

SAMOA—RELATIONS WITH THE WORLD BANK GROUP
(As of March 2010)

Since Samoa became a Bank member in June 1974, 16 IDA credits totaling over \$99.7 million have been committed. The Bank has also executed a range of trust fund financed activities. Bank finance for Samoa has focused on supporting the successful reform efforts since the mid-1990s. Investments have helped support critical infrastructure, the finance sector, agricultural production, cyclone reconstruction, and health sector reform.

Samoa has an IDA-15 (FY09–FY11) allocation of \$40 million. Samoa's IDA-15 allocation was more than doubled to respond to the devastating tsunami that occurred on September 29, 2009.

Samoa: IDA Lending Operations (as of March, 2010)

	Year of Approval	Original Amount	Undisbursed Balance
(In millions of U.S. dollar equivalent)			
Completed projects (IDA)			
First highway	1975	4.4	0
Agricultural development	1979	8.0	0
Second agricultural development	1980	2.0	0
Development Bank	1985	2.0	0
Multiproject	1986	2.5	0
Afulilo hydroelectric dam (AsDB)	1987	3.0	0
Telecommunications (AsDB)	1989	4.6	0
Emergency road rehabilitation	1990	14.0	0
Afulilo hydroelectric dam supplement (AsDB)	1993	1.0	0
Emergency road rehabilitation supplement	1993	5.1	0
Infrastructure asset management	1999	14.4	0
Health sector management	2000	5.0	0
Cyclone emergency reconstruction	2004	4.5	0
Current projects (IDA)			
Telecommunications and Postal Reform	2002	4.5	2.1
Second Infrastructure Asset Mgmt (+2007 Supplement)	2003	21.1	7.6
Health Sector Management	2008	3.0	2.8
Total		99.1	12.5

The Bank's current activities in Samoa are in the following areas:

- **Infrastructure Asset Management Phase 2.** The objective of this second-phase program (approved December 2003, US\$12.8 million plus additional finance of US\$8 million and significant trust fund support) to be carried out over a period of eight years is to enhance the economic, environmental and social sustainability of transport and coastal infrastructure assets, and to manage these assets, natural resources, and disaster risks through an effective partnership with private sector stakeholders. The success of efforts to build private sector contracting capacity—a central element of the program—was evident in the rapid and effective response by the Samoan Government and private sector to tsunami recovery and reconstruction efforts.

- **Telecommunications and Postal Sector Reform.** This project (approved December 2002, US\$4.5 million) assists Samoa to improve the performance of its telecommunications and postal sectors by increasing competition and private sector participation; strengthening institutional and regulatory capacities; and enhancing the provision of telecommunications and postal services, particularly in rural areas. Effective competition in GSM mobile services, achieved through the project, produced spectacular results. The number of overall customers (GSM and fixed line) exceeds 110,000, which is a ten-fold increase from the beginning of the project.
- **Health Sector.** Through the Health Sector Management project (approved June 2008, IDA US\$5 million), the Bank is supporting government's reform program aimed at promoting preventative healthcare, and ensuring equitable access to a modern, effective, efficient health service, delivered in close collaboration with the private sector. Implementation is within a sector coordination framework, with Australia especially closely involved. Samoa is broadly on track to meet health sector MDGs.

Three new activities are expected to be presented to the Board for consideration in May 2010:

- **DPL:** A \$20 million development policy credit to assist the government respond to the global economic downturn and to finance post-tsunami reconstruction costs. This is based on a policy matrix developed by the Government in collaboration with the World Bank, the Asian Development Bank, and other key partners. Policy actions are focused on: (i) addressing post-tsunami reconstruction needs, (ii) targeted support to the most vulnerable, (iii) maintaining overall fiscal discipline, (iv) reducing the cost of doing business and SOE reform, and (v) strengthening consultative processes with stakeholders.
- **Transport:** A \$10 million investment to strengthen transport and infrastructure services in tsunami affected areas, which will be implemented in conjunction with the current successful SIAM2 operation.
- **Health:** Additional financing of \$3 million to assist in addressing pressures on the health system emerging as a result of the tsunami.

In addition, the Samoan Government has requested support from the Bank to undertake reforms to strengthen the competitiveness of the **agricultural sector** and to increase opportunities for the private sector to access agricultural supply chains for export and for the tourist market.

IFC has been active in Samoa, particularly in the telecoms sector. IFC has invested US\$18.5 million in Digicel, encouraging this new private operator to enter the liberalized Samoan telecoms market. This has been a crucial element in the successes achieved in improving connectivity in Samoa. IFC investments have encouraged over US\$80 million in total private investment in the telecoms sector, making this the largest single private investment in Samoa.

In support of a significantly scaled up program, the Bank in November 2009 opened a joint liaison office in Samoa, in conjunction with the Asian Development Bank.