



1. Program Information

Country
Samoa

Practice Area (Lead)
Macroeconomics, Trade and Investment

Programmatic DPF

Planned Operations
2

Approved Operations
2

Operation ID
P162104

Operation Name
First Resilience Operation

L/C/TF Number(s)
IDA-D2420

Closing Date (Original)
31-Dec-2018

Total Financing (USD)
5,097,312.00

Bank Approval Date
31-Oct-2017

Closing Date (Actual)
31-Dec-2018

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	5,000,000.00	0.00
Revised Commitment	5,000,000.00	0.00
Actual	5,097,312.00	0.00

Country
Samoa

Practice Area (Lead)
Macroeconomics, Trade and Investment

Operation ID
P165928

Operation Name
Second Resilience DPO with a Cat-DDO (P165928)



L/C/TF Number(s) IDA-D2420,IDA-D3980,IDA-D3990	Closing Date (Original) 30-Nov-2021	Total Financing (USD) 13627351.91
Bank Approval Date 29-Nov-2018	Closing Date (Actual) 30-Nov-2021	
	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	13,700,000.00	0.00
Revised Commitment	13,700,000.00	0.00
Actual	13,627,351.91	0.00

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2. Program Objectives and Pillars/Policy Areas

a. Objectives

The programmatic First and Second Samoa Resilience Development Policy Operation consisted of a development policy operation (first operation) and a disaster risk management development policy operation with a catastrophe deferred drawdown option (Cat DDO) (a contingent financing line that provides immediate liquidity to countries to address shocks related to natural disasters and/or health-related events) (second operation).

The program development objectives of the programmatic series were:

1. To strengthen Samoa's macroeconomic and financial resilience.
2. To enhance Samoa's resilience to the effects of climate change and natural hazards.
3. To reduce Samoa's vulnerability to non-communicable diseases and to address shocks from health-related events.

The Cat DDO was subsumed at appraisal into the second program objective. The contingency financing was to be drawn down after a "natural catastrophe" that resulted in a "Proclamation of Emergency," with "natural catastrophe" defined as an emergency due to "cyclones, volcanic eruptions, tsunamis, floods, earthquakes, high winds, and seasonal droughts." As the Cat DDO proceeds were used instead for a measles outbreak and the COVID-19 pandemic, this ICR Review assigns the Cat DDO to the third objective, with the language expanded to include "to address shocks from health-related events."

b. Pillars/Policy Areas



The programmatic series had three policy areas, organized around strengthening Samoa's resilience to three major risks: macroeconomic and macro-financial, climate change and natural hazards, and health and non-communicable diseases.

Strengthening Macroeconomic and Financial Resilience supported reforms to expand the government revenue base, reduce probable disruptions to remittance flows, and improve access to finance. The reforms would help the government consolidate public finances and build fiscal buffers to respond to future external shocks, while securing the access of households and firms to remittances and finance to support consumption and investment.

Enhancing Resilience to the Effects of Climate Change and Natural Hazards supported reforms to reduce the country's vulnerability to the major long-term threats posed by climate change and natural disasters. The reforms would build on previous work to strengthen the coordination of climate and natural hazard resilience activities. A Cat DDO, originally included in this component, would provide emergency financing to help the government respond to a natural catastrophe. The contingency financing would be available for a standard drawdown period of three years, renewable once for a maximum six years, taking the government's access in quick-disbursing disaster contingent financing to around US\$18 million or over 2 percent of gross domestic product (GDP).

Reducing Vulnerability to Non-Communicable Diseases and Addressing Shocks from Health-Related Events supported reforms to reduce the country's vulnerability to the long-term threat posed by non-communicable diseases as well as an emergency due to health-related shocks. The reforms would focus on legislation and excise taxation to discourage the consumption of alcohol, tobacco, salty food products, and sugary food products and would include administrative measures to improve the procurement and the inventory management of pharmaceuticals in a bid to lower drug costs. The Cat DDO was shifted to this component to help the government address a measles outbreak in 2019 and the COVID-19 pandemic in 2020.

c. Comments on Program Cost, Financing and Dates

Program Cost and Financing. The first operation was estimated to cost SDR 3.6 million (US\$5 million equivalent) and was financed by a development policy grant of the same amount from the International Development Association (IDA) to the Independent State of Samoa. The grant was fully disbursed (US\$5.097 million equivalent). The second operation was estimated to cost SDR 9.9 million (US\$13.7 million equivalent) and was financed by an IDA development policy grant of SDR 3.6 million (US\$5 million equivalent) and an IDA disaster risk management development policy grant with a Cat DDO of SDR 6.3 million (US\$8.7 million equivalent). The up-front grant was fully disbursed (US\$5.009 million equivalent). The contingent grant was disbursed in two tranches: US\$3.5 million to support the emergency response to the measles outbreak (December 2019) and US\$5.1 million to support the response to the COVID-19 pandemic (March 2020). The differences in the US\$ equivalents at appraisal and at closing were due to changes in the SDR/US\$ exchange rate.

Dates. The first operation was approved on October 31, 2017, became effective on December 19, 2017, and closed as scheduled on December 31, 2018. The second operation was approved on November 29, 2018, became effective on February 7, 2019, and closed as scheduled on November 30, 2021.



3. Relevance of Design

a. Relevance of Objectives

Binding Constraints. This programmatic series focused on building resilience to three major risks that posed critical constraints to Samoa's development goals.

- **Macroeconomic and Macro-Financial Risks.** A succession of major shocks to Samoa's narrowly-based economy in the decade before this programmatic series strained public spending and raised the public debt, even as revenues remained reliant on overseas budgetary support grants. Recent efforts at fiscal consolidation reduced the fiscal deficit to 1.9 percent of GDP by FY17 (from 5.3 percent in FY14), and public debt to 52.3 percent of GDP (from 57.8 percent in FY15). However, more sustained fiscal reforms were needed if public finances were to be strengthened to address downside risks to the economy, including by broadening the tax base, improving tax compliance, and enhancing expenditure control (IMF, *Staff Report for the Samoa 2018 Article IV Consultation*). In this small island economy, migration and remittances were vital drivers of growth, with remittance inflows providing a key source of household income and averaging some 18 percent of annual GDP. Remittances were mainly channeled through money transfer operators, which faced losing correspondent banking relationships with foreign banks, a risk that in turn was partly attributable to concerns about the country's compliance with international anti-money laundering and combating the financing of terrorism (AML/CFT) requirements (Alwazir et al, 2017, *Challenges in Correspondent Banking in the Small States of the Pacific*, IMF Working Paper 17/90).
- **Climate Change and Natural Disaster Risks.** Samoa was highly exposed to negative effects from climate change and natural hazards, including floods, droughts, tropical cyclones, storm surges, earthquakes, and tsunamis. The *National Action Plan for Disaster Risk Management, 2017-2020* aimed to integrate disaster risk management into all sectors of the economy, including by strengthening the multi-hazard early warning system, addressing climate and disaster risks to coastal areas and flood plains, and revising the building code and construction standards to reduce damage from cyclonic winds and earthquakes. To address emergency financial needs after a natural disaster, Samoa had previously participated in the World Bank Pacific Catastrophe Risk Assessment and Financing Initiative (a pilot insurance program), the IDA Pacific Resilience Program (the contingency emergency response component), and the Asian Development Bank Regional Contingent Financing Risk Pool.
- **Health and Non-Communicable Disease Risks.** According to the *Systematic Country Diagnostic for Eight Small Pacific Island Countries – Priorities for Ending Poverty and Boosting Shared Prosperity*, the high prevalence of non-communicable diseases posed high human and economic costs to the Pacific Island countries. In Samoa, non-communicable diseases accounted for more than half of all premature deaths. A strategy to address non-communicable diseases, adopted jointly by the region's governments in 2014 as the *NCD Roadmap Report*, recommended four common approaches: strengthened tobacco control, including an excise duty on tobacco products of at least 70 percent of the retail price; policies to reduce consumption of food and drink products directly linked to obesity, heart disease, and diabetes, especially salt and sugary drinks; improved efficiency and impact from existing health spending by reallocating resources to targeted primary and secondary prevention of non-communicable diseases, including better drug prices; and an enhanced evidence base for better investment planning and program effectiveness



Country Development Priorities. The program development objectives were consistent with the government’s priorities as identified in the *Strategy for the Development of Samoa 2016/17-2019/20 – Accelerating Sustainable Development and Broadening Opportunities for All*. The first objective, to strengthen macroeconomic and financial resilience, was consistent with the strategic outcome "macroeconomic resilience" under the economic development pillar (priority area 1). Reforms to boost revenue, manage risks to remittance flows, and improve access to finance would build on previous reforms to revenue administration, debt management and policy, and the payments system. The second objective, to increase resilience to the effects of climate change and natural hazards, was consistent with the strategic outcomes "environmental resilience" and "climate and disaster resilience" under the environment pillar (priority area 4). Reforms to strengthen the resilience of new single-story residential housing, improve the management of key infrastructure assets, including roads, and enhance the resilience of local communities and ecosystems would mainstream climate resilience activities across many sectors. The third objective, to reduce vulnerability to non-communicable diseases, was consistent with the strategic outcome "a healthy Samoa" under the social pillar (priority area 2).

Bank Group Strategy. The program development objectives were aligned with the Bank Group strategy in Samoa, among eight small Pacific Island countries, articulated in the *Regional Partnership Framework for Kiribati, Republic of Nauru, Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, Independent State of Samoa, Kingdom of Tonga, Tuvalu, and Vanuatu, FY17-FY21*. The program objectives and prior actions were aligned with the third of four focus areas of the partnership framework, "protecting incomes and livelihoods," including through strengthening resilience to natural disasters and climate change and addressing non-communicable diseases, as well as the fourth focus area, "strengthening the enablers of growth and opportunities," including by strengthening macroeconomic management, improving connective infrastructure, and addressing prevailing knowledge gaps. With the strategy document advocating a scale-up of IDA-18 allocations, the program objectives and prior actions were aligned with two IDA themes: (i) "governance and institutions" (IDA special theme 5), with this series addressing domestic revenue mobilization issues and responses to illicit financial flows, and (ii) "climate change" (IDA special theme 3), with this series supporting measures to enhance resilience to climate change and natural disasters.

b. Relevance of Prior Actions

Rationale

The programmatic series supported 14 prior actions.

Prior Actions for the First DPO	Prior Actions for the Second DPO
Objective 1 - To strengthen Samoa's macroeconomic and financial resilience	
PA1. The Recipient has: (a) through its Cabinet, approved the recommendations from the 2016-17 Revenue Review, including: (i) increases to non-tax fees and charges; (ii) the cessation of income tax holidays and the tourism tax credit scheme; (iii) the	PA2. The Recipient, through its Cabinet, has approved recommendations to simplify the capital gains tax regime and facilitate the collection of capital gains taxes, as evidenced by Cabinet approval of the capital gains tax recommendations



<p>removal of several income tax exemptions; and (iv) an increase in the income tax-free threshold; as evidenced by Cabinet approval of submission PK(17) 792 at its meeting FK(17) Special 05, dated May 24, 2017; (b) included these changes in the Recipient's approved budget for financial year 2017/2018, as evidenced by Cabinet approval of submission PK(17) 793 at its meeting FK(17) Special 05 dated May 24, 2017, and the 2017/18 Budget Address by Hon. Sili Epa Tuioti, Minister of Finance, Government of Samoa, dated May 30, 2017; and (c) amended the Income Tax Act as necessary to implement recommendations from the 2016-17 Revenue Review, as evidenced by the Income Tax Amendment Act.</p>	<p>in FK(18) 37, dated October 24, 2018, and the Ministry for Revenue's "Strengthening the Capital Gains Tax in Samoa" report dated August 23, 2018.</p>
<p>PA3. The Recipient, through its Cabinet, has approved and published a national strategy to mitigate money laundering and terrorism financing risks, as evidenced by: (a) Cabinet approval of submission PK(16) 2115 at its meeting FK(16) 44, dated December 07, 2016; (b) the "Samoa Anti-Money Laundering and Counter Terrorist Financing ("AML/CTF") National Strategy 2016-2020" prepared by the Samoa Financial Intelligence Unit and Money Laundering Prevention Authority; and (c) publication of the abovementioned national strategy on the Recipient's Central Bank of Samoa webpage <https://www.cbs.gov.ws/index.php/banking-system/amlfu/nationalstrategy-2016/>, accessed September 2017.</p>	<p>PA4. The Recipient, through its Parliament, has amended the Money Laundering Prevention Amendment Act 2018, which enhances the Recipient's compliance with anti-money laundering and countering terrorist financing international standards, as evidenced by the Money Laundering Prevention Amendment Act 2018.</p>
<p>PA5. The Recipient, through its Ministry of Commerce, Industry, and Labour, has: (a) commenced the Personal Property Securities Act, as evidenced by the Minister for Commerce, Industry, and Labour's notice nominating February 27, 2017 as the commencement date in accordance with Section 1(2) of the Personal Property Securities Act; and (b) launched the Personal Properties Securities Registry, to improve access to finance by allowing movable property to be used as collateral for loans, as evidenced by the Ministry of Commerce, Industry, and Labour website <https://www.businessregistries.gov.ws/> accessed September, 2017.</p>	
<p>Objective 2 - To enhance Samoa's resilience to the effects of climate change and natural hazards</p>	



<p>PA6. The Recipient, through its Cabinet, has approved amendments to the national building codes and standards which will improve climate resilience, and which incorporate provisions for disability access, as evidenced by Cabinet approval of submission FK(17) 1077 at its meeting FK(17) 27 dated July 26, 2017, and the National Building Code.</p>	<p>PA7. The Recipient, through its Cabinet, has approved Guidelines for the Application of the National Building Code, which will help to strengthen new single-story residential housing against climate-related risks and earthquakes, as evidenced by the Cabinet approval of the Guidelines for the Application of the National Building Code in FK(18) 35, dated October 10, 2018.</p>
<p>PA8. The Recipient, through its Cabinet Development Committee, has approved the recommendations contained within the Vulnerability Assessment and Climate Resilient Roads Strategy, which set out the priority investments necessary to improve the resilience of the roads network and provide guidelines for maintenance requirements and engineering standards, as evidenced by the letter from the Cabinet Development Committee Secretariat to the Land Transport Authority dated August 21, 2017, regarding the Cabinet Development Committee Meeting 2017/03, and the Vulnerability Assessment and Climate Resilient Roads Strategy.</p>	<p>PA9. The Recipient, through its Cabinet, has approved the Samoa Infrastructure Asset Management Strategy, to help the life-cycle management and resilience of public infrastructure to climate and disaster risks, as evidenced by the Cabinet approval of the Samoa Infrastructure Asset Management Strategy in FK(18) 22 dated July 11, 2018.</p>
	<p>PA10. The Recipient has: (i) through its Cabinet, approved Community Integrated Management Plans to strengthen the resilience of all 41 districts to the impacts of climate change and natural disasters, as evidenced by the Cabinet approval of the Community Integrated Management Plans in FK(18) 28 dated August 22, 2018; and (ii) made these plans publicly available, as evidenced by the availability of the Community Integrated Management Plans on the Recipient's Ministry of Natural Resources and Management website <https://samoa-data.sprep.org/dataset/community-integrated-management-plans>.</p>
<p>Objective 3 - To reduce Samoa's vulnerability to non-communicable diseases and to address shocks from health-related events.</p>	
<p>PA11. The Recipient has: (a) introduced excise duties for sugary and salty products to improve health and nutrition outcomes and reduce the incidence of non-communicable diseases, as evidenced by the Excise Tax Rates Amendment Act 2016, and (b) through its Cabinet, approved an annual increase in excises on alcoholic and sweetened beverages and on tobacco of 3 percent and 5 percent respectively over the next three (3)</p>	<p>PA12. The Recipient, through its Cabinet, has approved the Alcohol Control Bill, to minimize harmful effects from the consumption and abuse of alcohol, as evidenced by the Alcohol Control Bill and the Cabinet approval of the Alcohol Control Bill in FK(18) 32, dated September 12, 2018.</p>



<p>years, as evidenced by Cabinet approval of Submission PK(17) 792 at its meeting FK(17) Special 05, dated May 24, 2017 and the Excise Tax Rates Amendment Act 2017.</p>	
<p>PA13. The Recipient, through its Cabinet, has approved framework contracts for the procurement of pharmaceuticals, to increase the efficiency and reduce the cost of procurement, and ensure access while reducing waste, as evidenced by Cabinet approval of Submission PK(17) 1024 at its meeting FK(17) 25, dated July 5, 2017, and the Recipient's tender documents titled "Government of Samoa Tender Documents; Issued on February 27, 2017 for Procurement of Medicines (Goods and Related Services Tender No. 2017/18)."</p>	<p>PA14. The Recipient, through its Ministry of Finance, has approved the introduction of an integrated, computerized inventory management system for pharmaceuticals, to boost the efficiency of medicines procurement and help prevent stock-outs and reduce wastage, as evidenced by the letter from the Acting Chief Executive Officer of the Ministry of Finance confirming the approval by the Ministry of Finance for the introduction of the pharmaceutical inventory control management system dated October 11, 2018.</p>

Objective 1 - To strengthen Samoa's macroeconomic and financial resilience

- PA1 and PA2 consisted of measures to broaden the revenue base, which would strengthen macroeconomic resilience. Samoa had increased domestic revenues from 23 percent of GDP in FY12 to 27 percent of GDP in FY17 following comprehensive tax policy and administration reforms over five years, including better compliance with and improved collection of income taxes, excise taxes, and the value added tax on goods and services.
- **PA1** would raise the personal income tax thresholds (from Samoan tala (SAT) 12,000 to SAT 15,000 for the personal tax-free threshold and from SAT 20,000 to SAT 25,000 for the 20-percent threshold), remove several income tax exemptions (including for churches and pastors), discontinue income tax holidays (for businesses), discontinue the tourism tax credit scheme, and increase non-tax fees and charges (and index them to inflation). Tax concessions and exemptions had eroded the tax base in Samoa and their removal was recommended by the "2016-17 Revenue Review," which aimed to identify reforms to broaden the tax base and improve tax collection. The measures would be approved by the Cabinet, included in the approved FY17/18 Budget, and enacted as part of the Income Tax Amendment Act of 2017. The changes to the personal tax thresholds could raise SAT 14.1 million (0.6 percent of GDP) in 2017/18, increasing to SAT 31 million by 2019/20 (1.3 percent of GDP); the removal of tax exemptions and concession, SAT 3 million in FY18 (0.1 percent of GDP); and the increase in non-tax fees and charges, SAT 5.6 million in FY18 (0.2 percent of GDP). The measures would be complemented by boosting the compliance capacity of the revenue bodies and strengthening the audit requirements on high-turnover firms. The relevance of PA1 is rated **highly satisfactory**.
- **PA2** would simplify the capital gains tax regime and facilitate the collection of capital gains taxes. Capital gains tax laws were previously difficult to implement in Samoa, including that there was a three-year exemption period in which assets held longer for three years were not subject to the tax. The reforms follow the recommendations of the 2018 Ministry of Finance report "Strengthening the Capital Gains Tax in Samoa." Capital gains realized within three years of an asset being purchased would hence be taxed at 27 percent (they were previously not taxable), with the cost basis subject to an indexation adjustment. This prior action would also require that the capital gains tax be paid before the asset can be registered in the name of the new owner (i.e., before the stamp duty is



paid), resolving a previous discrepancy in the stamp duty law and ensuring that the capital gains tax can be collected in practice. There was no precise estimate of the marginal contribution of the capital gains tax reform to incremental revenues, although the “2016-17 Revenue Review” anticipated that a 2 percent increase in tax compliance rate from among all tax compliance measures including the capital gains tax reform would increase revenues by 0.5 percent of GDP. The relevance of PA2 is rated **highly satisfactory**.

- PA3 and PA4 consisted of sequential measures to mitigate money laundering and terrorism financing risks, which posed dangers to remittance flows and correspondent banking operations. Remittances were 18 percent of GDP, four-fifths of which were channeled through money transfer operators. Nine of the 12 operators had lost at least one correspondent banking relationship since 2013 owing to changing profitability trends and risk patterns. The operators faced further closure risks if correspondent banking operations were strained as a result of the country’s failure to comply with international AML/CFT requirements, a risk that the IMF considered highly likely and of high impact (IMF, *Staff Report for the Samoa 2017 Article IV Consultation* and *Staff Report for the Samoa 2018 Article IV Consultation*).
- **PA3** would require the Cabinet to approve and publish, through the Central Bank of Samoa, the “Samoa Anti-Money Laundering and Counter Terrorist Financing National Strategy, 2016-2020,” prepared by the Samoa Financial Intelligence Unit of the Central Bank of Samoa and the Money Laundering Prevention Authority. It was expected that implementation of the strategy would improve Samoa’s overall level of technical compliance with the Financial Action Task Force (FATF) Standards, as determined by the Asia/Pacific Group on Money Laundering and documented in its Mutual Evaluation Reports. Samoa had improved its compliance rating over the past decade, but significant shortcomings remained. The Strategy, covering the next four years, would focus on, among others, the supervisory and regulatory framework for the offshore sector, risk-based AML/CFT supervision of banks and money transfer operators, and strengthening of the Samoa Financial Intelligence Unit. The prior action would help maintain correspondent banking relationships with foreign banks, thereby securing access to remittances and strengthening financial resilience. The relevance of PA3 is rated **satisfactory**.
- **PA4** would require Parliament to pass the Money Laundering Prevention Amendment Act of 2018. Following the adoption of the Strategy, the legislation would enhance Samoa’s compliance with international AML/CFT standards. The law criminalizes money laundering and terrorism financing, sets out the obligations of financial institutions to conduct due diligence of customers, and requires financial institutions to report large cash transactions. The prior action would help maintain correspondent banking relationships with foreign banks, thereby securing access to remittances and strengthening financial resilience. The relevance of PA4 is rated **satisfactory**.
- **PA5** would implement the Personal Property Securities Act, passed into law in 2013, and launch the Personal Property Securities Registry. The Personal Property Securities Act created security interests in movable property, established priority rules among competing interests in movable property, established a public filing office (where notices of security interests would be filed and made publicly available for inspection), simplified and expedited enforcement against collateral when debtors defaulted, and repealed the Chattels Transfer Act of 1975 and other laws. The Registry would provide the electronic means for filing and providing notices of security interest and liens, a service that would better enable the use of movable property as collateral for loans. Prior to the enactment of the Personal Property Securities Act and the creation of the Personal Property Securities Registry, access to loan finance was constrained by the use only of immovable assets (land and buildings) as



collateral for loans. Globally, assets of the average small and medium enterprise (SME) consisted, 22 percent, of real estate and, 78 percent, of movable property. In a loan collateral system that favored land and buildings, access to finance for SMEs was constrained by their thin real estate holdings. In Samoa, only 20 percent of land was registered (and hence eligible as loan collateral), highlighting the even greater importance of movable property in obtaining credit. The passage of the Act and the launch of this Registry would expand access to loan finance by enabling and facilitating the use of movable assets as collateral to loans, thereby improving access to finance and strengthening financial resilience. The relevance of PA5 is rated **satisfactory**.

Objective 2 - To enhance Samoa's resilience to the effects of climate change and natural hazards

- The sequential measures PA6 and PA7 aimed to improve the resilience of buildings, including houses, to climate and disaster risks, while PA8 and PA9 aimed to improve the resilience of public infrastructure, including roads, to climate and disaster risks. Samoa is highly exposed to natural hazards such as tropical cyclones, earthquakes, tsunamis, droughts, and floods. In September 2009, two large earthquakes and a tsunami in the southern Pacific Ocean adjacent to the Kermadec-Tonga subduction zone destroyed 20 villages on Upolu Island, killed 143 people, displaced 5,274 people, and caused damages worth 22 percent of GDP (World Bank, *Samoa Post-Disaster Risk Assessment Following the Earthquake and Tsunami of 29 September 2009*). Cyclone Evan in December 2012 destroyed physical assets across all sectors of the economy and caused damages and losses worth 28 percent of GDP (World Bank, *Samoa Post-Disaster Risk Assessment Cyclone Evan 2012*). Other recent events have also harmed Samoa, though their effects and impact have not been quantified in the same detail as those for the 2009 earthquakes and tsunami and for Cyclone Evan.
- **PA6** would require the Cabinet to approve the new National Building Code of 2017, which would entirely replace the National Building Code of 1992 and update construction standards (including for demolition, site preparation, and maintenance) and performance requirements for buildings, structures, and sites. The new Code would include two new sections that addressed environmental risks: the first on Climate Change Adaptation (Section H), and the second on Natural Disaster Resilience (Section J). The new sections would provide for standards, “deemed-to-satisfy provisions,” “acceptable solutions,” and performance requirements to adapt to rising air temperature, more intense rainfall, more frequent cyclones, increase in hailstorms, a rise in sea level, increase in humidity, decrease in humidity, and increase in deforestation. The adaptations would include, among others, appropriate placement of buildings on sites, earthworks that minimize the impacts of storm water, energy efficient building materials, renewable energy, passive solar design, green roofs, and designs that reduce greenhouse gas emissions. The relevance of PA6 is rated **satisfactory**.
- **PA7** would require the Cabinet to approve the Guidelines for the Application of the National Building Code. The Guidelines would govern the implementation of the new National Building Code for one-story residential housing, focusing on construction standards and performance requirements that served climate change adaptation and natural disaster resilience. To help strengthen enforcement (many structures in the past were constructed without building permits), the Ministry of Works, Transport, and Infrastructure would field inspectors at every construction site to verify conformity to building permits approved under the new law and its implementing regulations. The relevance of PA7 is rated **satisfactory**.
- **PA8** would have the Cabinet Development Committee approve the recommendations of the Vulnerability Assessment and Climate Resilient Roads Strategy, drafted earlier by the Land Transport Authority with support from the Enhancing the Resilience of the West Coast Road Project. The Strategy, which serves as a medium- to long-term framework for priorities, provides guidelines for road engineering standards and maintenance requirements, selects priority activities and investments



necessary to improve the resilience of the roads network to climate and disaster risks, particularly to storms and floods, and commits funds for an improved and cost-effective road maintenance regime. The Committee approval would ensure that the recommendations were backed by a whole-of-government commitment (the Ministry of Works, Transport and Infrastructure, the Ministry of Resources and Environment, and the Ministry of Finance, apart from the Land Transport Authority). A successor Bank operation, the Samoa Climate Resilient Transport Project, approved for 2019-2025, would finance the design and construction of key projects – the West Coast Road between Malua and Faleola, the East Coast Road, the Afega Bridge, and the Lano Ford Crossing. The project would also support updates to the Vulnerability Assessment and Climate Resilient Roads Strategy and other planning tools. The relevance of PA8 is rated **satisfactory**.

- **PA9** would have the Cabinet approve the Samoa Infrastructure Asset Management Strategy. The Strategy would improve the life-cycle management of public infrastructure and strengthen the resilience of public infrastructure to climate and disaster risks by supporting 12 infrastructure asset management “improvement initiatives”: (1) a management support contract for aviation infrastructure; (2) expansion of the computerized maintenance management system; (3) a health sector asset collection and lifecycle cost analysis; (4) a road condition monitoring and renewals program; (5) an asset valuation for roads and bridges; (6) a geographic information system (GIS) data consolidation and sharing platform; (7) a pipe renewals program for the Apia (the capital city) central business district; (8) implementation of water security and disaster resilience mitigation measures; (9) a review of heavy vehicle charges; (10) a recommendation for improvements to the road asset management system; (11) the preparation of an asset management plan for buildings; and (12) the capture of central business district assets for the GIS. The 12 initiatives were selected for the extent to which they advanced the priorities set in the National Infrastructure Strategic Plan and how they addressed key challenges faced by the infrastructure agencies in the face of climate and disaster risks. They would form the next generation of infrastructure asset management “improvement initiatives” following the completion of similar sub-projects under the Infrastructure Asset Management Project in 2006 and the Second Infrastructure Asset Management Project in 2014 (both were Bank projects). The Government would apply for financing from multilateral and bilateral donors to implement several of these “improvement initiatives.” The relevance of PA9 is rated **satisfactory**.
- **PA10**, an institutional capacity building measure, aimed to create a platform for the government and local communities to collaborate in identifying climate and disaster risks and implementing solutions that addressed these risks. The Cabinet would approve Community Integrated Management Plans (CIMPs) – compiling solutions to climate- and disaster-related risks in agriculture, water, infrastructure, and livelihoods – for the country’s 41 districts and have the Ministry of Natural Resources and Management publish and disseminate the Plans widely. The CIMPs update the old Coastal Infrastructure Management Plans prepared by the Infrastructure Asset Management Project for 15 districts and by Second Infrastructure Asset Management Project for 26 districts (both were Bank projects). The CIMPs feed recent data obtained from elevation maps, light detection and ranging (lidar) satellite systems, and flood models (many previously not available or dated) onto risk maps. Structured as five- to ten-year framework plans, the CIMPs offer solutions at the district and village levels to address the impacts of climate change – including coastal erosion from storm surge, saltwater intrusion into freshwater ponds, and inland floods into major river basins and coastal areas – on infrastructure, natural and biological resources, livelihood sources, and village governance structures. The CIMPs would be prepared at the local level by district and village representatives in collaboration with the Government, reviewed and approved at the national level by the Climate Resilience Steering Committee (of all ministers and heads of state-owned enterprises), and subsequently used to guide planning, development, and land use decisions by the local communities, the government, and other entities. The value of the CIMPs would depend on their actual use by



public and private planners and project developers: (a) at the local level – the participation of district and village representatives in the planning process provide reasonable assurance that they would apply to local projects; (b) at the national level – the review and approval of the plans by the Cabinet-level Climate Resilience Steering Committee provide a reasonable degree of commitment that the CIMP's would apply to national projects; and (c) for donor-assisted projects (for Bank projects at least) – the CIMP's will help inform investment choices made under the Pilot Program for Climate Resilience, the Adaptation Fund, and the Strategic Climate Fund, according to the Bank team. The relevance of PA10 is rated **satisfactory**. –

Objective 3 - To reduce Samoa's vulnerability to non-communicable diseases and to address shocks from health-related events.

- PA11 and PA12 aimed to discourage the consumption of alcohol, tobacco, and other unhealthy food products to help reduce the incidence of, and vulnerability of the population to, non-communicable diseases. Non-communicable diseases, including cardiovascular disease, diabetes, and chronic respiratory disease, posed a major threat to public health in Samoa, with the share of non-communicable diseases in the disease burden rising from 60 percent in 1990 to 73 percent in 2016, and the number of non-communicable disease-related deaths accounting for over half of all premature deaths. Although genetics is a factor, the top risk factors for these diseases are life-style related, and they include tobacco and alcohol consumption, high sugar and salt intake, high blood pressure, and a high body-mass index. By discouraging the consumption of alcohol, tobacco, and other unhealthy food products, these prior actions would help prevent and control non-communicable diseases.
- **PA11** would raise the excise taxes on alcohol and tobacco, following the proposition that “excise taxes on alcohol and tobacco may be used to attain public health objectives by reducing the consumption of products with adverse health and social impacts” (Bird, 2015, *Tobacco and Alcohol Excise Taxes for Improving Public Health and Revenue Outcomes – Marrying Sin and Virtue?*, World Bank Policy Research Working Paper 7500). The same justification applied to excise taxes on sugary food products and salty food products. Moreover, excise taxes would be raised successively over a period of three years rather than just once over, based on the principle that “increase in tax rates should be large and sustained enough to reduce consumption,” as “small and episodic increases in tax rates are unlikely to reduce consumption because demand for cigarettes is quite inelastic” (Bredenkamp et al, 2015, *Ten Principles of Effective Tobacco Tax Policy*, World Bank Health, Nutrition and Population Global Practice Knowledge Brief). The relevance of PA11 is rated **highly satisfactory**.
- **PA12** would have the Cabinet approve the Alcohol Control Bill of 2018 to contain alcohol consumption and abuse by strengthening regulations that govern the manufacture, importation, sale (including advertising and promotion), and consumption of alcohol (the Alcohol Control Bill was subsequently enacted by the Legislative Assembly of Samoa as the Alcohol Control Act of 2020, which also created the Alcohol Control Board to implement the new law). The legislation is comprehensive enough to cover all aspects of regulating alcohol supply, including provisions for enforcement by the Board, the Ministry for Revenue, and the Samoa Police Service. However, relative to an important objective of the Act “to reduce demand for and consumption of alcohol, and to minimize the harmful effects from the abuse of alcohol,” this prior action lacked a parallel measure on the demand side: an education campaign to strengthen the efficacy of this objective. The relevance of PA12 is rated **moderately satisfactory**.
- PA13 and PA14 consisted of measures to improve the procurement process and the inventory management system for pharmaceuticals. Many people living with non-communicable diseases struggle to gain access to the affordable quality medicines that they require. A Methodology for



Assessment of Procurement Systems (MAPS) review conducted in 2014 found weaknesses in Samoa's procurement practices, including that the Ministry of Health typically relied on ad hoc practices to order supplies. The Samoa National Non-Communicable Disease Cost Study of 2017 found that the National Health Services procured medicines for non-communicable diseases at three to six times the benchmark prices of the World Health Organization. An efficient procurement process and inventory system would improve access to these medicines at affordable prices. These measures would complement efforts to revitalize the country's primary health care system by fielding multidisciplinary teams (composed of primary care physicians, nurses, nutrition assistants, allied health workers, and members of Village Women's Committees) back to rural health care facilities. In recent years, Samoa had veered away from a strong primary health care system by pulling out doctors from rural health facilities (the country had 11 rural health facilities – 6 rural district hospitals and 5 community health centers) and assigning them to national referral hospitals (the country had two main hospitals – one in Apia and another on Savaii Island). The initiative aimed to reverse the previous policy with the goal of checking the rise of non-communicable diseases particularly in rural villages.

- **PA13** would have the government adopt a framework contract for negotiating the purchase of essential medicines. A framework agreement (also called blanket purchase agreement or master ordering agreement) is an arrangement between buyers and suppliers that provides the terms governing contracts to be established for a certain period of time, in particular with regard to prices, and where necessary, the quantity planned. A framework agreement, which may in advance include repetitive conditions, aims to provide an expeditious ordering of commonly used goods purchased on the basis of the lowest price (United Nations, *Trade Facilitation Implementation Guide*). According to the U.N. document, framework agreements offer several benefits: (a) they save on cost and time as they avoid the need to renegotiate standard terms and conditions; (b) for long-term purchases, they contribute to long-term relationships between buyers and sellers; (c) although the initial work is heavier than for a single contract, the downstream benefits outweigh these costs; and (d) buyers using framework agreements have achieved up to 10 percent year-on-year improvements in cost and time of procurement. The expectation was that the use by Samoa of framework agreements for pharmaceuticals would help improve the efficiency of the procurement process and thereby reduce the unit cost of essential medicines, benefitting especially poorer households which, more likely than not, utilized government rather than private pharmacy services. However, the benefit of this innovation may be lost if the "inefficiencies in government procurement systems, which are common in many low-income countries," persisted (Seiter et al, 2021, *How to Improve Medication Access for Chronic Illnesses*, World Bank Blogs). The relevance of PA13 is rated **moderately satisfactory**.
- **PA14** would institute an integrated and computerized inventory management control system for pharmaceuticals. Samoa previously operated a manual inventory system that frequently failed to keep track of basic data including medicine batch numbers and expiry dates. A Ministry of Health audit conducted for a concurrent Bank operation, the Samoa Health Strengthening Program, discovered that: (a) more than 50 percent of medicines were out of stock in health facilities; (b) rural district hospitals did not adequately monitor inventory; and (c) the centralized medicine supply system had no real-time link to the stock rooms at district hospitals. The measure would prevent stock-outs, reduce wastage, and ensure ready access to medicines. An integrated inventory system would also make the procurement process more efficient with readily available data about stocks and flows of medicines in the inventory. The expected efficiency gains from a computerized inventory management system were outlined in the Samoa National Non-Communicable Disease Cost Analysis Study of 2017. The relevance of PA14 is rated **moderately satisfactory**



Rating

Satisfactory

4. Relevance of Results Indicators

Rationale

Results Indicator	Associated Prior Action	Relevance Rating	Baseline	Target	Actual Value	Actual Change in Results Indicator Relative to Targeted Change, in Percent	Achievement Rating
Objective 1 - To strengthen Samoa's macroeconomic and financial resilience							
RI1 – Revenue buoyancy (domestic tax and nontax revenues, in percent of GDP)	PA1 PA2	Satisfactory	24.8 (FY12-FY16)	26 (FY18-FY21)	27.6 (FY18-FY21)	233	High
RI2 – Status of compliance with the FATF recommendations, as assessed by the July 2018 APG Follow-Up Report to the 2015 APG Mutual Evaluation Report	PA3 PA4	Satisfactory	“Enhanced follow-up (expedited)” (FY17)	“Enhanced follow-up” (FY19-FY21)	“Enhanced follow-up” (FY19-FY21)	100	High
RI3a – Number of registered security interests on movable collateral, increase in percent	PA5	Satisfactory	0 (FY17)	At least 5 (FY19)	70 (FY19)	100	High
RI3b – Number of registered security interests on movable collateral owned by women	PA5	Moderately Satisfactory	0 (FY17)	At least 5 (FY19)	105 (FY19)	100	High



or women-owned enterprises, increase in percent							
Objective 2 - To enhance Samoa's resilience to the effects of climate change and natural hazards							
RI4a – Number of building permits issued for single-story residential housing that complied with the National Building Code, proportion of total issued in percent	PA6 PA7	Satisfactory	0 (FY17)	10 (FY20-FY21, average)	100 (FY20-FY21, average)	1000	High
RI4b – Time taken to approve building permits for single story residential housing, reduction in percent from the baseline	PA6 PA7	Satisfactory	0 (FY17)	10 (FY20-FY21, average)	80 (FY20-FY21, average)	800	High
RI5 – Number of approved road designs informed by the Vulnerability Assessment and Climate Resilient Roads Strategy	PA8 PA9	Moderately Satisfactory	0 (FY17)	3 (FY19)	11 (FY20)	367	High
RI6 – Number of improvement initiatives identified in the Samoa Infrastructure Asset Management Strategy that were implemented	PA9	Satisfactory	0 (FY18)	2 (FY21)	3 (FY21)	150	High
RI7 – Number of Community Integrated Management Plans that were reviewed before June 2021 for	PA10	Moderately Satisfactory	0 (FY18)	14 (FY21)	41 (FY21)	293	High



approval by the Climate Resilience Steering Committee							
Objective 3 - To reduce Samoa's vulnerability to non-communicable diseases and to address shocks from health-related events.							
RI8a – Price of alcoholic beverages, tobacco, and narcotics (CPI index), increase in percent, compared to the price of food and non-alcoholic beverages (CPI index), increase in percent	PA11 PA12	Moderately Unsatisfactory		Greater than 5.7 (i.e., the increase in price of food and non-alcoholic beverages) (from June 2016 to June 2021)	21.9 (from June 2016 to June 2021)	100	Substantial
RI8b – Price of instant noodles, increase in percent, compared to the price of food and non-alcoholic beverages (CPI index), increase in percent	PA11 PA12	Moderately Unsatisfactory		Greater than 5.7 (i.e., the increase in price of food and non-alcoholic beverages) (from June 2016 to June 2021)	-4.5 (from June 2016 to June 2021)	0	Negligible
RI8c – Price of sweet biscuits, increase in percent, compared to the price of food and non-alcoholic beverages (CPI index), increase in percent	PA11 PA12	Moderately Unsatisfactory		Greater than 5.7 (i.e., the increase in price of food and non-alcoholic beverages) (from June 2016 to June 2021)	1.5 (from June 2016 to June 2021)	0	Negligible
RI9a – Tender prices for 220 select medicines at closing, compared to the	PA13 PA14	Moderately Unsatisfactory		Lower (2019 compared to 2016)	Lower for 50.5 percent of the 220 select medicines		Modest



prices in the baseline					(2019 compared to 2016)	
RI9b – Tender prices for 220 select medicines at closing, compared to the international benchmark prices reported by Management Sciences for Health	PA13 PA14	Moderately Unsatisfactory		Lower (2019 compared to 2016)	Lower for 85 percent of the 220 select medicines (2019 compared to the international benchmark in 2016)	Modest

Objective 1 - To strengthen Samoa's macroeconomic and financial resilience

- **RI1** – tax buoyancy or tax and nontax revenues in percent of GDP – was adequate to measure the impact of tax and nontax reform measures to raise the income tax threshold, remove several income tax exemptions, scrap income tax holidays, simplify the capital gains tax regime, facilitate the collection of capital gains taxes, eliminate the tourism tax credit scheme, and increase non-tax fees and charges. This results indicator would reflect the achievement of the objective to raise revenues and thereby strengthen macroeconomic resilience. The relevance of RI1 is rated **satisfactory**.
- **RI2** – compliance with FATF recommendations – was adequate to measure the impact of the adoption of the "Samoa Anti-Money Laundering and Counter Terrorist Financing National Strategy 2016-2020" and the passage of the Money Laundering Prevention Amendment Act of 2018. The Mutual Evaluation Report of Samoa, adopted by the Asia Pacific Group on Money Laundering (part of a global network of FATF-style regional anti-money laundering bodies) placed Samoa in September 2015 on an "enhanced follow up (expedited)" status – the baseline – based on the degree of the country's technical compliance with the Forty Recommendations of the Financial Action Task Force (the standard set of internationally accepted standards against money laundering the financing of terrorism). Technical compliance with each of the recommendations is rated on a four-point scale – compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC) – while follow-up status consists of three levels, "regular follow-up," "enhanced follow-up," and "enhanced follow-up (expedited)." A graduation in the follow-up status (i.e., from "enhanced follow-up (expedited)" to "enhanced follow-up," as targeted) would reflect improved compliance by Samoa with the international AML/CFT standards, which would strengthen financial resilience. The relevance of RI2 is rated **satisfactory**.
- **RI3a** – Registered security interests on movable collateral – was adequate to measure the impact of the implementation of the Personal Property Securities Act and launch of the Personal Properties Securities Registry. A second indicator, **RI3b** – registered security interests on movable collateral owned by women or women-owned enterprises – gave the metric a gender dimension. According to a study supported by the Asian Development Bank, only a third of Samoan women who applied for loans obtained loans, as they were less able to pledge security for their loans (no comparable data for men was cited). These results indicators would reflect the degree to which movable property was used as collateral for loans, thereby improving access to finance and strengthening financial resilience. A practical problem, however, arose with the measurement of the second indicator during implementation, because in many cases assets were registered in more than one name (e.g., husband and wife, or



siblings), making it difficult to disaggregate the registry data by gender. To address the problem, the Ministry of Commerce, Industry, and Labor adjusted the data such that assets with multiple owners were excluded from the computation of the gender ratios. The relevance of RI3a is rated **satisfactory**, while that of RI3b is rated **moderately satisfactory**.

Objective 2 - To enhance Samoa's resilience to the effects of climate change and natural hazards

- **RI4a** – number of building permits issued for single-story residential housing that complied with the National Building Code, in percent of total issued – was adequate to measure the impact of the approval of amendments to the National Building Code and the adoption of the Guidelines for the Application of the National Building Code, both of which aimed to modernize the building codes and standards in response to changing climate and natural disaster risks. A second indicator, **RI4b** – the time taken to approve building permits for single-story residential housing, reduction in percent from the baseline – would measure the efficiency by which these new rules were applied and enforced by the regulatory authorities. These results indicators would reflect the degree of compliance with the new building code, a high degree of which would enhance the resilience of buildings to climate and disaster risks, particularly of one-story residential buildings which comprised 90 percent of all residential buildings and were previously subject to less stringent engineering inspections and certifications than taller residential buildings. The relevance of RI4a and RI4b is rated **satisfactory**.
- **RI5** – number of approved road designs that were informed by the Vulnerability Assessment and Climate Resilient Roads Strategy – was adequate to measure the impact of the approval of the Vulnerability Assessment and Climate Resilient Roads Strategy, which aimed to improve the resilience of the road network to climate and disaster risks by upgrading their engineering standards and maintenance requirements. “Informed by” meant that the road designs considered the engineering standards set for storm surges, floods, droughts, and other extreme weather events. The results indicator would reflect the degree to which the road network would have been made more resilient to climate change and natural hazards, at least as far as road designs were concerned. The relevance of RI5 is rated **moderately satisfactory**.
- **RI6** – number of improvement initiatives identified in the Samoa Infrastructure Asset Management Strategy that were implemented – was adequate to measure the impact of the approval of the Samoa Infrastructure Asset Management Strategy, which aimed to improve the resilience of public infrastructure to climate and disaster risks by enhancing their life-cycle management. The next step following the approval of the Strategy would be the implementation of the 12 infrastructure asset management “improvement initiatives” that were advanced by the Strategy as national priorities. The results indicator would reflect the degree to which public infrastructure would have been made more resilient to climate change and natural hazards, following the objectives of Strategy. The relevance of RI6 is rated **satisfactory**.
- **RI7** – number of Community Integrated Management Plans (CIMPs) that were reviewed before June 2021 for approval by the Climate Resilience Steering Committee – was adequate to measure the impact of the publication of the CIMPs, which were five- to ten-year framework plans (blueprints) that aimed to strengthen the resilience of the districts and villages to the impacts of climate change and natural disasters. The purpose of the review was: (a) to ensure that the district-level CIMPs met national climate resilience objectives, and (b) to verify that ministry and state-owned enterprise programs under implementation conformed to the CIMP solutions. Because the Climate Resilience Steering Committee consisted of the heads of all government ministries and state-owned enterprises, the review and approval by the Committee give reasonable assurance that the ministries and state-owned enterprises would apply the CIMPs as framework plans for their own projects. This operation did not fund the implementation of any of the climate change and natural disaster solutions advanced by these five- to



ten-year framework plans. Hence, the indicator does not measure CIMP implementation. Information obtained after closing indicate that a new operation would support the implementation of select climate change and natural disaster risk projects, for which the Climate Resilience Steering Committee would subsequently monitor CIMP implementation. Because the results indicator required only the review, and not the approval, of the CIMPs by the Climate Resilience Steering Committee, the indicator is weaker than it might have been. The relevance of RI7 is rated **moderately satisfactory**.

Objective 3 - To reduce Samoa's vulnerability to non-communicable diseases and to address shocks from health-related events.

- **RI8a** – the relative price increase of "Alcoholic beverages, tobacco, and narcotics" (i.e., relative to the price increase of "Food and non-alcoholic beverages"), **RI8b** – the relative price increase of instant noodles (i.e., a salty food product), and **RI8c** – the relative price increase of biscuits (i.e. a sugary food product) had shortcomings: (a) the excise taxes supported by the associated prior action (annual increases in excises on tobacco of 5 percent and alcoholic and sweetened beverages of 3 percent over three years and the introduction of excise taxes on salty and sugary food products in the Excise Tax Rates Amendment Act of 2016) could not be the sole drivers of the results indicators. For example, world sugar prices, which dropped 22.3 percent in 2017 (baseline) but rose 21.9 percent in 2021 (closing), would have affected biscuit prices independently, apart from the effects of the new excise taxes on sugary food products; (b) the decline in the price of instant noodles at implementation, notwithstanding the introduction of excise taxes on salty food products (PA1-5), also illustrates this point; and (c) more importantly, the more relevant outcome, the reduced consumption of these unhealthy food products, is not measured at all. The relevance of RI8a, RI8b, and RI8c is rated **moderately unsatisfactory**. The Bank acknowledged that attribution was an issue for these price related results indicators. The indicators, however, were still used given the absence of relevant data for optional indicators and considering capacity constraints in Samoa. To monitor consumption behavior, a series of analysis would have been required, which the Bank had planned and had worked on in collaboration with the Government, including: (a) a landscape study on the prices of the products and the policy roadmap of the Government; (b) a baseline survey on the consumption before the introduction of taxation; and (c) an end line survey after the introduction of taxation. The Bank health team accomplished the first and second and was due to conduct the third, except that the process was delayed because of extraneous factors, including the COVID-19 pandemic. Considering this, a more practical results indicator was chosen, which was available relatively easily. It demonstrated the expected outcome to some extent, although the attribution was weak.
- **RI9** – "unit price of select medicines declines relative to benchmarks" – had three shortcomings: (a) it was poorly defined and poorly worded. The Program Documents for the two operations did not define "select medicines" or "unit price," and did not quantify the target for a "decline relative to benchmarks"; (b) the associated prior actions (the approval of framework contracts for the procurement of pharmaceuticals and the introduction of an integrated and computerized inventory management system for pharmaceuticals) would not be the sole drivers of the results indicator. Samoa imported all medicines and was a price taker in the international drug market, where other factors could either reinforce or countervail price trends; and (c) the indicator would be difficult to measure at implementation. The ICR attempted to address these issues at closing: (a) "select medicines" were defined as 220 essential medicines in the Ministry of Health's drug monitoring list; (b) by "unit price," the ICR counted the number of medicines (proportion of the 220) for which individual tender prices (i.e., prices after the introduction of the framework contract arrangement) were lower than the benchmarks, rather than computing some composite price (e.g., the group average); and (c) there were two benchmarks and hence two results indicators and targets, **RI9a** – the tender prices at closing were lower



than the prices in 2016, and **RI9b** – the tender prices at closing were lower than the international prices reported by the Management Sciences for Health in its International Drug Price Indicator in 2016. (The Management Sciences for Health is a U.S.-headquartered non-governmental organization that aims to expand access to medicines and health care services in 150 countries). Primarily because of the attribution issue, the relevance of RI9a and RI9b is rated **moderately unsatisfactory**. The Bank acknowledged that attribution was an issue for these price related results indicators. The indicators, however, were still used given the absence of relevant data for optional indicators and considering capacity constraints in Samoa.

Rating

Moderately Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To strengthen Samoa's macroeconomic and financial resilience.

Rationale

The program met or exceeded the targets for all four results indicators, all of which were relevant measures of the objective to strengthen Samoa's macroeconomic and financial resilience:

- **RI1** - Revenue buoyancy, measured as domestic tax and nontax revenues in percent of GDP, increased from 24.8 percent of GDP in the baseline (average in FY12-FY16) to 27.6 percent of GDP by closing (average in FY18-FY21), exceeding the target for an increase to 26 percent of GDP (average in FY18-FY21). The degree of achievement of the target is rated **high**.
- **RI2** - Samoa's status on compliance with the Forty Recommendations of the Financial Action Task Force improved from "enhanced follow-up (expedited)" in FY17 to "enhanced follow-up" in FY19-FY21, achieving the target that the status be maintained at "enhanced follow-up (expedited)" or improved to "enhanced follow-up." Samoa's "enhanced follow-up (expedited)" status in the baseline was based on the following ratings: compliant on 5 of the 40 recommendations, largely compliant on 11, partially compliant on 22, and non-compliant on 2, according to the *Samoa Mutual Evaluation Report* published by the Asia Pacific Group on Money Laundering in September 2015. The "enhanced follow-up" status at closing was based on the following ratings: compliant on 5 of the 40 recommendations, largely compliant on 15, partially compliant on 18, and non-compliant on 2, according to the *Third Follow-Up Report – Mutual Evaluation of Samoa* published by the Asia Pacific Group on Money Laundering in September 2018. The four recommendations for which Samoa was now rated as largely compliant (from partially compliant previously) included: Recommendation 2 - National cooperation and coordination; Recommendation 3 - Money laundering offense; Recommendation 5 - Terrorist financing offense; and Recommendation 10 - Customer due diligence. Samoa remained non-compliant in 2018 as in 2015 on two recommendations:



Recommendation 7 - Targeted financial sanctions related to proliferation, and Recommendation 19 - Higher-risk countries. The degree of achievement of the target is rated **high**.

- **RI3a** - Total registered security interests on movable collateral (excluding transitional filings) increased by 70 percent, from 596 in FY18 to 1,014 in FY19, meeting the target for an increase of at least 5 percent. The degree of achievement of the target is rated **high**. **RI3b**, registered security interests on movable collateral owned by women or women-owned enterprises, increased by 105 percent, from 199 in FY18 to 408 in FY19, meeting the target for an increase of at least 5 percent. More recent data indicate that total registered security interests on movable collateral increased further to 3,457 in FY22, and security interests on movable collateral owned by women or women-owned enterprises to 1,329 in FY22. The degree of achievement of the target is rated **high**

Rating

Highly Satisfactory

OBJECTIVE 2

Objective

To enhance Samoa's resilience to the effects of climate change and natural hazards.

Rationale

The program exceeded the targets for all five results indicators, all of which were relevant measures of the objective to enhance Samoa's resilience to the effects of climate change and natural hazards.

- **RI4a** – The proportion of building permits issued for single story residential housing that complied with the National Building Code was 100 percent on average in FY20-FY21, exceeding the target of 10 percent. The degree of achievement of the target is rated **high**. **RI4b**, the time taken to approve building permits for single story residential housing, was reduced by 80 percent on average in FY20-FY21, exceeding the target of 10 percent. The degree of achievement of the target is rated **high**.
- **RI5** – The number of approved road designs that were informed by the Vulnerability Assessment and Climate Resilient Roads Strategy increased from zero in FY17 to 11 in FY20, exceeding the target of 3. More recent data indicate that the number of approved road designs informed by the Vulnerability Assessment and Climate Resilient Roads Strategy was 22 in FY22. The degree of achievement of the target is rated **high**.
- **RI6** – The number of improvement initiatives identified in the Samoa Infrastructure Asset Management Strategy that were implemented increased from zero in FY18 to three in FY21, exceeding the target of two. Of the 12 improvement initiatives in the Samoa Infrastructure Asset Management Strategy, the following were implemented: (a) management support contract for aviation infrastructure (made part of the Apia airport contract); (b) asset valuation for roads and bridges (expected to produce a revised maintenance regime for roads and bridges), and (c) review of heavy vehicle charges (supported by a Bank investment project). Additionally, procurement to implement a fourth initiative – recommendations for improvements to the road asset management system – was underway. The degree of achievement of the target is rated **high**.



- **RI7** – The number of Community Integrated Management Plans that were reviewed and approved by the Climate Resilience Steering Committee was 41 by FY21. The achievement exceeded the target in two parts: (a) while the target was for the review of the Community Integrated Management Plans before June 2021 for approval by the Climate Resilience Steering Committee, the Climate Resilience Committee actually reviewed and approved the Community Integrated Management Plans, and (b) the target was for at least 14 districts, the Climate Resilience Committee actually reviewed and approved the Community Integrated Management Plans for all 41 districts. The degree of achievement of the target is rated **high**.

Rating

Highly Satisfactory

OBJECTIVE 3

Objective

To reduce Samoa's vulnerability to non-communicable diseases and to address shocks from health-related events.

Rationale

The program met the targets for only two of the five results indicators, and the other three results indicators were not relevant measures of the objective to reduce Samoa's vulnerability to non-communicable diseases. The Cat DDO was drawn down for two health-related shocks. The Financing Agreement did not require separate prior actions or results indicators solely for the Cat DDO. The information relayed in this ICR Review about the Cat DDO was not derived from the ICR but obtained from the Bank team post-closing and is reported with the explicit recognition that the budget support payment did not require the government to account for how the money was spent.

- **RI8a** – The price of alcoholic beverages, tobacco, and narcotics rose 21.9 percent from June 2016 to June 2021, meeting the target for an increase of at least 5.7 percent (i.e., the increase in the price of food and non-alcoholic beverages from June 2016 to June 2021). The degree of achievement of the target is rated **substantial** because of attribution problems (see Section 4). **RI8b**, the price of instant noodles, declined by 4.5 percent from June 2016 to June 2021, failing to meet the target for an increase of at least 5.7 percent. The degree of achievement of the target is rated **negligible**. **RI8c**, the price of biscuits, rose by 1.5 percent from June 2016 to June 2021, failing to meet the target for an increase of at least 5.7 percent. The degree of achievement of the target is rated **negligible**.
- **RI9a** – The tender prices for 50.5 percent of 220 essential medicines declined in 2019 from 2016 (before the framework contract arrangement was introduced), substantially meeting the target that the tender prices be lower in FY18-FY20 (annual average) than in FY17. The degree of achievement of the target is rated **modest**. **RI9b**, the tender prices for 85 percent of 220 essential medicines, were lower in 2019 than the benchmark prices (listed in the International Drug Price Indicator published by Management Sciences for Health) in 2016 (after adjustment from the 2014 data), substantially meeting the target that the tender prices be lower in FY19-FY20 than the international reference prices in FY17. The degree of achievement of the target is rated **modest**.



- **Cat DDO - Measles Outbreak:** US\$3.5 million of the US\$8.7 million Cat DDO contingency financing was drawn in December 2019 to support the government emergency response to the measles outbreak at the end of 2019. There were more than 4,600 confirmed measles cases in December 2019. The Bank team disclosed the following information. (1) The Cat DDO emergency funding helped the government update the cold chain equipment used for vaccine storage, train workers for the measles, mumps, and rubella (MMR1 and MMR2) vaccination drive, catch up on the vaccination of 3-21-year-olds, and expand vaccination to cover 1-2-year-olds. (2) The mass vaccination campaign helped contain the measles outbreak and limit the number of deaths to 80. (3) The government also mobilized non-Bank resources to help address the measles outbreak. The Asian Development Bank financed a project to enhance cold chain facilities for vaccination. Australia and New Zealand fielded doctors and nurses to Samoa to support the vaccination effort. (4) Following the Cat DDO funding, the Bank approved a US\$9.3 million IDA grant in December 2019 for the Samoa Health System Strengthening Program, a Program-for-Results operation for 2020-2025 that aims to improve the quality and efficiency of the health system, including the ability to prevent the outbreak of communicable diseases such as measles and to stem the rise of non-communicable diseases.
- **Cat DDO - COVID-19 Pandemic:** US\$5.1 million of the US\$8.7 million Cat DDO contingency financing was drawn in March 2020 to support the government's response to the COVID-19 pandemic. There were as yet no confirmed COVID-19 cases in March 2020, but a "State of Emergency" had been activated across the country. The Bank team disclosed the following information. (1) The Cat DDO emergency funding helped the government purchase personal protective equipment, assemble border control and testing stations, organize and equip negative pressure hospital wards, build and prepare quarantine facilities, and conduct a public health awareness campaign to warn of the risks of COVID-19. The emergency funding also helped the government launch a fiscal stimulus package including one-time pension payments, unemployment subsidies, paid training for hospitality workers, reduction in electricity and water bill payments for the poor and the elderly, and benefits for frontline health workers. (2) The public health measures helped the government achieve mass vaccination that limited the number of deaths to 29 (unchanged from June 2022). The economic measures meanwhile benefitted the vulnerable. (3) Following the Cat DDO funding, the Bank approved another US\$3.4 million in April 2020 for the COVID-19 response, delivered through a dedicated emergency health project and from the Contingency Emergency Response Component of the Samoa-Pacific Resilience Project under the Pacific Resilience Program. The funds were used for laboratory equipment, testing kits, cartridges, x-ray machines for early detection, and essential personal protective equipment for health workers. The funds also: supported community engagement and outreach efforts; provided training for health workers in case detection, outbreak investigation, contact tracing, and monitoring; and supported the surveillance system and helped conduct a joint external review. (4) The government was able to mobilize non-Bank resources to respond to the COVID-19 pandemic, including a US\$20 million grant from the Asian Development Bank, US\$15 million assistance from Australia, and various in-kind support (vaccines, medical equipment, personal protective equipment) from China, Japan, Australia, and New Zealand.

Rating

Moderately Unsatisfactory



Overall Achievement of Objectives (Efficacy)

Rationale

Achievement of the first objective to strengthen Samoa's macroeconomic and financial resilience is rated highly satisfactory. Achievement of the second objective to enhance Samoa's resilience to the effects of climate change and natural hazards is rated highly satisfactory. Achievement of the third objective to reduce Samoa's vulnerability to non-communicable diseases and to address shocks from health-related events is rated moderately unsatisfactory. Overall efficacy is rated satisfactory.

Overall Efficacy Rating

Satisfactory

6. Outcome

Rationale

The relevance of prior actions is rated satisfactory. Efficacy is rated satisfactory. Outcome is therefore rated satisfactory.

a. Rating

Satisfactory

7. Risk to Development Outcome

The risks to the sustainability of the development outcomes of this series are substantial.

Macroeconomic Risk. After three consecutive years of economic contraction from 2020-2022, another economic downturn or even anemic economic growth will pose risks to Samoa maintaining the ratios of tax and non-tax revenue to GDP that it has attained under this project and under previous efforts at fiscal consolidation. Forecasts are for a fiscal deficit of 2.9 percent of GDP in 2023 and 2.8 percent of GDP in both 2024 and 2025 (World Bank, *Macro Poverty Outlook – East Asia and the Pacific*, April 2023) as the larger than expected economic contraction in 2022 (-6 percent after -7.1 percent in 2021) “will weigh on the pace of economic recovery going forward.”

Institutional Capacity Risk. Implementing the new legislation that was enacted and the new policies that were adopted under this series will continue to pose institutional capacity risks to the authorities in the near to medium term. The ability of the Ministry of Works, Transport, and Infrastructure inspectors to verify compliance with building permits will determine the integrity of the new National Building Code even as the results indicators



show a 100 percent adherence of newly issued housing permits to the Code standards. The capacity of the Ministry of Health to enter into proper framework contracts for pharmaceuticals and to efficiently operate a computerized medical supply inventory system will test the efficacy of the new procurement and inventory systems which have been adopted under this project. The ability not only of the Central Bank of Samoa but more importantly of financial institutions to follow AML/CFT rules will determine the sustainability of the Money Laundering Prevention Amendment Act of 2018 which was enacted with the support of this project. Continuing technical assistance by international agencies to the government will remain important, especially through successor projects and in the context of policy and budget support provided by donors to Samoa under the Joint Policy Action Matrix.

Political Risk.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

Analytical Foundations..

- Measures to strengthen macroeconomic and financial resilience were underpinned by: (a) the government's *Revenue Review Report* (2017), which conducted an independent review of the tax regime and recommended measures to strengthen the revenue base, and *Strengthening the Capital Gains Tax in Samoa Report* (2018), which identified options to maximize the potential of the capital gains tax; (b) the Asia Pacific Group's *Mutual Evaluation Report on Samoa* (2015), which evaluated compliance with the Forty Recommendations of the Financial Action Task Force; (c) the International Monetary Fund's *Staff Report for the Samoa 2017 Article IV Consultation* and *Staff Report for the Samoa 2018 Article IV Consultation*, which highlighted the risks posed by poor compliance to international money laundering standards to remittance flows; (d) the Asian Development Bank's *Unlocking Finance for Growth – Secured Transactions Reform in the Pacific Island Economies* (2014), which advocated for reforms to the secured transactions framework to enable borrowers to pledge movable property as collateral for loans, as these reforms could “transform access to credit for individuals and firms”; and (e) the Asian Development Bank's *Reform Renewed - A Private Sector Assessment for Samoa* (2015), which recommended measures to improve the legal framework for lending, especially for small enterprises and for enterprises owned by women, including by enabling borrowers to pledge movable property as loan collateral, which was particularly important in an economy where only 20 percent of land was registered (and hence eligible as loan collateral).
- Measures to increase resilience to the effects of climate change and natural disasters were informed by: (a) the government's *Samoa Post-Disaster Needs Assessment - Cyclone Evan* (2013), which concluded that extensive damage to the housing stock could be reduced if builders and homeowners complied with building codes; (b) the international consulting firm SMEC's *Vulnerability Assessment of the Samoa Road Network - Final Report* (2017), which assessed the road network in Samoa and recommended priority investments, maintenance regimes, and minimum engineering standards for climate resilience; and (c) the Bank's *Economics of Adaptation to Climate Change - Samoa* (2010), which recommended the review and updating of coastal integrated management plans.



- Measures to reduce vulnerability to non-communicable diseases were informed by: (a) the Pacific Islands Forum Secretariat's *NCD Roadmap Report (2014)*, which recommended increases in taxes for alcohol, tobacco, sugary foods, and salty foods to curb the incidence of non-communicable diseases in the Pacific Island countries; (b) the Samoa Law Reform Commission's *Alcohol Reform Report (2016)*, which recommended measures to address the rise in alcohol-related violence; (c) the government's *Samoa National Non-Communicable Disease Cost Analysis Study (2017)*, which outlined potential efficiency gains from reforms to medicine procurement; and (d) the government's *Terms of Reference for a Modernized Pharmaceutical Inventory Control Management System (2018)*, which detailed the operations of a new inventory management system for pharmaceuticals.

Donor Coordination. The Bank aligned the prior actions supported by this series with the reforms contained in the Joint Policy Action Matrix, developed by the Bank, the Government of Australia, the Government of New Zealand, and the Asian Development Bank together with the government (led by the Ministry of Finance) as the basis for budget support to Samoa. The Bank and the donors used the Joint Policy Action Matrix as the mechanism for coordinating policy support and technical assistance to Samoa and avoiding duplication among their country assistance programs.

Operational Risks and Mitigation Measures. The Bank judged the operational risk to the project to be moderate overall, though it assessed two constituent risks to be substantial: macroeconomic risk and institutional capacity risk. A reversal of fiscal consolidation efforts, slippage with the medium-term debt strategy, and debt distress owing to natural disasters posed substantial macroeconomic risks. Sustaining fiscal reforms supported by previous development policy operations, in addition to the implementation of the resilience measures advanced by this series, would help mitigate these risks. Considering that other ministries apart from the Ministry of Finance were to implement reform measures supported by this series, the relatively poorer institutional capacity of these agencies posed substantial risks to the implementation of the program. Continuing technical assistance by the donors to the line ministries under the Joint Policy Action Matrix would help mitigate these risks.

Rating

Satisfactory

b. Bank Performance – Implementation

Rationale

Supervision. According to the ICR, with institutional capacity constraints posing a substantial operational risk to the program, the Bank actively helped the government to implement all of the program reforms. However, there were some shortcomings with the Bank's supervision. Implementation Status and Results Reports (ISRs) were lacking. According to the *Bank Guidance - Implementation Completion and Results Report (ICR) for Development Policy Financing (DPF)*, ISRs are necessary for programmatic operations if the time between the last operation's Board date (the first operation was approved in October 2017) and next operation's Board date (the second operation was approved in November 2019) exceeds 12 months. ISRs would have helped with progress reporting and review, according to the ICR. Also, the results indicator RI9, "unit price of select medicines declines relative to benchmarks," remained poorly defined and difficult to measure (see Section 4).



Adaptation – Indicative Triggers. The Bank translated the indicative triggers drawn at the appraisal of the first operation to more concrete prior actions for the second operation. More importantly, the Bank revised proposals which proved to be impractical. For example, the Bank dropped the proposed prior action for Samoa to establish a credit bureau to provide comprehensive information on all borrowers. Instead, the Bank discussed with the Asian Development Bank an alternative for a credit bureau that would service Samoa but that would be part of a regional arrangement. The proposed Samoa First Resilience and Recovery Development Policy Operation is exploring this option among other institutional and governance arrangements for a credit information system.

Adaptation – Cat DDO. The Cat DDO was introduced in the second operation to help the government address a natural disaster that might occur during the program period. The contingency financing was initially aligned with the second objective, to enhance resilience to the effects of climate change and natural hazards. At implementation, the Bank agreed with a government application to use the Cat DDO to help address health-related events: the measles outbreak in 2019 and the COVID-19 pandemic in 2020. The change was related to an expanded version of the third objective, while remaining consistent with the permitted uses of a Cat DDO, "to address shocks related to natural disasters and/or health-related events" (World Bank, 2018, *Product Note - IDA Catastrophe Drawdown Option*).

Rating

Satisfactory

c. Overall Bank Performance

Rationale

Performance at design is rated satisfactory. Performance at implementation is rated satisfactory. Overall Bank Performance is therefore rated satisfactory.

Overall Bank Performance Rating

Satisfactory

9. Other Impacts

a. Social and Poverty

The ICR argues that many of the reforms supported by this series benefitted the poor in Samoa, where the incidence of poverty was a high 20.3 percent of the population in FY13/14 and would have likely risen since.

- Revenue reforms under the first program objective helped the government continue to consolidate public finances and build fiscal buffers, with the fiscal space enabling the authorities to roll out various support measures to vulnerable households during the COVID-19 pandemic. About a third of the 3.1 percent-of-GDP fiscal stimulus in FY20 and three quarters of the 4.1 percent-of-GDP fiscal stimulus in FY21



were allocated to vulnerable households. The support measures included: (a) temporary reductions in rent and utility bills; (b) a one-off top-up to all beneficiaries of the existing senior citizen's pension scheme (this was permanently increased in the FY21 stimulus package); (c) grace periods for loan repayments; (d) dividend payouts by the National Provident Fund; (e) unemployment subsidies; (f) subsidies to market vendors; (g) paid training for hospitality sector workers; and (h) other direct assistance to vulnerable communities and groups.

- The increase in the income tax threshold benefitted the lowest income households. Analysis in the Revenue Review showed that raising the income tax threshold from WST 12,000 to WST 15,000 benefitted an additional 1,852 lower-paid employees (the average savings was WST 300 per employee per annum), taking the number of workers in formal employment who were exempt from the income tax to an estimated 14,199.
- The reforms to reduce the vulnerability of the financial sector to the withdrawal of correspondent banking services by global banks helped maintain access by households to remittances, especially benefitting poor and vulnerable households. The Household Income and Expenditure Survey of 2013/14 showed that remittances accounted for a higher share of the income of the poorest quintile than for the overall population. As remittance inflows rose from 18.5 percent of GDP in FY16 to 34 percent of GDP in FY22, the AML/CFT reforms helped address the concerns of correspondent banks and maintain remittance services to households.

b. Environmental

According to the ICR, the prior actions supported under the first and third program objectives did not create any negative impacts on Samoa's environment, natural resources, or forests.

c. Gender

The ICR reported that registered security interests on movable collateral owned by women or women-owned enterprises increased 105 percent, from 199 in FY18 to 408 in FY19, meeting the target for an increase of at least 5 percent (see Section 5 - Objective 1). The target was associated with the passage of the Personal Property Securities Act and the implementation of the Personal Properties Securities Registry, which aimed to improve access to finance by allowing movable property to be used as collateral for loans.

d. Other

10. Quality of ICR

Rationale



Consistency with Guidelines. The ICR is consistent with OPCS guidelines on ICRs for development financing operations and includes sections on the relevance of prior actions and the relevance of results indicators.

Conciseness. The account of the project’s performance is well informed and concisely presented.

Results Orientation. The efficacy assessment is outcome-oriented and based on the degree of achievement of the results targets.

Quality of Evidence. The ICR presents ample evidence to support its assessment of the Bank’s performance at design and during implementation.

Quality of Analysis. The assessment of the efficacy of the program is candid and evidence-based.

Lessons. The ICR draws lessons that would be valuable to reform programs that address risks across a range of sectors, require impactful decisions by the government, and are difficult to implement with the limited institutional capacity of implementing agencies.

a. Rating

Substantial

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Relevance of Results Indicators	---	Moderately Satisfactory	
Quality of ICR	---	Substantial	

12. Lessons

Four lessons are drawn from the ICR, with some adaptation.

The combination of a development policy operation and a disaster risk management development policy operation with catastrophe deferred drawdown option offers several advantages to achieving a resilience objective. In this pioneering hybrid series, the Cat DDO provided Samoa with a substantial quick-disbursing financing in the immediate aftermath of two health-related shocks, the measles outbreak in 2019 and the COVID-19 pandemic in 2020. Meanwhile, the development policy operation supported the government's efforts to reduce vulnerability to health risks posed by non-communicable diseases. The prior actions for the health sector program component and the contingency financing for health-related shocks were complementary measures to achieve the third program objective. With the hybrid format, the government had to work on only one set of prior actions (the Financing Agreement for the Cat DDO used the prior actions of the



second operation) and fulfill one set of reporting requirements. Moreover, the standard three-year drawdown period for the Cat DDO effectively gave the government additional time to produce the results associated with the prior actions (the target dates for the results indicators were shifted from FY18-19 to FY21).

While they have to be pitched to the institutional capacity of the implementing government, the prior actions need to be sufficiently impactful to merit the size of the budget support provided by the development policy operation. In this programmatic series, Samoa approved or enacted major legislation – the Income Tax Amendment Act of 2017, the Money Laundering Prevention Amendment Act of 2018, the new National Building Code of 2017, the Excise Tax Rates Amendment Act of 2016, and the Alcohol Control Bill – to advance the program objectives to strengthen macroeconomic and financial resilience, enhance resilience to the effects of climate change and natural hazards, and reduce vulnerability to non-communicable diseases and address shocks from health-related events. The government also adopted significant national strategies – "Strengthening the Capital Gains Tax in Samoa," the Samoa Anti-Money Laundering and Counter Terrorist Financing National Strategy 2016-2020, the Vulnerability Assessment and Climate Resilient Roads Strategy, and the Samoa Infrastructure Asset Management Strategy – in pursuit of the program objectives. Less substantive measures would have been weakly rather than robustly aligned with the program objectives.

Building institutional capacity is equally important as passing new laws and drafting comprehensive development strategies in countries where capacity is weak. This often requires continuing assistance by donors for institutional development activities. In this operation, a successor Bank project, the Climate Resilient Transport Project, will help update the Vulnerability Assessment and Climate Resilient Roads Strategy and other planning tools over 2019-2025. The Samoa Health System Strengthening Program will help build capacity at the Ministry of Health, district hospitals, and health facilities to implement the National Non-Communicable Disease Program over 2020-2026. The proposed Samoa First Recovery and Resilience Development Policy Operation will help build capacity at financial institutions to implement Samoa Anti-Money Laundering and Counter Terrorist Financing National Strategy.

Results indicators that are precise and well understood by the government allow for an effective and efficient reporting of implementation progress and program outcomes. In this series, the results indicator RI9 – “unit price of select medicines declines relative to benchmarks” was poorly defined at appraisal and remained difficult to measure at implementation. The ICR recommends drawing up a complete list of results indicators and their associated prior actions, definitions, data sources, and reporting parties at appraisal, including the information in the Program Document, and obtaining a statement from the authorities and reporting parties that they understood the indicators and reporting requirements. The preparation of an Implementation Status and Results Report, which was required for this programmatic series with 12-month interval between Board dates, would have helped remedy the problem early at implementation.

13. Project Performance Assessment Report (PPAR) Recommended?

No