primarily on commerce, construction, transport and communications, finance, business services, and public administration.

Over the past 4 decades, Samoa has also been able to rely on consistent support from the Asian Development Bank (ADB). The results can be seen in many signs of modernization: the tracery of power lines along the winding coastal roads; the long, low school buildings at the heart of every village; the myriad small businesses, from roadside stores, to print shops, to flourishing beach resorts that draw tourists from all over the world.

Cumulative ADB loans by sector, as of December 2009, \$ millions



Samoa was a founding member of ADB in 1966 and, by the end of 2009, had received \$159 million in loans, \$49 million in grants, and \$29 million-worth of technical assistance. All ADB's loan support for Samoa is on concessional terms through the Asian Development Fund (ADF). Over the first 3 decades, most of the funding from ADB was invested in energy, transport and telecommunications, as well as in agriculture and forestry, along with support for what is now the Samoa Development Bank. From 2000, however, ADB turned its attention more to infrastructure, increasing access to services, and helping create the basis for a vibrant private sector.

Samoa's key planning document is the Strategy for the Development of Samoa (SDS). As current chief executive officer of the Ministry

of Finance, Tupai Iulai Lavea, explains: “For the first strategy in 1996, we had considerable assistance from ADB to help our local staff in drafting. Since then the strategies, though still with some ADB support, have been much more locally driven. We start with a review of the previous strategy to see where it fell short and have a series of meetings across the country. These are attended by the *matais*, and the leaders of the women’s committees, though they are advertised in the press and are open to all.”

“Our main problem,” he says, “is that we have narrow sources of revenue, so further investment still relies on donors, particularly ADB. We coordinate support so that different partners contribute in specific areas. Others



ADB now invests more in services, including education, for which Samoa is now achieving gender parity

address issues such as health and roads; ADB focuses among other things on power supplies and education.”

Loans, Grants and Technical Assistance (\$ millions), approvals 1969–2009

	1969–2003	2004	2005	2006	2007	2008	2009	Total
Loans	95.6	0.0	8.1	0.0	26.6	2.8	0.0	159.4
Grants			17.2	0.0	29.3	2.2	1.0	49.7
Technical Assistance	20.0	0.7	0.7	0.8	2.5	1.2	1.6	28.7
Total	115.7	0.7	25.9	0.8	58.4	6.2	2.6	237.8

Notes: In April, 2010 there was a further loan of \$16.0 million for the first phase of the Economic Support Programme, with an additional \$10.8 million earmarked for the second phase.

Source: ADB Data.

ADB's Contribution to Development and Poverty Reduction

ADB has aligned its Country Partnership Strategy (CPS) for 2008–2012 with the Samoa Development Strategy. This includes support for improved public services delivery, removing infrastructure constraints, and promoting private-sector development. Between 2004 and 2009, ADB-supported projects have, for example, enabled over 10,600 students to benefit from school improvements; and provided in-service training for over 2,700 teachers.

ADB also enabled 681 borrowers to take advantage of microfinance schemes; and allowed 853 small and medium-sized enterprises to take loans to a total value of \$4 million.

Powering Forward

Over the past 30 years, with support from ADB, electricity produced by the Electric Power Corporation (EPC) has rapidly expanded. As general manager Muaausa Joseph Walter explains: "ADB has a long history with EPC; indeed in 1972 it funded the establishment of the Corporation which until then had been part of the Public Works Department. ADB also cofinanced the construction of the principal hydro source, the Afulilo dam which was completed in 1993." By 2005, ADB had assisted the development of Samoa's power sector through seven loans totalling \$21 million, along with 14 technical assistance projects amounting to \$3 million.

Today around 44% of Samoa's electricity comes from hydro and the rest are generated from imported diesel. Of the hydropower, around two thirds comes from Afulilo and the rest from four "run-of-river" schemes. Originally supplying electricity only to Apia, EPC now

Selected Development Outputs from ADB-supported Projects in Samoa

Sector	Outputs Achieved 2004–2009
EDUCATION	
Classrooms built or upgraded (number)	114
Learning institutions built or upgraded	19
Teachers who received in-service training	2,739
Students benefiting from school improvement programs	10,699
FINANCE	
Microfinance accounts opened (number)	681
SME loan accounts opened	853
SME loans provided (\$ millions)	4
Funds created or replenished (number)	2
Funds created or replenished (amount, \$ million)	4

SMEs = small and medium-sized enterprises.
Source: ADB Data.



Now Rouena Mulipola can pay in advance for electricity, free from debt



Malu Sio charges his meter by buying a card from a local store

provides power to over 96% of the population. The main task now is to improve the quality and efficiency of the service and reduce the costs—which are among the highest in the Pacific. “Our customers’ main concerns,” says Muaauser Joseph Walter, “are price and reliability.”

In 2006, the government requested ADB’s support for EPC’s investment plan 2008–2015. This resulted in the \$100 million Power Sector Expansion Project that includes a 32-year ADF loan of \$27 million and a grant of \$15 million. ADB also acts as lead agency coordinating the support from Japan of \$38 million and from Australia of \$8 million. This includes an innovative mechanism through which Australia provides A\$4 million to be invested by ADB until Samoa has achieved specific reforms, following which the funds will be used to “buy down” part of Samoa’s debt.

This project will make electricity delivery more efficient by reducing system losses while improving EPC’s financial management. In addition, it should help establish an electricity regulator. For customers, such as Rouena Mulipola in Apia, one of the most immediate effects of better revenue management by

In the past Samoa’s capital, Apia, grew fairly haphazardly with very little town planning—though ADB subsequently supported the establishment of a Planning and Urban Management Agency

EPC has been the introduction of pre-paid meters through a system known as CashPower, which enables her to recharge her meter by purchasing a top-up card.

“I’m a seamstress and work from home. Before, I could not cope with the bills and used to get behind with the payments. Now I am free from debt and can see exactly what I am spending. I can use electricity more wisely, paying 20 tala (ST) at a time. I am also bringing the cost down, from around ST100 per month to around ST80.”

Another customer keen to keep costs down is Malu Sio in Leone district. He is concerned about the cost of running the refrigerator and the kettle. “Now with CashPower we can control the bills.” Keying in the code from his card he shows how he buys electricity ST20 at a time. By June 2010, 15,643 CashPower meters had been installed—for 58% of EPC’s customers.

Around two-thirds of EPC’s costs are for oil so, with ADB support, EPC is exploring alternatives. “For the longer term,” says Walter, “we have to make much more use of renewables. We need to increase the output from Afulilo, but we also want to make use of biofuels, especially coconut oil to replace diesel, and use biomass through gasification.” To support this strategy, ADB is establishing a clean energy fund financed by the Government of Finland.

Freedom from Floods

In the past, Samoa’s capital, Apia, grew fairly haphazardly with very little town planning—though ADB subsequently supported the establishment of a Planning and Urban Management Agency. Over the years, households and businesses had reclaimed land in the mangrove area, raised the height of their plots, and blocked many drainage channels. In a country with high rainfall, this resulted in frequent flooding.

As indicated in the Country Partnership Strategy 2008–2012, ADB continues to provide



Falaniko Sam Chong recalls where floodwater reached in the past

assistance to the water sector through the Samoa Sanitation and Drainage Project, which between 2003 and 2009 benefited from \$10.8 million in loans and \$2.2 million in grants from the ADF, as well as a \$2.1 million grant from the European Union.

Rosie Preuss Ah Choy manages a fashionable clothes store. “We had a flood in 2006, for example, that lasted 2 or 3 days. The water rapidly came above our knees and we lost a lot of stock. Flooding also reduces the property values round here—and makes our insurance more expensive.”

Rosie and other people in the center of Apia consider themselves lucky recently to have avoided severe flooding. But as Amosa Inu, project manager in the Public Works Department, explains to her. “It’s not luck. Thanks to support from ADB, we now have a drainage system with new pipes that take flood water to the sea.”

The project has included removing accumulated rubbish in the mangroves along the Gasegase River, as well as building the new drainage channels and removing silt from stormwater drains. Aside from protecting the central business district, this will also reduce flooding in many of the nearby homes. Taxi driver Falaniko Sam Chong and his wife had suffered from flooding that almost reached the window sills. “The water was dirty and smelled bad. We lost a number of things, including a washing machine.”

“What was happening here,” Amosa Inu explains to him, “was that water was coming in at the back from the Masemase River. Now, thanks to this project we have a more accurate topographical survey, which shows where the flood water should be pumped.”

ADB continues to provide assistance to the water sector through the Samoa Sanitation and Drainage Project



Tino Tiufea Vaa (left) reports on his new septic tank with technicians from the Samoa Water Authority, Tua Tipi (center) and Domenic Shwalger (right)

Septic Solutions

In Apia around three-quarters of households use septic tanks. But many are too small and have often leaked—polluting groundwater, surface streams, and ultimately the harbor. The Sanitation and Drainage Project has therefore used an ADB grant to install new, sealed septic tanks for around 100 households. One of the beneficiaries was Tino Tiufea Vaa. “The job was absolutely outstanding. All done in 1 day. Thanks very much to ADB for the donation. Now the tank is sealed so that rainwater cannot get in or out.”

At an earlier stage, the government had considered building a mains sewerage system for the whole of Apia, but concluded that this would be too expensive. Instead, to serve only some of the larger businesses the project has developed a pressure sewerage system from which waste is being pumped to a new high-tech plant that can treat 1 million liters per day. Without knowing the purpose of the gleaming pipe work, it is difficult to tell that plant has anything to do with sewage. “At most,” says Saena, “there is a sort of earthy smell.” As a

precaution for the unwary, there is a notice by one of the tanks which says: ‘do not swim.’

Backing for Business

One of the overall priorities for Samoa is to promote private sector-led economic growth. ADB’s focus is on the reform of state-owned enterprises, increasing private sector participation, improving corporate governance, carrying out legal and institutional reform, and increasing public-private sector dialogue.

With ADB support, the government has been reforming the finance sector and is taking steps to reduce its role in the economy, which has included privatizing the national airline and opening up telecommunications to private operators. Indeed in many respects Samoa has served as an economic model for the region.

ADB has also financed a Small Business Development Project that, between 2002 and 2009, disbursed \$3.2 million. This project included a microfinance facility which by 2009 had provided loans to 681 borrowers. It also started to address the reform of customary land. As Margaret Malua, director of the Small Business Enterprise Centre (SBEC), explains: “Customary land cannot be used for collateral. This makes it very difficult for a small business to get a loan.”



Jammie Saena of the Samoa Water Authority checks one of the tanks that separates solid and liquid waste



Fololina Avia with a passenger boat that she converted for fishing with an ADB-supported loan

ADB's Small Business Development Project has been supporting the work of SBEC which not only offers training and advisory services but also, with core funding from New Zealand, provides a small business loans guarantee scheme. Entrepreneurs seeking finance can approach SBEC, which will help them develop business plans and guarantee their loans. Margaret Malua reports: "Since 2002, we have helped clients working in many enterprises, from vegetable gardens to cattle farms, to small stores, to bottled water plants." By 2009, 853 loan accounts had been opened to a value of \$4 million.

One of the early loans went to 35-year-old Fololina Avia of the Lady Edwina fishing company. Working in Apia's bustling fish market she recalls: "I needed a loan for a new engine and fishing gear. The Development Bank refused because even my boat would not provide enough security. Then friends told me about SBEC which in 2002 guaranteed my first loan for ST30,000 from ANZ bank. Now I have 10 boats and my turnover has gone up around five times."

Another beneficiary was 45-year old Jesse Peteru, who has established within a local health center a business providing ultrasound tests for pregnant women and for diagnosis of gallstones and other conditions. "I worked as a technician in a public hospital. But I could see that there was a greater demand than the public service could provide."

Peteru thought of setting up his own service, but knew nothing about business. "Friends told me about SBEC and I attended a course on the general running of a small business and got a loan for ST60,000 to buy an ultrasound testing machine. Here I can do the scan today and present the report tomorrow. I paid the loan off in 2.5 years."

The Education Imperative

The government considers education a high priority for which it allocates around 30% of total expenditure. This has contributed to substantial achievements, including a 99% literacy rate. Virtually all children have primary education and almost 90% of those completing grade eight have access to secondary education. Gender disparities have been eliminated at the primary level and are declining at the secondary level. Nevertheless there are still significant challenges. Achievement tends to be lower in the rural areas, and in the final 2 years of secondary education, there is significant dropout—over 40% in 2007–2008 school year.

ADB assistance through the Education Sector Project takes a sector-wide approach, focusing on the curriculum and on improving



Vetta Ah Lam (left), Rosa Peniamina, and Andrew Tasi. All three would like to be doctors

The pupils at Faleata are pleased to discover that the next generation of students will benefit from an ADB-financed Schoolnet project

the quality of teaching materials and school facilities and equipment, while strengthening the management capacity of the Ministry of Education, Culture and Sport. It also aims to build partnerships with communities. From 2000 to 2007, the first phase of this project used a \$7.4 million ADF loan for, among others, refurbishing 19 schools; benefiting over 10,600 students and providing in service training for over 2,700 teachers.

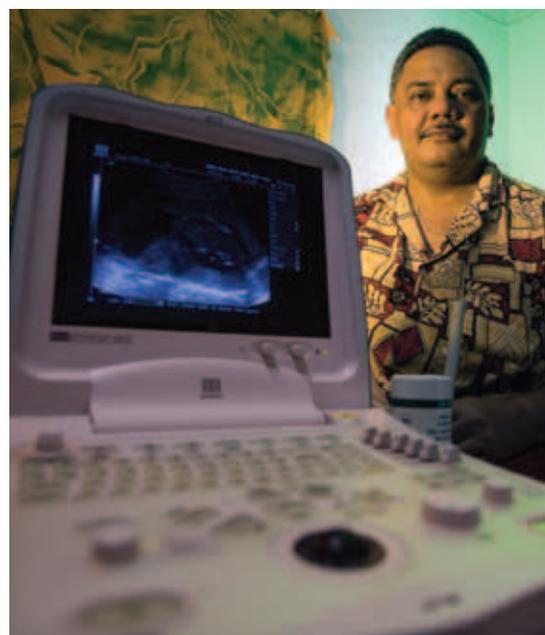
One of the beneficiaries was Jacob Schuster, now a 22-year-old graduate of the National University of Samoa, who studied for 5 years at Leififi College in Apia and saw a lot of improvements. "In the early years, for example, we had to share textbooks, but by year 11 we had our own books. We also got new buildings. Too bad that it was my final year!"

Many of the new teaching materials can be seen in the library of Faleata secondary school. Three students working there recall some of the changes. Seventeen-year old Vetta Ah Lam, in year 13, says: "There have been quite a few improvements particularly in primary schools. The government now pays primary school fees. And there are more books. The people in my class have lots of different ambitions; some want to be artists, others bankers, lawyers, or teachers, but I want to become a doctor."

Eighteen-year-old Rosa Penamina also wants to enter the medical profession: "There are not enough doctors in Samoa." The third potential medical recruit is 18-year-old Andrew Tasi. "But if I do not make it to become a doctor," he says, "I would like to be a teacher because I want to live here and serve my own country." One concern in this and other schools is the shortage of science teachers and of computers. "We do not have enough computers for a computer lab," says Vetta.

The pupils at Faleata are pleased to discover that the next generation of students will benefit from an ADB-financed Schoolnet project. Following a successful pilot, this will not just provide computers but also link schools in a network across the country and open computer access to communities. This is part of a second phase of the Education Sector Project running to 2013. For this, ADB is providing an \$8 million loan and a \$6 million grant, and Australia and New Zealand are each making grants of \$8.3 million. This will benefit around 40,000 primary school students and 22,000 secondary students. In addition to greater use of computers, this phase will include curriculum reform, teacher training, improving access to quality education, and will further strengthen the capacity of the Ministry of Education, Sports and Culture.

Training teachers is a particular concern of Epenesa Esera, dean of the faculty of education at the National University of Samoa. "We have been working with the Ministry on the curriculum, trying out the new materials with our students in classrooms, and this has produced very positive outcomes." She hopes that the new phase of the project can address the shortage of science teachers. "Some years we are training fewer than five."



Jesse Peteru offers rapid ultrasound testing

Esera also points out that the investment in education is making learning more interactive and helping Samoa's children become more confident. "But the pupils have a difficult task in that they are expected to think in the Western way and be more assertive; at the same time, they have to understand how they fit into Samoan society. They have to survive in two cultures."

Building a Resilient Economy

Despite commendable progress in human development, Samoa remains vulnerable—both economically and physically. As a small and open economy, it is exposed to fluctuations in the international economy. It was hard hit by the 2008 global economic crisis, which reduced demand for some of its exports and slowed the flows of remittances from migrant workers. The islands are also exposed geographically, particularly to the threat of tropical storms and cyclones. In addition, these rocky volcanic islands are vulnerable to seismic activity, as demonstrated in September 2009 when two powerful earthquakes in the ocean 190 kilometers south of Apia led to a tsunami that killed 143 people.

Despite commendable progress in human development, Samoa remains vulnerable—both economically and physically

As a long-term partner of Samoa, ADB has been helping the country build greater resilience to both man-made and natural disasters. It has also been ready to help at times of emergency. Within days of the tsunami, ADB had stepped in with a \$1 million grant.

Koroseta Legalo's family has a tourist business at Saleapaga on the southeast coast with traditional beach *fales*. "The earthquake struck at seven in the morning. We could see the sea beyond the reef disappearing and then the wave forming. We had 56 guests and woke up the older ones who were still asleep, and helped each other climb the hill behind the beach. Thank God, everyone was saved. But all the buildings and the restaurant were lost." Through the Small Business Enterprise Centre, however, she was able to arrange a loan of ST30,000 for rebuilding. Within 3 months, her family was back in business with four *fales* and after a year had 12. "I would like to say thank you to SBEC and ADB because they accepted me and guaranteed my loan."



Koroseta Legalo is rebuilding her beach *fales*, with support from the Small Business Enterprise Centre

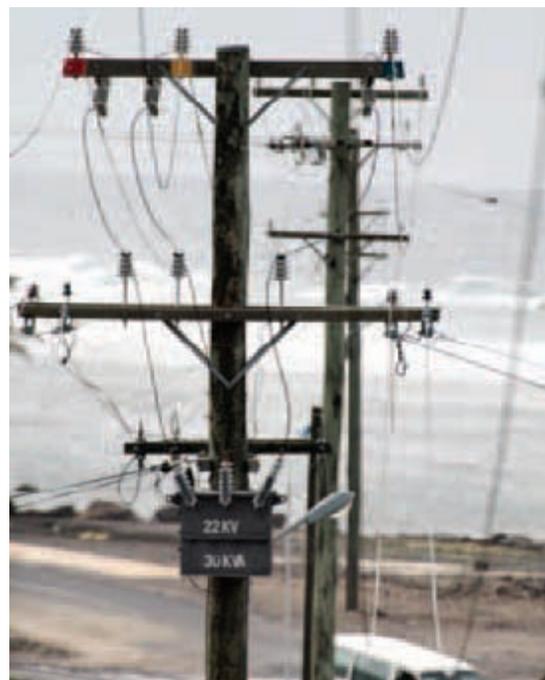
In 2010, ADB approved a loan of \$27 million to help Samoa recover from the combined impact of the global financial crisis and the tsunami

Other families chose to resettle in higher ground a couple of kilometers inland. ADB and other donors helped with the rebuilding, with ADB focusing particularly on power supplies. But as Noumea Simi, assistant CEO for aid and loans in the Ministry of Finance, points out: “While people might physically be ready to take up their lives, psychologically they may not be ready. One of the most important things we learned was that people heal differently, so we introduced forms of counseling, going from house to house to provide support.”

A little further along the coast, Lifaloa Pamata, the mayor of the village of Lepa, also recounts the experience. “The women were having a meeting, while some of the men were already up in the fields. The young men helped the older people climb the hill.”

“Most of the electricity posts were still standing,” he says, “but they had been knocked sideways and were leaning in away from the sea. EPC started working all along the coast and the power was back in some places within a couple of days. We would like to thank EPC for their quick service.”

In 2010, ADB approved a loan of \$27 million to help Samoa recover from the combined impact of the global financial crisis and the tsunami. The government is using this to protect vulnerable groups, such as women and the unemployed, by maintaining social services expenditure. At the same time it is continuing with structural and public financial management reforms. ADB funding is supporting the government’s budget and enabling necessary investment in infrastructure.



Power supplies were restored quickly after the tsunami

Operational Effectiveness: Improving Efficiency and Performance

One of the strengths of the ADB program in Samoa has been the close coordination with other development partners, including Australia, the European Union, Japan, New Zealand, the People's Republic of China, and the World Bank Group. Early in 2010, ADB opened, with the World Bank, a joint office staffed by two Samoans. In 2009, the proportion of direct value-added from cofinancing relative to ADB loans and grants approved annually was 32%, significantly above the 17% average for ADB's overall operations.

On the other hand, disbursement was relatively slow. In 2009, the overall disbursement ratio for sovereign operations, which is the proportion of the funds available actually handed over in that year was 14%, compared with the ADB average of 26%. The average time from approval to first disbursement in sovereign operations, was better—12 months compared with the ADB average of 11 months.

Overall, the current portfolio of projects is considered satisfactory though the ratings are lower than average. For 2009 the combined average ratings of project performance evaluation reports, project valuation reports, and project completion reports was 32%, which is significantly lower than the ADB average of 67%.

Some of the difficulties in project implementation in Samoa are common to other Pacific island states. Projects tend to be more costly because the country's small size makes it difficult to achieve economies of scale. In addition, problems have slowed the start of projects. In some cases, this has been due to institutional weakness, but at times the preparation has also been inadequate and participation from stakeholders and

beneficiaries has been insufficient. This partly reflects a shortage of skilled personnel though, as the education system improves, more trained people are now becoming available. Moreover, ADB's continuing support for national planning should also increase the government's capacity.

Support for the consolidation of economic and public sector reforms has been quite effective and successful, with the partial exception of the reform of state-owned enterprises for which subsidies and transfers absorb around 2.5% of GDP. In the SDS, the government has committed to pursuing state-owned enterprise reforms and has built a sound framework, but implementation has proven difficult, as a result, among other things, of the small market for privatization, the limited pool of potential board directors, and a lingering distrust of the private sector.

Within education, a continuing issue is maintenance. Generally this is the responsibility of local communities who may not be able to provide sufficient funds. As far as teaching staff is concerned, another problem is the high attrition rate among teachers. And even when teachers are available they may not be distributed well – with particular shortages in the rural areas.

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Future Challenges

Samoa has a small economy with a limited production base. It imports around 10 times as much as it exports—an imbalance that has to be offset by revenues from tourism and official grants, and especially from flows of private remittances. This also means the country is very reliant on economic growth in other countries, particularly Australia, New Zealand, and the United States.

The fundamental development challenge for Samoa is to generate sustained and equitable private sector-led growth which is crucial for developing employment and providing income-earning opportunities for a growing population, and for generating the government revenue needed to fund improved public service delivery.

Some of the issues that will need to be addressed are the following:

Land titling – This is a complex and sensitive issue. Around 16% of land is owned by the government and 4% is freehold, but 80% is under customary ownership. This traditional form of ownership lies at the heart of Samoan culture but it can also make it difficult for new investors to find locations for their businesses. In the SDS, the government has established the need to increase access to customary land and ADB is continuing to provide assistance on this issue through a project, Promoting Economic Use of Customary Land, which will help streamline the leasing framework, including the creation of a registry indicating what land would be available for leasing.

Financial markets – These are still underdeveloped. Funding for entrepreneurs is limited by weak property rights, the lack of a collateral framework, the difficulty in collecting debts, and poor credit information. ADB is therefore continuing its support in this area which should lead to a new framework for secured transactions and a properly functioning system that would make it easier for borrowers to offer collateral.

Climate change – With its population concentrated around its coasts, Samoa will be adversely affected by climate change, and particularly from a rise in sea level. The Meteorological Office expects that by 2050 the sea level will rise by 36 centimeters and that extreme storm surges will become more common. Rainfall could increase by 1.2%, extreme wind gusts by 7%, and maximum temperatures by 0.7%. ADB will therefore give a high priority to both mitigation and adaptation measures and ensure that all projects are climate-proofed at the design stage.

The SDS says that “maintaining an improved quality of life for all is an unending challenge to be met through the continuous efforts of the Samoan government and its people, with assistance from the country’s development partners.” ADB has designed its country partnership strategy to support the efforts of the government—and of its businesses, communities, and families.

As Malu Sio, one of the beneficiaries of ADB’s support to the power sector, puts it: “As long as we have our freedom, we can take care of the family. The only thing is to be happy and live life to the fullest.”



Malu Sio: “The only thing is to be happy”

Development Effectiveness Brief: Samoa

Samoa is a founding member of the Asian Development Bank (ADB) having joined in 1966. Samoa has achieved significant development gains and attracted attention in the Pacific as a reform-oriented country. ADB has helped the government build the foundations of this reform. It has provided much-needed support for the government's private sector development efforts and public sector reforms. ADB has assisted Samoans to reach their full potential through support for the education sector. Due to ADB support for public infrastructure, Samoans also have greater access to essential services, including water, sewerage, and power. By end 2009, Samoa had received a total of \$238 million of support from ADB through loans, grants, and technical assistance.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.