

IEG

ICR Review

Independent Evaluation Group

1. Project Data:		Date Posted :	04/07/2006	
PROJ ID:	P052293		Appraisal	Actual
Project Name:	Infrastructure Asset Management	Project Costs (US\$M)	18.84	19.80
Country:	Samoa	Loan/Credit (US\$M)	14.40	13.74
Sector(s):	Board: TR - Aviation (40%), Central government administration (34%), Roads and highways (26%)	Cofinancing (US\$M)	1.30	1.30
L/C Number:	C3193			
		Board Approval (FY)		99
Partners involved :	AusAID	Closing Date	12/31/2002	03/31/2004
Evaluator:	Panel Reviewer :	Division Manager :	Division:	
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2. Project Objectives and Components

a. Objectives

The project had one general objective : *Transport and coastal infrastructure assets are economically, environmentally, and socially sustainable and managed by effective partnership of stakeholders* . For purposes of evaluation and monitoring, and to provide an effective link to project components, this objective was divided into four sub-objectives:

1. International air transport infrastructure is sustainably adequate for economic growth;
2. Reliability and safety of road system assets is improved;
3. Environmentally and socially sustainable management of coastal infrastructure is initiated ; and
4. Management of infrastructure assets is becoming service -oriented involving public, private and community stakeholders.

b. Components (or Key Conditions in the case of Adjustment Loans):

Air transport infrastructure. Upgrading of Faleolo International Airport included rehabilitation and extension of the runway; improvement of the passenger terminal, emergency services and air traffic control; supply of emergency fire and rescue vehicles; and engineering and architectural services . US\$6.52 million (39.8%) at appraisal, US\$8.78 million (44.3%) at completion. [Note: the percentages in this section pertain to total project costs].

2. Road system infrastructure. Road and bridge works included bridge rehabilitation and replacement of six narrow unsafe bridges; road rehabilitation of the West Coast Road in the airport corridor; and road safety measures and construction of 4.7 km of footpaths in key pedestrian areas . US\$4.04 million (24.7%) at appraisal, US\$3.85 million (19.4%) at completion.

3. Coastal Infrastructure and Management. Development of approach to the management and mitigation of natural hazard risks in coastal areas, strengthening environmental management, enhancing geographical information, and constructing protection for warranted priority coastal areas . US\$2.01 million (12.3%) at appraisal, US\$ 2.43 million (12.3%) at completion.

4. Institutional Development. Support for public sector reform, in public works; asset and information management; road traffic and safety administration; Department of Lands, Surveys and Environment; and Samoa Airport Authority . US\$2.67 million (16.3%) at appraisal, US\$3.28 million (16.6%) at completion.

5. Project Management. Preparation of the program and technical assistance to the Project Management Unit . US\$1.13 at appraisal (6.9%), US\$1.46 million (7.4%) at completion.

c. Comments on Project Cost, Financing, Borrower Contribution, and Dates

The Borrower contribution was planned to be 16.7% at appraisal, and was 24% at completion. The contribution and its increase indicates strong Government commitment to the project when costs escalated and, therefore, some components needed to be reduced. Overall the Borrower exercised good fiscal management in the project. The Credit was Adaptable Program Loan (APL) project and it closed 15 months later than the projected date primarily due to delays in design of the works.

3. Relevance of Objectives & Design :

The objectives of the project were consistent with the CAS and relevant to the country's development needs -- both when the project was designed, and now. The multisectoral design was innovative. It enabled a Credit size that was

big enough to be attractive and also supported the Government's economic objectives for public sector reform, private sector development, and cost recovery from users . The project design was also geared to serve large groups of beneficiaries: trade and tourism from better airport and airport management; road users and pedestrians from reduced road user costs and better safety; protection of private and public assets in hazard zones from natural disasters; and fiscal savings from more efficient public institutions, asset management, and expanded private sector . The APL instrument was particularly appropriate when different sectors were likely to progress at different paces .

4. Achievement of Objectives (Efficacy) :

Objective 1, *International air transport infrastructure is sustainably adequate for economic growth* . This objective was achieved at *high* level. The airport meets ICAO standards, is financially viable, with reorganized management structure and style.

Objective 2, *Reliability and safety of road system assets is improved* . This objective was *partially achieved*. Some sub-projects, about half of the component, had to be deferred to Phase 2 because of cost overruns . Design work by local consultants proceeded very slowly and contributed to high costs and deferral to the next phase . Supervision of some road works was weak and resulted in cost increases and, in some cases, remedial maintenance . On the other hand, pedestrian safety works were well targeted to be located in high risk areas near schools . Entry of private sector to the market was a significant accomplishment .

Objective 3, *Environmentally and socially sustainable management of coastal infrastructure is initiated* . This objective was *substantially achieved*, especially noteworthy are the accomplishments of technical assistance to introduce and implement Coastal and Environmental management strategy and the acquisition and employment of the Geographic Information System for improved asset management and mapping of hazard zones . However, the scope of the physical component was less than planned .

Objective 4, *Management of infrastructure assets is becoming service-oriented involving public, private and community stakeholders*. This objective was achieved at *high* level. There was a broad menu of institutional development in the project. The main component restructured the Public Works Department from a service provider to asset manager, with good asset management systems, using private suppliers for service delivery . Road Traffic and Road Safety Administration underwent a broad makeover with positive results . Samoa Airport Authority was helped to improve its business plans and processes . Finally, there was an institutional review of the Department of Lands, Surveys and Environment, which led to internally driven changes, additional responsibilities and, by the end of the Project, into a merger with the Ministry of Natural resources and Environment .

5. Efficiency :

The airport component was assessed comprehensively on a cost-effectiveness basis at appraisal given ICAO (International Civil Aviation Organization) standards for safety and technical equipment . As improved, the Airport Authority is financially sustainable with positive operating cash flow (after deducting depreciation but not adding income from overflights). Cost recovery exceeds appraisal expectations because of faster traffic growth . The (reduced) bridge component had a benefit/cost ratio of 12.7 at appraisal and 10.6 at completion (ERR of 42 percent). The pedestrian traffic safety component, in spite of much higher costs, was successful and shows a switching value of WST (Samoa Tala) 30,540 per accident at 10% discount rate; at appraisal the figure was WST 10,000. The Accident Compensation Board used a switching value of WST 40,000 at appraisal. There was no economic evaluation of the coastal infrastructure management as the two seawalls were deferred to Phase 2. Although unquantified, large benefits are expected from the implemented risk management strategy with modern techniques .

6. M&E Design, Implementation, & Utilization:

The M&E design was detailed and extensive, even exhaustive . Given that the project was an APL, it would seem inconsistent, in retrospect, to devise so tightly planned implementation schedule as the *Key Performance Indicators* in Annex 1 of the PAD indicate. The same concerns the *Monitoring Indicators*. Both would have required a detailed and extensive data acquisition system that was unlikely to exist or developed and used within the project . With these caveats, the mere existence of such comprehensive and well thought-out matrix of performance and monitoring indicators will be of future benefit for the affected institutions .

7. Other (Safeguards, Fiduciary, Unintended Impacts--Positive & Negative):

The risks in the project were limited and on the upside; there were no unintended impacts . The project was sensitive to local culture and practices, and used a participatory approach in design and implementation to advantage . The civil works enjoyed widespread support and enhanced and protected the environment . A comprehensive environmental management capability was developed during the project . Financial management, procurement practices and monitoring of investments in Samoa also improved .

8. Ratings :	ICR	ICR Review	Reason for Disagreement /Comments
Outcome:	Highly Satisfactory	Satisfactory	The project did experience delays and cost overruns and had to defer parts of

			components.
Institutional Dev .:	High	High	The project did an outstanding job in institutional restructuring and private sector entry to public works and their design.
Sustainability :	Likely	Likely	
Bank Performance :	Highly Satisfactory	Highly Satisfactory	The Bank supervision team was multi-skilled and able to resolve problems competently.
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- ICR rating values flagged with ' * ' don't comply with OP/BP 13.55, but are listed for completeness.

9. Lessons:

1. Project design. For success, projects that combine several related sectors, require (i) a multi-entity steering committee with power to decide; (ii) PMU with accountability and reporting to each participating entity; (iii) monitoring and multi-skill supervision by both Bank and the Government; and (iv) well-defined indicators relevant to both to each entity and the project.
2. Public Sector Reform in Small Island State. Besides the all-applicable requirements for Government ownership, committed leaders, comprehensive consultations and well-designed plans, small island states present additional challenges in terms of: continuity and competence of staff; thin market for professional and managerial staff; and experience required to run a restructured organization. These risks require advance planning for sector reforms to succeed.
3. Emergency Risk management. A successful hazard risk management model includes: (i) development or existence of a national strategy, including budget (possibly with IFI participation); (ii) community-based management plans that are based on objective risk assessment and community participation authorized by community leaders and the Government; (iii) a specific short-term program and budget for activities and works (including "fire-drills" for readiness); and (iv) for sustainability, involvement of the stakeholders and the private sector.

10. Assessment Recommended? Yes No

11. Comments on Quality of ICR:

The ICR is of good quality and well written. Monitoring Indicators (or Key Performance Indicators) in the PAD and the Performance indicators in the ICR lack direct correlation. The lessons should have been more concise; as written in the ICR it is difficult to discern what the lesson is. The ICR should also have given a perspective on the AusAID comment that the project was not entirely satisfactory from their point of view.