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Report No: PADHI00383

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 15.6 MILLION
(US\$21 MILLION EQUIVALENT)

TO THE

INDEPENDENT STATE OF SAMOA

FOR A

SAMOA FINANCE SECTOR RESILIENCE AND DEVELOPMENT PROJECT

SEPTEMBER 26, 2024

Finance, Competitiveness and Innovation
East Asia and Pacific

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CURRENCY EQUIVALENTS

(Exchange Rate Effective July 1, 2024)

Currency Unit = Samoan Tala (SAT)

SAT 2.73 = US\$1

US\$1.326650 = SDR 1

FISCAL YEAR

July 1 - June 30

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ABBREVIATIONS AND ACRONYMS

ACMD	Aid Coordination and Management Division
AM	Accountability Mechanism
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
ATS	Automated Transfer System
AWPB	Annual Work Plan and Budget
BIS	Bank of International Settlements
CBS	Central Bank of Samoa
CBR	Correspondent Banking Relationship
CDD	Customer Due Diligence
CRVS	Civil Registration and Vital Statistics
CRS	Civil Registration System
CTSSU	Centralized Technical Services Support Unit
DA	Designated Account
DCRSP	Digitally Connected and Resilient Samoa Project
DFS	Digital Financial Services
E&S	Environmental and Social
EAP	East Asia and Pacific
E-KYC	Electronic Know Your Customer
FM	Financial Management
FMIS	Financial Management Information System
FSAC	Finance Sector Advisory Committee
FSCD	Finance Sector Coordination Division
GDP	Gross Domestic Product
GoS	Government of Samoa
GRS	Grievance Redress Service
IA	Implementing Agency
ICT	Information and Communication Technology
IFC	International Finance Corporation
IFR	Interim Financial Report
IMF	International Monetary Fund
IPF	Investment Project Financing
KYC	Know Your Customer
M&E	Monitoring and Evaluation
MCIT	Ministry of Communications and Information Technology
MCR	Ministry of Customs and Revenue
MOF	Ministry of Finance
MTO	Money Transfer Operator
NAPA	National Adaptation Programme of Action
NDC	Nationally Determined Contribution
NDID	National Digital ID
NDIDS	National Digital Identification System
NFIS	National Financial Inclusion Strategy
NGO	Nongovernmental Organization

NPL	Non-Performing Loan
PDO	Project Development Objective
PDS	Pathway for the Development of Samoa
PFMA	Public Finance Management Act
PFI	Public Financial Institution
PICs	Pacific Island Countries
POM	Project Operations Manual
PPSD	Project Procurement Strategy for Development
RPF	Regional Partnership Framework
SBS	Samoa Bureau of Statistics
SDIN	Samoa Digital ID Number
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SIDS	Small Island Developing State(s)
STEP	Systematic Tracking of Exchanges in Procurement
TI	Treasury Instructions
UNCDF	United Nations Capital Development Fund



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DATASHEET

BASIC INFORMATION

Project Beneficiary(ies) Samoa	Operation Name Samoa Finance Sector Resilience and Development Project		
Operation ID P181456	Financing Instrument Investment Project Financing (IPF)	Environmental and Social Risk Classification Low	

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input checked="" type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date 18-Oct-2024	Expected Closing Date 17-Dec-2029
Bank/IFC Collaboration No	

Proposed Development Objective(s)

To enhance Samoa’s financial supervisory and national payment and identification systems for resilience

Components

Component Name	Cost (US\$)
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Financial Supervisory and National Payment Systems	6,000,000.00
National Identification Systems	12,000,000.00
Project Management	3,000,000.00

Organizations

Borrower: Independent State of Samoa

Implementing Agency: Central Bank of Samoa

Contact: Margaret Chan-Cheuk Tafunai

Title: Assistant Governor

Telephone No: 68534100

Email: margaret.tafunai@cbs.gov.ws

Implementing Agency: Ministry of Finance

Contact: Ma. Sa'oletiti Maeva Natacha Betham-Vaai

Title: Chief Executive Officer

Telephone No: 68534333

Email: Maeva.BethamVaai@mof.gov.ws

Implementing Agency: Samoa Bureau of Statistics

Contact: Leota Aliielua Salani

Title: Government Statistician

Telephone No: 68562000

Email: aliielua.salani@sbs.gov.ws

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY



Total Operation Cost	21.00
Total Financing	21.00
of which IBRD/IDA	21.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	21.00
IDA Grant	21.00

IDA Resources (US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
National Performance-Based Allocations (PBA)	0.00	21.00	0.00	0.00	21.00
Total	0.00	21.00	0.00	0.00	21.00

Expected Disbursements (US\$, Millions)

WB Fiscal Year	2025	2026	2027	2028	2029	2030
Annual	1.32	6.50	7.18	4.55	0.80	0.65
Cumulative	1.32	7.82	15.00	19.55	20.35	21.00

PRACTICE AREA(S)**Practice Area (Lead)**

Finance, Competitiveness and Innovation

Contributing Practice Areas

Digital Development

CLIMATE



Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Low
8. Stakeholders	● Moderate
9. Overall	● Substantial

POLICY COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No

ENVIRONMENTAL AND SOCIAL

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant



ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant
ESS 4: Community Health and Safety	Not Currently Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8: Cultural Heritage	Not Currently Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

LEGAL

Legal Covenants

Sections and Description

The Recipient shall prepare and adopt, and cause CBS to adopt, by no later than one (1) month after the Effective Date (or such other date as may be agreed with the Association), and thereafter maintain throughout the Project implementation period, an operations manual in form and substance satisfactory to the Association, containing detailed arrangements and procedures for implementation of the Project. [Section I.C.1 of Schedule 2 to the Financing Agreement]

The Recipient shall carry out, jointly with the Association, not later than two (2) years and six (6) months after the Effective Date (or such other period as may be agreed with the Association), a mid-term review of the Project (the “Mid-Term Review”) to assess the status of Project implementation, as measured against the Project indicators acceptable to the Association, and compliance with the legal covenants included or referred to in this Agreement. [Section II.2 of Schedule 2 to the Financing Agreement]

Conditions

Type	Citation	Description	Financing Source
Effectiveness	Section 4.01 of the Financing Agreement	The Additional Condition of Effectiveness consists of the following, namely, that the Project Implementation Agreement referred to in Section I.B.1 of Schedule 2	IBRD/IDA



		to this Agreement has been executed and delivered on behalf of the Recipient and CBS, and has become effective and binding upon the parties in accordance with its terms.	
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I. STRATEGIC CONTEXT

A. Country Context

1. **Samoa is a lower-middle-income small island developing state (SIDS), highly dependent on remittances, tourism, and agricultural trade.** The country has a population of 207,473 people (2022) and a gross domestic product (GDP) of about US\$1 billion. The major drivers of economic activity are tourism, agriculture and fishing, remittances, and aid flows. Up until the global financial crisis, the economy grew at an annual average of 4.5 percent. In the last decade and before COVID-19, consecutive economic shocks and natural disasters translated into more volatile and slower annual growth of around 2.5 percent. In 2018, more than one-fifth of the population lived under the basic-needs poverty line (21.9 percent), approximately 3 percentage points higher than the poverty rate in 2013–2014 (18.8 percent).¹

2. **The economy contracted by 5.2 percent on average from FY20 to FY22, primarily due to the impact of COVID-19, followed by a rebound in FY23, with real GDP growing by 8.0 percent.** Post-COVID-19 growth has been driven by a strong rebound in tourism following border reopening and robust remittance inflows. Samoa's small size, geography, and vulnerability to natural disasters, climate change, and external shocks have translated into relatively low and volatile GDP growth rates, high risk of debt distress, and significant reliance on development aid. Attracting investment to support private sector growth and employment is difficult, reflecting these intrinsic factors, burdensome business regulations, and restrictive investment policies. In the last decade, Samoa received less than half the Pacific Island Countries (PICs) average of foreign direct investment (FDI) as a share of GDP.

3. **Samoa is highly vulnerable to extreme weather events, including tropical cyclones, earthquakes, tsunamis, droughts, and floods.** Between 1980 and 2020, Samoa suffered 13 major climate-related and natural disaster events, ranking 6th among the 20 Pacific Island States on the frequency of disasters. Under a very high emissions scenario, Samoa is expected to experience a temperature increase in the range of 0.5–1.1°C by 2030.² In addition, rise in sea level is projected to be in the range of 7 percent by 2030, with ocean surges affecting low-altitude coastal plains during storms and cyclones.³ The compounding effects of sea level rise, heightened frequency of extreme rainfall, escalating intensity of cyclones, and ocean acidification will increase Samoa's vulnerability, significantly affecting livelihoods and security. Samoa also tends to suffer more severe economic damage than peers. The loss and damage from the 2009 earthquake and the 2012 tropical cyclone Evan were each equivalent to about 35 percent of GDP and some estimates suggest a cyclone in Apia could likely inflict damage equivalent to 60 percent of GDP.⁴ Rising sea level and increasing heat hazard are also likely to impact potential growth in the main sectors such as agriculture, fisheries, and tourism and disproportionately affect population groups—including project beneficiaries—of rural, less educated, and female workers.

B. Sectoral and Institutional Context

4. **The Central Bank of Samoa (CBS) is the supervisor and regulator of domestic financial institutions, with banking supervision and regulation requiring substantive improvement that can be aided by the greater use of technology.** The last Financial Sector Assessment Program (FSAP) was undertaken in 2015, identifying significant weaknesses in supervision. While there has been notable progress, gaps remain. The authorities undertake continuous efforts to strengthen risk-based supervision and the conduct of financial statement assessments and on-site inspections. A key

¹ Samoa Poverty and Hardship Report 2023.

² <https://www.pacificclimatechange.net/document/samoa-climate-change-policy>

³ According to Samoa Climate Change Policy 2020 there is likely to be an increase in the average maximum wind speed of cyclones by 2 percent to 11 percent and an increase in rainfall intensity of about 20 percent within 100 km of the cyclone center.

⁴ <https://climateknowledgeportal.worldbank.org/country/samoa/vulnerability>



challenge is the lack of digitization of the reporting and regulatory processes, which hinders the flow of information between CBS and the regulated financial institutions. Another key challenge is strengthening customer due diligence (CDD) and know your customer (KYC) practices, with electronic KYC (e-KYC) having the potential to facilitate customer identification for cross-border transactions. Notably, Samoa has faced pressure on its correspondent banking relationships (CBRs),⁵ restricting cross-border payments essential for trade and remittances. Samoa is participating in the ‘Pacific Strengthening of CBRs Project’ (P502591, see Box 1), a complementary regional project that aims to enable continuous access to CBRs. Finally, like other supervisors, CBS is facing the challenge of assessing and disclosing climate risks to the financial sector. Like other SIDS, Samoa is highly vulnerable to climate change impacts including more extreme weather events and sea level rise with the potential to threaten the economy and expose financial sector portfolios to climate-related impacts.

5. Samoa’s bank-dominated financial sector has remained relatively stable despite the COVID-19 pandemic shock. Banks account for 55.4 percent of the financial sector. As of December 2023, non-performing loans (NPLs) stood at 5.4 percent of the total gross loans, with high provisioning levels at 161.7 percent of NPLs. The banking sector’s liquid assets to short-term liabilities stood at 50.4 percent and regulatory capital to risk-weighted assets at 32.1 percent (above prudential norms). Banks have remained profitable, with the return on assets at 2.0 percent and the return on equity at 12.6. Nevertheless, risks remain elevated, requiring CBS’s vigilance. Private sector credit (from deposit money banks) to GDP increased from 45.2 percent in 2017 to 50.2 percent in 2022, at a more moderate pace comparable to upper-middle-income peers.⁶ Public financial institutions (PFIs) are of systemic importance, requiring regular review and improvements in prudential guidelines and enhanced supervision.⁷

6. There are challenges with financial inclusion—estimates indicate that approximately half of all adults in Samoa are excluded from the formal financial sector. The 2021 census data indicated that only 30 percent of adults had access to formal financial services, and a 2023 United Nations Capital Development Fund (UNCDF) survey⁸ indicated that 40 percent of Samoans have a current account. The Government has implemented a first National Financial Inclusion Strategy (NFIS) 2017–2020, but broader financial services coverage is hindered by a limited branch network, particularly in rural areas, and limited customer demand due to insufficient funds for a bank account. A new NFIS was approved in November 2023 with a focus area on technology-based solutions and is currently under implementation.

7. Digital financial services (DFS) promise to expand financial inclusion, but constraints remain. DFS can help overcome geographic barriers and the shortage of bank branches, lower costs, and encourage saving. Currently, cash remains the dominant payment instrument, while the growth of mobile banking transactions is stagnant (both per capita and as a volume share of GDP) and the range of DFS providers is limited. Core challenges include shortcomings in digital infrastructure and the lack of foundational ID systems. Although there is near-total 4G population coverage and a high percentage of high-capability devices attached to networks, the population penetration for mobile subscriptions, at 49.7 percent, is less than the average for nine PICs, at 74.15 percent.⁹ Fixed broadband household subscriptions are at just 6.1 percent of the total, significantly lower than the regional average of 27.7 percent. Overall, the sustainability and resilience of internet connectivity are significant concerns. The complementary ‘Digitally Connected and Resilient Samoa Project’ under preparation (DCRSP, P180807, see Box 1) aims to address some of these challenges with digital infrastructure with, particularly in rural areas.

⁵ Two domestic banks had their US dollar CBRs terminated in 2021. Samoa is on the European Union (EU) list of non-cooperative tax jurisdictions.

⁶ IMF. *Samoa Country Report No. 2023/110*.

⁷ The most important PFIs, the Samoa National Provident Fund (SNPF) and the Development Bank of Samoa (DBS), account for 32.3 percent of financial sector assets.

⁸ UNCDF (UN Capital Development Fund). 2023. *Assessing Digital and Financial Literacy in Samoa: A Survey on Knowledge, Skills, and Access*.

⁹ Telegeography data for mobile (population) subscriptions as of June 2023. Regional average is calculated as the average from Kiribati, Palau, Samoa, Tonga, Tuvalu, and Vanuatu. Telegeography does not capture data from Nauru, Marshall Islands, and the Federated States of Micronesia.



8. **Addressing the lack of ID systems can support the expansion of DFS and financial inclusion, in addition to other public and private services.** Foundational ID systems make public and private services such as health care, education, financial services, and disaster-related social protection more accessible to citizens. However, Samoa has no nationwide ID system and only partial digitization of the civil registration system (CRS), posing inconsistent data quality, governance, and data security risks.¹⁰ Notably, addressing these ID gaps can help with cost-effective CDD and onboarding of financial service customers as well as with enhanced KYC to prevent illegal activities and maintain CBRs.

9. **The Finance Sector Plan (2022/23 to 2026/27) aims to modernize Samoa’s banking and payments systems, leveraging technology-based solutions.** Key areas of focus include (a) strengthening the national payment system to improve Samoa’s capacity to extend financial services, (b) strengthening CBS’s capacity to achieve its financial stability mandate by improving the legal and regulatory frameworks in key areas such as payments, and (c) replacing the current manual system of data reporting and analysis of information from Samoa’s financial system providers. Notably, CBS launched a new national payment system in 2023, supported by the World Bank Group, which is intended to enable more efficient, secure, and inclusive electronic payments.

C. Relevance to Higher Level Objectives

10. **The project is aligned with the World Bank Group’s Regional Partnership Framework (RPF) for nine Pacific island countries, including Samoa, for FY17–FY21 (Report #120479).** The RPF was extended to FY23 through the Performance and Learning Review (Report #145750) of the RPF on March 5, 2020.¹¹ The RPF is built upon four focus areas: (1) fully exploiting the available economic opportunities, (2) enhancing access to employment opportunities, (3) protecting incomes and livelihoods, and (4) strengthening the enablers of growth and opportunities. The project aligns with the cross-cutting focus area 4, specifically Objective 4.1 on ‘Frameworks to improve fiscal management developed and maintained’ by enhancing financial supervisory systems and Objective 4.2 on ‘Increased access to basic services and improved connective infrastructure’ by enhancing payment and identification systems. Digital government services delivery, including the national digital ID (NDID), is highlighted as an important development issue in the Progress and Learning Review of the RPF. The proposed project also contributes to World Bank Group Corporate Scorecard Indicator (CSI) #12, with a results indicator measuring people and businesses using financial services, disaggregated to also highlight participation by women.

11. **The project is closely aligned with Samoa’s national development priorities.** The country’s national development plan, the ‘Pathway for the Development of Samoa FY21/22–FY25/26’ (PDS), includes the key strategic outcome two on building a diversified and sustainable economy that envisions a stable and efficient financial sector. The PDS also calls for improvements to the payment system and the introduction of the National Digital Identification Act 2024 (enacted in February 2024). The project is also fully aligned with the Finance Sector Plan and the NFIS FY22/23–FY25/26.

12. **The project is consistent with Samoa’s Nationally Determined Contribution (NDC) and the National Adaptation Programme of Action (NAPA).** In the latest NDC, Samoa committed to economy-wide and sector-specific emissions reduction targets for mitigation and adaptation actions in the marine, agriculture, forestry, and land use sectors. Samoa does not have a full National Adaptation Plan yet but prepared the 2005 NAPA, in which water resources, reforestation, and education and awareness programs were identified as priority areas. The project will not hinder the achievement of

¹⁰ For instance, without birth registration, children may be denied essential public services such as health care or education. Yet the birth certification rate in Samoa is currently 67 percent, with registration rates in rural areas 5 percentage points lower than that in urban areas (UNICEF, Completeness of birth registration (%) as of 2020)

¹¹ A new RPF for FY25–FY29, including Samoa, under development.



Samoa's adaptation or mitigation policy goals, which are highlighted in the PDS FY21/22–FY25/26 and Samoa Climate Change Policy 2020.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

13. The Project Development Objective (PDO) is to enhance Samoa's financial supervisory and national payment and identification systems for resilience.

PDO Level Indicators

14. The following results indicators will measure the achievement of the PDO:

- Financial Supervisory Systems
 - Improved CBS's risk-based supervision as measured by average lag between end of a quarter and availability of financial soundness indicator (FSI) data published on CBS website (months)
- National Payment Systems
 - DFS customers per 10,000 adults (number) (*Corporate Scorecard Indicator*)
 - of whom are female (number)
 - Average cost of remittances (percentage)
- National Identification Systems
 - People with digitally verifiable ID (number)
 - of whom are female (percentage)
 - People who have digitally authenticated themselves at least once with financial service providers (number)

B. Project Components

15. **This project supports Samoa in its national objectives to modernize its financial sector for the digital age, including complementary interventions in supervisory systems, payments, and identification to support financial service delivery.** The project has three components: (1) financial supervisory and national payment systems implemented by CBS; (2) national identification systems implemented by the Samoa Bureau of Statistics (SBS); and (3) project management implemented by the Ministry of Finance (MOF).

Component 1: Financial Supervisory and National Payment Systems (US\$6 million)

16. **CBS will implement Component 1.** The two subcomponents support financial supervisory and national payment systems, which are priorities under the Finance Sector Plan and the NFIS and will serve as building blocks to strengthen financial stability, inclusion, efficiency, and resilience.



17. **Subcomponent 1.1: Financial supervisory systems (US\$3.5 million).** This subcomponent finances activities to strengthen CBS's supervisory systems. It is expected to improve CBS's identification and mitigation of risks, including climate- and environmental-related risks, and enhance financial stability and resilience. There will be two core activities:

- **Financing a modern supervisory technology (SupTech¹²) platform** to facilitate the flow of information between CBS and its regulated financial institutions, enabled by modern data architecture with advanced data validation and analytics. The project will help CBS conduct a SupTech assessment and digitize its reporting and regulatory processes, resulting in more efficient and proactive monitoring of risk and compliance at financial institutions. SupTech will support many of CBS's supervisory phases (that is, licensing, macro- and micro-prudential supervision, and Anti-Money Laundering and Countering the Financing of Terrorism [AML/CFT]) and address challenges from emerging risks. One objective of the investment in this subcomponent is to incorporate key climate-related data within CBS's data infrastructure, which will facilitate more effective climate risk assessment, regulation, and supervision by the Samoan authorities. The narrowing of climate data gaps would also promote the channeling of public and private finance for climate change mitigation and adaptation.
- **Financing CBS's institutional capacity to assess climate risks to the financial sector** related to climate events in Samoa. This will include intensive training for CBS staff on measuring, managing, and mitigating climate risks to the financial sector. Additionally, activities will be conducted to assess and improve quality of data needed to analyze climate risks to the financial sector, particularly physical climate risks as a result of increased exposure to climate hazards driven by climate change. The activity will also finance planned sector-wide coordination efforts, including a new government-industry taskforce to develop long-term climate-resilient strategies to be endorsed by the Government of Samoa (GoS) and industry. Capacity-building efforts will be informed by international best practice guidance and frameworks developed by the Network for Greening the Financial System (NGFS), the Taskforce on Climate-related Financial Disclosures (TCFD), and others.

18. **Subcomponent 1.2: National payment systems (US\$2.5 million).** This subcomponent finances activities to strengthen payment systems and promote DFS. It is expected to improve access to formal financial services, expedite short-term disaster relief in a more efficient and scalable way, and reduce remittance costs. There will be two core activities:

- **Financing implementation costs of the national payment system** including annual software subscription fees under the 2023 CBS-launched system, intended to enable more efficient, secure, and inclusive electronic payments. Depending on the trajectory of payment usage, the subcomponent could also include investments in further national payment infrastructure, such as a retail payment switch—a specialized system that facilitates and routes electronic payment transactions between multiple parties in the retail payments ecosystem, resulting in efficiency and convenience in utilizing all payment channels, including mobile payments. This would allow quicker, more efficient, and more inclusive relief assistance mechanisms through DFS options for crisis-affected populations in the future by enabling cross-platform interoperability between different bank and mobile money transaction accounts.
- **Financing key diagnostics, reforms advisory, and gender-focused financial literacy.** This would include, among other activities, a diagnostic on a retail payment switch and use cases and advisory support on payments relevant regulations and standards, including the regulatory and supervisory framework, a financial consumer protection regime, competition with an interoperable payment system infrastructure,

¹² Use of technology to facilitate and enhance supervisory processes from the perspective of supervisory authorities. (Source: BIS 2018).



and regulatory sandboxes for the development of the fintech ecosystem. Notably, the subcomponent will also finance gender-focused financial literacy communication materials.

Component 2. National Identification Systems (US\$12 million)

19. **SBS will implement Component 2.** The two subcomponents support the development of the National Digital Identification System (NDIDS) and upgrade of the CRS as well as mass registration operations, the issuance of credentials, and integration into public and private sector service delivery. These will enhance public and private services such as health care, education, financial services, and disaster-related social protection. Notably, addressing these ID gaps can help with cost-effective CDD and onboarding of financial service customers as well as with enhanced KYC to prevent illegal activities and maintain CBRs.¹³

20. **Subcomponent 2.1: National Digital Identification System (NDIDS) and CRS (US\$7.6 million).** This subcomponent finances the development of the NDIDS; the first such system for Samoa; the upgrade of the CRS and the migration and quality checking of data from the old civil registration and vital statistics (CRVS); the integration of the NDIDS and CRS; the development of identity verification and e-KYC functionalities and their integration with public, private, and financial services (including other e-KYC platforms). The subcomponent will also include stakeholder consultations; back-office systems (for example, grievance management systems); consultants to help SBS design, coordinate, and supervise the NDIDS and the development of CRVS; and other technical assistance and capacity development. The NDIDS and CRS will be aligned with the 10 Principles on Identification for Sustainable Development¹⁴, with adherence to international good practices for accessibility and nondiscrimination (especially for people of all abilities, ages, and genders), personal data protection, and cybersecurity. The NDIDS and CRVS will incorporate relevant international and open standards; adopt, where appropriate, digital public goods to maximize country ownership and interoperability; and enable flexibility for future cross-border use cases such as access to services in other countries and travel. The design and implementation of the NDIDS and CRVS will include a broad consultative process to understand people's needs, concerns, and expectations; identify potential barriers to registration and use; and develop communication and education strategies and a grievance mechanism. The NDIDS and CRS data infrastructure will meet internationally recognized energy-efficient standards and be climate-resilient backup mechanisms that will allow data to be easily recovered if the primary data infrastructure is affected by to climate-induced shocks and natural disasters. Notably, the NDIDS and CRS will improve the response to climate-induced shocks and natural disasters by ensuring interoperability with the relevant social protection and other registries, allowing the Government to quickly roll out response programs and validate the identity of beneficiaries (including without internet connectivity and for those who have lost their physical ID cards).

21. **Subcomponent 2.2: Registration and credential issuance (US\$4.4 million).** This subcomponent finances mass registration operations and the issuance of the Samoa Digital ID Number (SDIN) and physical ID cards (utilizing 2D barcode technology and not smartcards), developing the ability to issue digital verifiable credentials (for example, a digital representation of the ID cards and civil registration certificates) into digital wallets,¹⁵ and the development of a smartphone application to allow people to verify themselves remotely for online public and private sector services and to act as a government-recognized digital wallet, including for offline use cases. The verifiable credentials and smartphone application will follow relevant international standards for decentralized identity. The mass registration and credential issuance activities will particularly benefit persons vulnerable to climate change due to geographic and socioeconomic

¹³ In this context, 'e-KYC' refers to sharing data from the NDID with the relying party, based on consent and in line with legal obligations for personal data protection.

¹⁴ Building on existing international norms, the Principles were first developed and published in 2017 by a group of organizations committed to supporting the development of identification systems that are inclusive, trusted, accountable, and used to enhance people's lives and the achievement of the Sustainable Development Goals (SDGs). <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/213581486378184357/principles-on-identification-for-sustainable-development-toward-the-digital-age>

¹⁵ These could include wallet functions of smartphone operating systems and open wallets.



conditions, such as those living in remote areas, the elderly, and people with disabilities, as these activities allow verification of their identity and entitlements for government support payments, including disaster relief support.

Component 3. Project Management (US\$3 million)

22. The MOF will implement Component 3, which will provide overall support with project supervision and implementation. It will also provide capacity building on financial management (FM), procurement, environmental and social (E&S), and monitoring and evaluation (M&E) functions for this project and the broader World Bank portfolio in Samoa. The MOF Finance Sector Coordination Division (FSCD) will utilize existing and additional staff and dedicated consultants funded under the project.

23. Subcomponent 3.1: Project Coordination (US\$0.9 million). The subcomponent will provide project-specific implementation support to the implementing entities, including project management, stakeholder engagement, E&S, and M&E. It will also finance additional officers for the FSCD including the contracted principal procurement officer, principal FM officer, senior M&E officer, and senior coordination officer housed under MOF to support project coordination and monitoring and grow capacity of staff in the implementing agencies (IAs) as well as relevant office equipment.

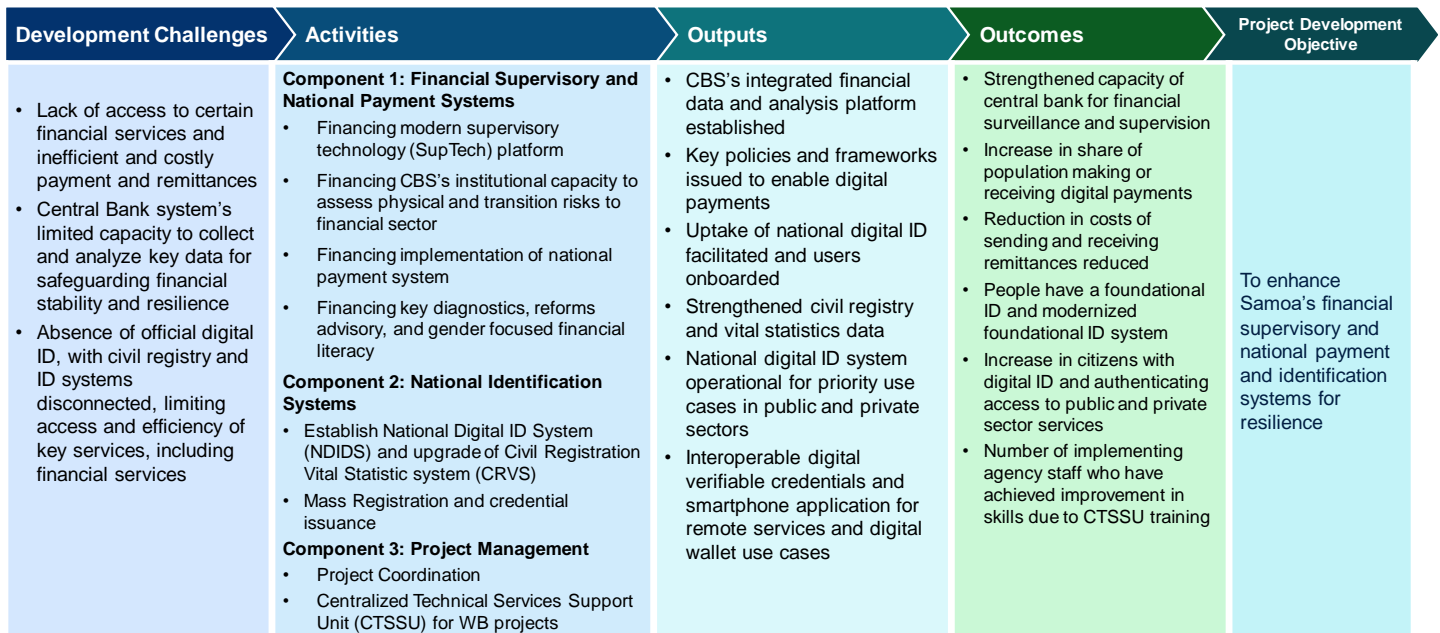
24. Subcomponent 3.2. Centralized Technical Services Support Unit (CTSSU) for all World Bank projects in Samoa (US\$2.1 million). This subcomponent will finance the CTSSU for two years, providing high-level oversight, technical hands-on support, training, service support, and other operational expenses with specialists in FM, procurement, E&S, and M&E functions for all World Bank projects in the Samoa country portfolio. This shared services support has in the past been financed by the Samoa Climate Resilient Transport Project (SCRTP, P165782) until January 2024 and is currently financed by the Samoa Aviation and Roads Investment Project (SARIP, P176272) until February 2025, with this subcomponent to continue financing CTSSU's activities in Samoa for a two-year period beyond February 2025.

C. Project Beneficiaries

25. The project will support Samoan public institutions MOF, CBS, SBS, as they implement activities for the benefit of the Samoan population who will use DFS and receive a digital ID, increasing their access to services. These include public and private services such as health care, education, financial services, and disaster-related social protection. Notably, Samoan households will benefit from lower costs for payments and remittance services. Firms will also benefit from greater access to DFS, e-commerce, and market access. Half of the digital ID recipients are expected to be women, and 80 percent from rural areas. Furthermore, the IAs including CBS, SBS, and MOF will benefit from improved technical and project implementation capacity leading to an indirect positive impact on economic growth, firms, and households.



Figure 1. Project Results Chain



Main assumptions: Relevant technical assessments and studies finalized to start bidding processes for systems elements. Government counterparts with capacity to design and implement the proposed investments. No major natural disasters affecting the implementation/completion of works. Community is receptive to using digital ID with increased awareness and education.

D. Rationale for Bank Involvement and Role of Partners

26. **Given its global expertise and relevant engagements at the country and regional levels, the World Bank is well placed to support Samoa's efforts to modernize its financial supervisory, payments, and identification systems.** The proposed project complements other World Bank interventions in Samoa, including the Second Recovery and Resilience Development Policy Operation with A Catastrophe Deferred Drawdown Option (P180842) and the DCRSP, by looking to tackle bottlenecks in the financial system through technology-based solutions. It also builds upon the upstream analytical and technical assistance through the Pacific Finance Programmatic Advisory Services and Analytics (PASA), which supports Samoa's efforts toward development of a policy framework for the oversight of the national payment systems. Furthermore, the proposed operation would feed into the Pacific Strengthening of CBRs Project, which is a regional operation that aims to enable continuous access to correspondent banking services in PICs. Finally, the project design benefits from the World Bank's leadership on digital public infrastructure (DPI), such as the Identification for Development (ID4D) initiative supporting more than 50 countries, and previous operational experience with complementary investments in digital infrastructure from the Samoa Connectivity Project (P128904) that facilitated technical design, draft legislation, and nationwide consultations to support the National Digital Identification Act 2024 as well as the Digitally Connected and Resilient Samoa Project (see Box 1).

27. **The World Bank collaborates and coordinates closely with other development partners on themes related to the proposed project.** This includes a donor coordination mechanism chaired by the World Bank with membership including the Asian Development Bank (ABD), Australian Department of Foreign Affairs and Trade (DFAT), New Zealand Ministry of Foreign Affairs and Trade (MFAT), and the United Nations. This group meets semi-annually with the government to review progress on priority reforms, including those related to financial sector development and digital ID.



Box 1. Complementarities with the ‘Pacific Strengthening of CBRs Project’ and ‘Digitally Connected and Resilient Samoa Project’

The proposed operation is complemented by two operations, one regional which addressed financial stability challenges commonly faced in the Pacific and one specific to Samoa which supports digital infrastructure investments that would facilitate the achievement of the objectives of this operation.

The Pacific Strengthening of CBRs Regional Project’s¹⁶ development objective is to enable continuous access to correspondent banking services in PICs. The project has two components complementary to this proposed operation that leverage regional cooperation to: (1) ensuring continuous access to correspondent banking relationship services and (2) improving the enabling environment and regulatory harmonization. It is complementary to the Samoa Finance Sector Resilience and Development Project as it supports upstream regional and country-level engagement and investments that will enable PICs to have continuous access to correspondent banking services. The investments under the Samoa Finance Sector Resilience and Development Project are fundamental enablers to the Pacific Strengthening of CBRs Project and help ensure that the regulatory and oversight framework of the payment system will adhere to global standards and the national payment system infrastructure will be on par with other PICs. These efforts will contribute to and be complemented by the regional Pacific Strengthening of CBRs Project, which will focus on harmonizing the payment system oversight and regulation across PICs.

The Digitally Connected and Resilient Samoa Project’s (DCRSP)¹⁷ development objective is to increase the resilient and inclusive use of broadband internet and enhance the Government’s capacity to deliver digitally enabled public services. The project has three components: (1) investments in digital connectivity and digital government infrastructure; (2) strengthening institutions, enhancing the enabling environment, and accelerating the implementation of a digital economy; and (3) project management. It will be implemented by the Ministry of Communications and Information Technology (MCIT) and the Office of the Regulator (OoTR), with MOF as the executing agency. It is complementary to the Samoa Finance Sector Resilience and Development Project as it supports connectivity infrastructure (including in the underserved rural areas) and establishes a government data center, which are essential for delivering public services and using digital ID. At the same time, the DCRSP will support data regulations and cybersecurity measures to ensure the secure collection, storage, and utilization of digital ID data.

E. Lessons Learned and Reflected in the Project Design

28. This project builds on lessons learned from recent World Bank project experiences in Samoa and other PICs:

- **The project design accounts for the dual challenge of working in SIDS with limited capacity and having two new IAs.** Previous experiences have shown that positive outcomes are more likely when projects focus on targeted objectives with substantial preparatory support. This project focuses on core financial systems, the establishment of the NDIDS with select pilot use cases. To mitigate existing challenges across the Samoa portfolio with the timeliness of procurement activities, the proposed implementing structure offers two tiers of support (project-specific and higher-level CTSSU) with an emphasis on the sustainability of capacity within MOF and IAs. The size of the project management component of the project reflects the prioritization of project implementation support.
- **Coordination among stakeholders will be channeled through existing mechanisms.** Previous experience has shown that such coordination mechanisms are both more effective and sustainable when based on established government or public-private channels. The GoS Finance Sector Advisory Committee (FSAC), a body that was established to provide oversight for the implementation of Samoa’s Finance Sector Plan, will

¹⁶ Pacific Strengthening Correspondent Banking Relationships Project (P502591)

¹⁷ Digitally Connected and Resilient Samoa Project (P180807), being prepared.



also provide oversight to this project and lead the coordination process as part of its broader objectives to implement Samoa's Finance Sector Plan. The CEOs of all key government agencies in the finance sector sit on the committee, including MOF (chair), CBS, SBS, Samoa Audit Office, and the Ministry of Customs and Revenue (MCR), and meet regularly. As the project spans multiple technical areas, it will also entail close coordination with the wider public finance sector and private financial sector. This will be critical in ensuring that payment systems are scaled up with both public and private participants—there are sufficient use cases to incentivize the utilization of NDID—and in aligning project activities with the Government's wider investment and IT reform plans.

- **A standards-based technology and vendor-neutral approach to IT will maximize value for money.** Vendor and technology lock-in reduces the sustainability of IT systems and creates high costs that are often passed on to users. To mitigate these risks, the project will minimize dependency on a single-vendor solution while ensuring extendable system design (for example, with an open and modular architecture, open standards, and open-source software, where appropriate). The project support for developing the capability for interoperable digital verifiable credentials also reflects the growing consensus around decentralized identity and digital wallets.
- **The design of ID systems should be driven by user needs and use cases.** The design of such foundational systems should be done collaboratively with people and institutional users to be responsive to their needs. Extensive consultation occurred as part of the NDIDS bill development with the results informing the final design of the legislation. This broad and deep engagement with stakeholders will continue in the project to ensure use cases are well designed, with a focus on data, privacy, and cybersecurity. The crafting of NDID regulations and implementation plan, as part of the legislation, will seek citizen consultation.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

29. **The project is integrated within the institutional framework of the Finance Sector Plan under the guidance of FSAC chaired by MOF with CBS, MCR, Samoa Audit Office, and SBS as the members.** MOF will serve as the executing agency and focal point for this project. Three IAs are proposed: CBS for Component 1, SBS for Component 2, and MOF for Component 3, assisted by two tiers of centralized implementation support. MOF has extensive experience with World Bank-financed projects and is familiar with World Bank procedures and requirements. Project management will be led by the FSCD under MOF with staff and consultants to support the overall coordination of the project, including sectoral support to procurement, stakeholder engagement, E&S management, and M&E. In addition, CBS and SBS will be supported by the CTSSU under the MOF Aid Coordination and Management Division (ACMD) for the first two years of the project, consisting of full-time expert staff experienced in World Bank policies and procedures in the areas of fiduciary, procurement, E&S, and M&E.¹⁸

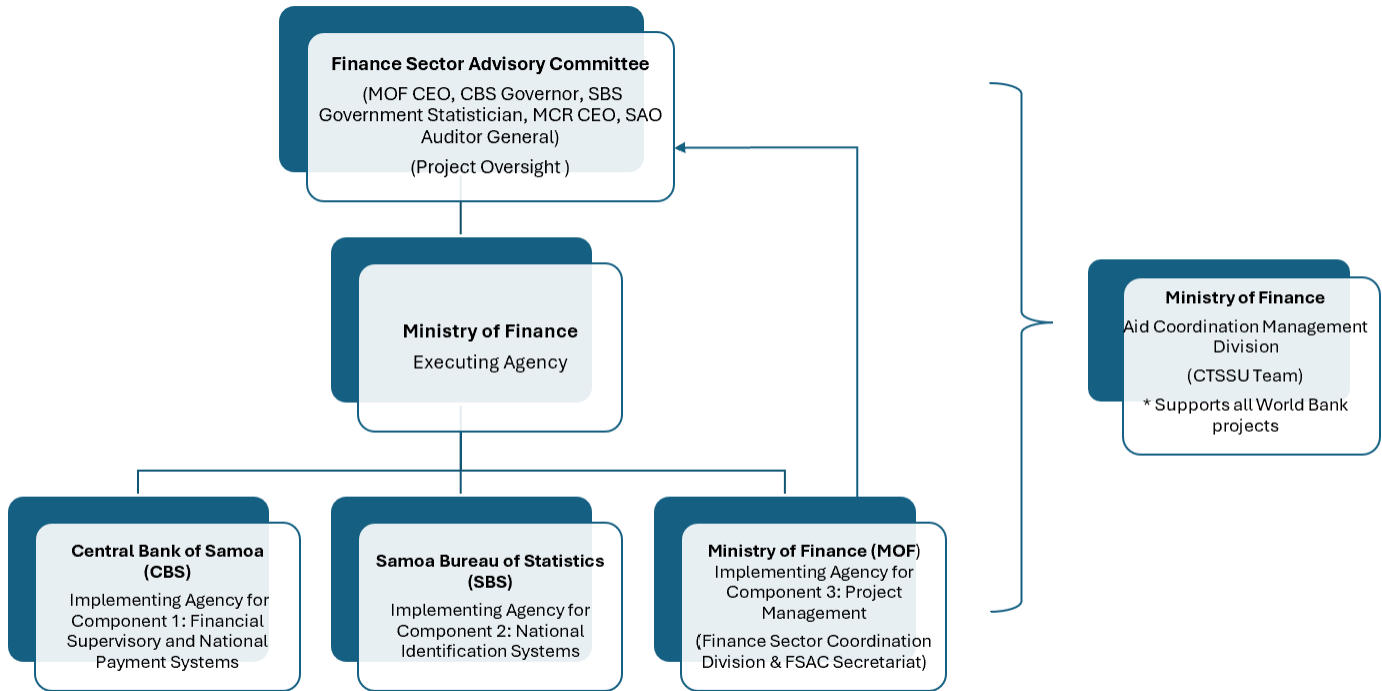
30. **CBS would be a first-time IA for the World Bank and has shown its understanding and commitment to financial sector issues.** A partnership has also been established over the years between the World Bank and CBS through technical assistance on payment systems development and, with the support of the World Bank and IFC, the Samoa Automated Transfer System (ATS) system and Central Securities Depository (CSD) that were launched in 2023. CBS is considered a public institution with many high-capacity staff. However, this is the first time that CBS will be implementing a World Bank-financed project. A team at CBS, with close coordination with MOF, has worked closely with the World Bank team on the

¹⁸ The FSCD and CTSSU staff funded by this project are not part of the civil service system and are typically hired on one- to two-year term contracts.



identification and costing of each project activity, and key staff have been identified in relevant departments to facilitate project implementation. As CBS is a legally autonomous entity, the project will be implemented in accordance with the Financing Agreement, with a Project Implementation Agreement to be entered into between MOF and CBS.

Figure 2. Project Implementation Arrangements and Oversight



31. SBS was a beneficiary of the recently closed Pacific Regional Connectivity Program: Phase 3 - Samoa (P128904), but this project will be the first time it holds fiduciary responsibilities under a World Bank operation. SBS has the mandate to manage the NDIDS and CRS through the National Digital Identification Act 2024. Under this act, a Digital ID advisory board will be established and will improve coordination among different stakeholders including MOF, MCIT, and CBS. A partnership with the World Bank has also been developed to provide technical assistance and capacity building. SBS will closely coordinate with MCIT to ensure alignment with Samoa’s Information and Communication Technology (ICT) Sector Plan 2022/23–2026/27 and, where relevant, leverage relevant investments¹⁹ under the DCRSP, particularly the government data center and cloud as well as cybersecurity.

32. FM arrangements will be centralized by MOF. MOF, CBS, and SBS agreed that these will be centralized under the MOF FSCD with inputs from CBS and SBS. The government Financial Management Information System (FMIS) will be used for accounting project transactions, and to ensure timely submission of the quarterly financial reports, annual budgets, and audited financial statements, the MOF FSCD will be assisted by the CTSSU FM consultant and the principal FM officer to be hired under Component 3. MOF also implemented the closed Pacific Regional Connectivity Program: Phase 3 - Samoa and although the final project audit was submitted on time, the World Bank requested MOF to clarify on the discrepancies with the information reported in the final unaudited interim financial report (IFR).

¹⁹ This includes enhancement of Government’s data center capacity (including the use of cloud), upgrade and expansion of the Samoa National Broadband Highway (SNBH), and the fiber-to-the premises deployment to help connect all government agencies.



B. Results Monitoring and Evaluation Arrangements

33. **The MOF FSCD will be responsible for monitoring project implementation, tracking budget utilization, tracking and reporting results against the Results Framework, and identifying and mitigating challenges.** This includes organizing regular consultations and disclosing relevant project information to stakeholders, as part of the project's Environmental and Social Framework (ESF) commitment. The project will support IAs to develop M&E systems to track PDO and intermediate indicators. Semiannual progress reports will be prepared by the MOF FSCD in collaboration with SBS and CBS and the support of the CTSSU specialists.

C. Sustainability

34. **The project has been designed to include measures to support institutional, operational, and financial sustainability, notwithstanding the institutional constraints of human resource capacity limitations.** The increased efficiencies and effectiveness generated through the development of central bank data and payment systems and the establishment of the NDIDS are in turn expected to decrease the amount of time, manual processes, and related manpower required to carry out the mandates of CBS and SBS, thereby enabling existing human resources to focus on other areas of work plans. The proposed investments are expected to be complemented by the recruitment and assignment of qualified experts in data management and informational technology in CBS and SBS as well as Government operations and maintenance (O&M) budgets to ensure sustainability after this project ends. The CTSSU is also expected to provide institutional capacity building to IAs in core areas such as procurement, FM, M&E, and E&S management. Frameworks, policies, and protocols will be developed and implemented to ensure long-term sustainability of these investments.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

35. **The project's primary goal is to enhance access and reduce the costs of financial services in Samoa.** This will be achieved through strategic investments in modernizing payment systems and supporting the broader laws, regulations, and ecosystem to facilitate the efficient expansion of DFS. The expansion of DFS is expected to increase access to accounts and basic financial services and reduce the costs of remittances and payments. These changes will lead to substantial financial benefits for both households and firms and contribute to broader economic growth.²⁰

36. **Investments in DFS can have a positive impact on economic growth by increasing financial flows.** A recent paper from the Bank of International Settlements (BIS) explores the relationship between growth in digital payments and broader economic growth in a panel of 90 economies (Aguilar et al. 2023) and finds that a 1 percentage point increase in digital payments use (share of the population making digital payments) is associated with a growth of 0.1 percent in GDP per capita.²¹ Similarly, an IMF analysis (Khera et al. 2021) constructs an index of digital payments usage across 52 countries

²⁰ Both increased digital financial inclusion and lower cost of remittances and payments can accelerate economic growth. See, for example: Khera, Purva, Stephanie Ng, Sumiko Ogawa, and Ratna Sahay. 2021. *Is Digital Financial Inclusion Unlocking Growth?* IMF Working Paper, WP 21/167 and Kpodar, Kangni, and Patrick Amir Imam. 2024. *How do Transaction Costs Influence Remittances?* World Development, Issue 177.

²¹ Aguilar, A, J. Frost, S. Kamin, R. Guerra, and A. Tombini. 2023. "Digital Payments, Informality and Productivity." Mimeo, cited in *Digital Payments as a Boon to Financial Inclusion*, Remarks by Mr. Alexandre Tombini, Chief Representative for the Americas, Bank for International Settlements, at the International Finance Forum (IFF) 20th Anniversary, Guangzhou, October 27–29, 2023. <https://www.bis.org/speeches/sp231029.htm>.



and finds that a 0.1 increase in the index of usage of DFS leads to a 1.6 percentage point increase in real GDP growth.²² An expansion of access to digital payments in Samoa is expected to have a sizable economic impact, which can be illustrated using data on costs.

37. The cost elasticity of remittances is high, particularly when remitters are low-income earners such as labor migrants. As such, interventions to reduce the cost of remittances typically result in greater financial flows to households. For example, a survey of Tongan migrants in New Zealand found that 30 percent of remitters said they would increase the amount of remittances by 0.74 percent if costs fell by 1 percent (Gibson, McKenzie, and Rohorua 2006), a cost elasticity of -0.22 .²³ A recent global analysis of transaction costs and remittance volumes by the IMF (Kpodar and Imam 2024) finds that reducing transaction costs globally to the Sustainable Development Goal target of 3 percent could generate an additional US\$32 billion in remittances, a cost elasticity of -0.087 .²⁴ Importantly, across elasticity estimates, the increase in remittance volumes is higher than the direct cost savings from lower transaction costs.

38. Applying the cost elasticity of -0.087 (Kpodar and Imam 2024) to Samoa, a reduction in remittance costs from the current level of 8.4 percent to 6.75 percent could result in a 1.97 percent increase in annual remittance flows.²⁵ With remittances comprising 33.6 percent of GDP in Samoa in 2022, increased remittance flows will, in turn, have an impact on GDP. An analysis of the impact of remittances on economic growth in SIDS provides an econometric model for estimating the effect of increased remittance volumes on economic growth in Pacific Small Island States (Feeny, Iamsiraroj, and McGillivray 2014)²⁶ and is reflected in table 1.

Table 1. Economic Impact Estimates, Remittance and GDP

	Remittance Costs (%)	Decline in Costs (%)	Savings (US\$, millions)	Increase in Remittance (%)	Increase in Remittance (US\$, millions)	Increase in Growth of GDP per Capita (%)
Baseline	US\$279 million annual remittances, average remittance cost 8.4% (2022)					
Scenario A	7.0	17	3.91	1.67	4.65	0.28
Scenario B	6.0	29	6.70	2.86	7.97	0.48
Scenario C	5.0	40	9.49	4.05	11.29	0.68

39. Digital ID systems supported through the operation will not only improve civil registration uptake and vital statistics reliability for future planning but also boost private sector growth by increasing efficiency and reducing risk. Trusted identity authentication mechanisms can decrease onboarding and other administrative costs for private companies, creating significant savings and enabling more affordable service provision. For example, India’s Aadhaar system reportedly enabled the reduction of the average firms’ onboarding cost from around INR 1,500, or US\$23, to approximately INR 10, or US\$0.15, by allowing third parties to, with consent, authenticate the identity of users and remotely and securely verify a limited set of attributes. In a similar vein, robust ID systems and authentication mechanisms

²² Khera, Purva, Stephanie Ng, Sumiko Ogawa, and Ratna Sahay. 2021. *Is Digital Financial Inclusion Unlocking Growth?* IMF Working Paper, WP 21/167.

²³ Gibson, John, David McKenzie, and Halahingano Rohorua. 2006. “How Cost Elastic Are Remittances? Estimates from Tongan Migrants in New Zealand.” Working Papers in Economics 06/02, University of Waikato.

²⁴ Kpodar, Kangni, and Patrick Amir Imam. 2024. *How do Transaction Costs Influence Remittances?* World Development, Issue 177.

²⁵ This is in line with a [World Bank study](#) that applied the cost elasticity (-0.22) of the New Zealand-Tonga study to all developing countries and estimated that a reduction in remittance cost from 12 percent to 6 percent could result in an 11 percent increase in annual remittance flows to developing countries.

²⁶ Feeny, Simon, Sasi Iamsiraroj, and Mark McGillivray. 2014. “Remittances and Economic Growth: Larger Impacts in Smaller Countries?” *Journal of Development Studies* 50 (8): 2014.



can reduce compliance costs, such as those arising from domestic and international CDD and AML/CFT regulations, and help curb theft and fraud by making identity theft and impersonation more difficult.²⁷

40. Activities to address gender disparities in access to finance and service delivery are an important element of the operation. PDO indicators on access to digital payments and digital ID will be sex-disaggregated and mainstreamed into CBS monitoring systems, enabling improved tracking of gender disparities and improved targeting. A recent survey by UNCDF indicated that men (44 percent) are more likely than women (36 percent) in Samoa to own a current account for conducting financial transactions. Among women, rural (33 percent) and younger women (ages 15 to 24, 28 percent) are the least likely to own a current account (UNCDF 2023). The survey also indicates that women are benefiting less from cost savings due to access to DFS than men, with 53 percent of Samoan male respondents and 46 percent of female respondents reporting cost savings on financial transactions as a result of using a digital channel. Key project activities to address gender constraints will include (a) conducting financial literacy activities and media campaigns by CBS aimed at communicating the cost saving and convenience benefits of DFS for women, (b) mainstreaming sex-disaggregated reporting into CBS financial sector statistics through the Central Bank Data Architecture, and (c) integrating the NDIDS e-KYC functionalities with DFS providers to prioritize women customers. Progress will be monitored by the indicator ‘DFS customers per 10,000 adults (Number), disaggregated by gender’. The project will also work to ensure that digital ID use cases benefit women, and that gender disaggregated data is collected where possible, including for identity authentication.

41. The project is aligned with the goals of the Paris Agreement on both mitigation and adaptation.

- **Assessment and reduction of mitigation risks.** The project will finance technical assistance, capacity building, and digital infrastructure, without investment in data centers, to enhance financial inclusion and service delivery. Project interventions are considered universally aligned. Digital ID will help support the Government’s transition away from traditional paper-based analog systems and enable citizens to remotely access public and private services and reduce the need for physical travel and associated emissions. As such, the project will not prevent the country’s transition to low-carbon development pathways.
- **Assessment and reduction of adaptation risks.** The project has a low risk of climate hazards affecting the achievement of the development objective. While Samoa is highly exposed to climate and disaster risks, given the nature of activities financed, there are no material risks from climate hazards. Furthermore, investment in modernization and digital systems for improved information exchanges and access will contribute to building resilience in Samoa.

B. Fiduciary

42. Financial management. The existing FM arrangements of the proposed three IAs are acceptable as stipulated in World Bank Policy Investment Project Financing (IPF). Given the differences between the IAs—with MOF and SBS being part of the government ministries and using centralized government systems and processes and CBS being an independent agency of the Government with its own processes, systems, and policies—it has been agreed that MOF will consolidate project reporting, budgeting, and accounting. MOF will manage the project funds using a Designated Account (DA) established at CBS for project transactions in an efficient and sustainable manner. Challenges may exist in providing project reporting and budgeting on a timely and accurate basis. SBS and CBS will coordinate with the MOF FSCD payments of their respective parts, and in case of use of their own funds, they will request MOF for a reimbursement using the project funds. Staff capacity may be a constraint for the IAs. The project will finance staff under the MOF FSCD for FM, as well as the

²⁷ World Bank. 2018. *Private Sector Economic Impacts from Identification Systems*. Washington, DC: World Bank.



CTSSU FM consultant supporting the World Bank project portfolio, who will provide CBS and SBS with relevant training to facilitate the consolidation of project information. Details of the agreed FM arrangements are in annex 1.

43. **Procurement will be carried out in accordance with the World Bank's Procurement Regulations for IPF Borrowers (Fifth Edition, September 2023).** The World Bank standard procurement documents would be used for all procurement under international competitive procurement activities. The project will use a web-based procurement tracking system, Systematic Tracking of Exchanges in Procurement (STEP), to communicate procurement review request with the World Bank. In addition, the GoS procurement legislations including the Public Finance Management Act (PFMA) 2001 Section XII, Treasury Instructions (TI) Section 6 and B4 Schedule, and Procurement Operating Manual will be followed. The MOF FSCD which will include the national principal procurement officer, in collaboration with the CTSSU, will assist CBS, SBS, and MOF procurement implementation and ensure that the project procurement is consistent with the World Bank and GoS procurement regulations. The major procurement risks identified during the assessment and the proposed mitigation measures can be seen in annex 1. The IAs have prepared their Project Procurement Strategy for Development (PPSD) and Procurement Plan and outlined that procurement will be managed by each IA, with hands-on support and coordination by the MOF FSCD (CTSSU). The project identified eight procurement activities at an estimated cost of US\$1.77 million to be procured with advanced procurement arrangements before the effectiveness of the project. Details of the procurement arrangement are listed in annex 1.

C. Legal Operational Policies

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

D. Environmental and Social

44. **The social and environmental risk of the project is rated low.** The project activities can be clustered as (a) type 2 of technical assistance for legislative, regulatory, and institutional strengthening actions for financial inclusion and financial stability and (b) technical assistance to develop strong regulatory and supervisory frameworks crucial to enhance the efficiency and safety of payment service provision and establish the Samoa NDIDS. The project typologies are expected to have largely positive and beneficial environmental impacts, including raising environmental and safety awareness of the project staff, as guided in the national environmental framework and paragraphs 14–18 of the World Bank ESS1. Project activities are expected to have positive and beneficial impacts across Samoan society with increased access to DFS and improvements in national identification systems and civil registry. The Project’s Environmental Social Commitment Plan (ESCP) includes measures necessary to address project-related environmental and social risks and impacts in accordance with the World Bank ESF. The ESCP was disclosed on MOF's website on September 18, 2025.²⁸ The Bank disclosed the ESCP on September 19, 2024.

45. **Key social risks associated with the project include** the potential exclusion of vulnerable groups such as remote and rural residents, people with disabilities, marginalized women and girls, and those with low connectivity or technical literacy and privacy and data protection risks, including data theft and misuse, identity fraud, and discrimination. These risks are

²⁸ <https://mof.gov.ws/samoa-finance-sector-resilience-project/>



predictable and expected to be readily managed through effective stakeholder engagement, effective grievance redress mechanism, and robust project design and implementation such as data minimization and pilot testing mass enrollment. In addition, the Digitally Connected and Resilient Samoa Project includes activities to modernize Samoa's digital and data policies, including measures to strengthen data privacy protections. The project will support SBS in establishing special measures, as mandated by the National Digital Identification Act 2024, to facilitate the registration of vulnerable groups. Projects such as the DCRSP will provide better connectivity in rural areas along with technical assistance and capacity building on cybersecurity for the GoS. This can enhance the reach and security of the NDIDS. Sexual exploitation and abuse/sexual harassment (SEA/SH) risk has been assessed as low and will be managed through standard SEA/SH prevention and response measures.

46. Citizen engagement. While the project presents minimal social risks, the project design has been informed by significant stakeholder engagement. Project preparation has involved engagement between public institutions such as MOF, CBS, and SBS and other complementary government institutions (for example, MCR, Ministry of Commerce, Industry and Labor [MCIL], MCIT, Development Bank of Samoa) as well as private sector stakeholders, including banks and money transfer operators (MTOs), microfinance institutions (MFIs), and telcos to identify the most efficient way to implement the Samoa Finance Sector Plan 2022/23–2026/27. This stakeholder engagement will continue during project implementation via regular meetings with private sector financial institutions and other key stakeholders such as the annual review for Samoa's Finance Sector Plan. The project will establish a feedback mechanism that will allow beneficiaries and the broader public to ask questions and report complaints in relation to the project. In addition, the FSAC will review the complaints received and ensure that they are addressed, and that the analysis of the complaints received informs project implementation. Surveys of beneficiary satisfaction will be conducted annually during the Finance Sector Plan Annual Review forum and monitored through a project indicator. The project will finance information and outreach campaigns plan aimed at deepening public engagement and raising awareness of the feedback mechanism as a channel to report complaints and feedback of the project activities, particularly related to the implementation of the NDIDS, including mass registration and usage.

V. GRIEVANCE REDRESS SERVICES

47. Grievance Redress. Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's GRS, visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's AM, visit <https://accountability.worldbank.org>.

VI. KEY RISKS

48. The overall risk is assessed as Substantial. Before mitigation measures are put in place, the overall risk for the operation is assessed as Substantial. The substantial risks for the project are primarily macroeconomic risk, technical design risk, institutional capacity risk, and fiduciary risk. The potential benefits of the proposed project outweigh the residual risks and warrant IDA's assistance. The key risks that may affect the achievement of the PDO and results are summarized below:



- **Macroeconomic risk is rated Substantial.** Samoa has a narrow economic base and high vulnerability to external shocks and natural disasters. The global economy remains fragile—a sharper than expected slowdown in global growth could affect tourism recovery, dampening domestic demand. Continued pressure on CBRs could limit correspondent banking services and potentially affect remittance inflows and trade, two important drivers of growth. While these risks are being partially mitigated through other projects including the Second Recovery and Resilience Development Policy Operation with A Catastrophe Deferred Drawdown Option and the Pacific Strengthening of CBRs Project, the residual risk remains substantial.
- **Technical design risk is rated Substantial.** For Component 1, CBS will need to develop and transition from a largely manual reporting process to an integrated data platform. This would require a higher degree of digital capabilities from CBS staff as well as close coordination and integration with systems of regulated financial institutions. For Component 2, commitment from stakeholders of the digital ID system will be critical to ensure that (a) an appropriate regulatory framework is established, (b) civil registry and foundational ID systems are strengthened, and (c) verification and authentication functions are prioritized use cases for service delivery. Data migration from existing functional ID systems may present an additional challenge. These risks are partially mitigated by the intended continuous outreach approach to government stakeholders and the public (citizens and businesses) throughout the project lifecycle. Additionally, the importance of data protection, privacy, and management is recognized by the Government through inclusion in its NDID legislation. The development of the NDID regulations and implementation plan will draw on international best practices and standards required for the protection of personally identifiable information and how these protections can be applied to ensure the NDID is compliant with the associated act. Additionally, a data privacy and confidentiality risk assessment directly related to NDID will be conducted and focus on data regulations, data governance, and cybersecurity policies of the Government. This is anticipated to help lower the data privacy and confidentiality risk assessment rating of this project. A Project Operations Manual (POM), which will be adopted within 30 days of the project effective date, will incorporate arrangements and procedures for personal data collection and processing in accordance with applicable national law and good international practice. Furthermore, there are risks in having parallel World Bank projects. For example, the digital ID rollout might begin before the new government data center supported by the DCRSP is built. To mitigate this, the current data center will be used until the new one is developed, with the option of migrating to the cloud, which is also supported by the DCRSP. Nevertheless, the residual risk remains substantial.
- **Institutional capacity for implementation and sustainability risk is rated Substantial.** The institutional capacity of the Government to implement the activities may adversely affect the achievement of the expected results. Considering CBS and SBS do not have experience as an implementation agency for an IPF-type operation, this project will integrate intensive capacity building. Establishing an ID system requires cross-stakeholder coordination, posing additional challenges. The technical committee on national ID will facilitate this coordination. SBS, as part of the advisory committee, has promoted the NDIDS and facilitated support for the NDID legislation becoming law. Further mitigation comes in the form of a World Bank portfolio-wide CTSSU under the MOF ACMD and capacity building and international good practices to support the two IAs and the executing agency as needed. Appropriate procedures set forth in the POM and a World Bank-executed technical assistance program will help further mitigate these risks, although the residual risk remains substantial. The World Bank has sought complementary donor funds that will enable the team to provide additional support to this operation.
- **Fiduciary risk is rated Substantial.** On the procurement side, there are some risk factors that will negatively affect project implementation, such as the limited resources of skilled procurement staff at the IAs (CBS and



SBS), lack of experience of CBS and SBS in implementing World Bank-financed project procurement, complexity of IT procurement packages, limited market interest from the potential business operators due to the remoteness of the country, and lengthy government approval process for procurement decisions. MOF, CBS, and SBS have prepared the PPSD after identifying the activities under the proposed project and drafting the Procurement Plan. The proposed mitigation measures include support from the CTSSU international procurement consultant to the IAs and hiring of experts to facilitate preparation of technical specifications for the complex IT procurements. The overall FM risk of the project is rated 'Moderate'. The FM risk for CBS is considered 'Moderate'. CBS is a corporate body mandated by the Central Bank of Samoa Act and the Financial Institutions Act and uses acceptable accounting standards (International Financial Reporting Standards [IFRS]) for accounting, internal controls, and financial reporting. The legal and institutional framework is satisfactory. The FM risks for MOF and SBS are also rated 'Moderate'. Both entities are bound by the PFMA and the TI. They use acceptable accounting standards (IPSAS²⁹ cash basis) and the GoS's FMIS in relation to all accounting, internal controls, and financial reporting. The anticipated risks are those related to aligning the FM arrangements between the IAs and include the following: (a) there are organizational differences, as MOF and SBS are government ministries, while CBS is a government institution that operates independently—this difference in governance structures can lead to varying FM procedures and policies that need to be harmonized for the project; (b) project budgeting processes among MOF, CBS, and SBS are complex and delayed; (c) periodic project financial reports and audits are delayed. Mitigating measures include the following: (a) MOF through its FSCD and the support of the ACMD will manage the DA to be established at CBS, will use the government FMIS for project transactions, and will prepare annual budgets, quarterly IFRs, annual financial statements for the project, with inputs from SBS and CBS; (b) the CTSSU FM specialist under the ACMD and the principal FM officer housed in the MOF FSCD will provide FM support to the IAs, enabling MOF to prepare timely and accurate annual budgets, quarterly IFRs, and annual financial statements for the project; and (c) a POM will be prepared by the executing agency/IAs which will include an FM chapter detailing the FM arrangements for the project and the coordination and collaboration mechanism between MOF, SBS, and CBS, with clear delineation of FM responsibilities.

²⁹ International Public Sector Accounting Standards.



VII. RESULTS FRAMEWORK AND MONITORING

PDO Indicators by PDO Outcomes

Baseline	Period 1	Closing Period
Financial Supervisory Systems		
Improved CBS' risk-based supervision as measured by average lag between end of a quarter and availability of financial soundness indicator (FSI) data published on CBS website (Months)		
Jul/2024	Dec/2027	Dec/2029
6	4	2
National Payment Systems		
DFS customers per 10,000 adults (Number)		
Jan/2024	Dec/2026	Dec/2029
6,185	7,000	8,500
➤ Of whom are female (Number)		
Dec/2023	Dec/2027	Dec/2029
3,432	4,000	5,000
Average cost of remittances (Percentage)		
Mar/2024	Dec/2027	Dec/2029
8.89	7.75	6.75
National Identification Systems		
People with digitally verifiable ID (Number)		
Jul/2024	Dec/2027	Dec/2029
0	60,000	99,873
➤ Of whom are female (Percentage)		
0	40	50
People who have digitally authenticated themselves at least once with financial service providers (Number)		
Jul/2024	Dec/2028	Dec/2029
0	2,000	10,000

Intermediate Indicators by Components



Baseline	Period 1	Closing Period
Financial Supervisory and National Payment Systems		
Banking system remains well capitalized with a capital adequacy ratio well above the CBS minimum requirement of 15 percent (Percentage)		
Jan/2024	Dec/2026	Dec/2029
33.8 percent	Above 15 percent	Above 15 percent
Financial institutions reporting integrated within the CBS financial services data architecture (Number)		
Jul/2024	Dec/2027	Dec/2029
0	0	5
Guidelines and regulations implemented to support the competitive environment for payments (Number)		
Jul/2024	Dec/2027	Dec/2029
0	2	5
Financial institutions utilizing national digital ID eKYC function to process customer due diligence (CDD) requirement (Number)		
Jul/2024	Dec/2027	Dec/2029
0	0	4
Annual value of transactions processed through national payment system / automatic transfer service (Amount(USD))		
Nov/2023	Dec/2027	Dec/2029
1,200,000,000	1,350,000,000	1,550,000,000
National Identification Systems		
National Digital Identity System and Civil Registration created (Yes/No)		
Jul/2024	Dec/2027	Dec/2029
No	Yes	Yes
Data protection impact assessment conducted (Yes/No)		
Jul/2024	Dec/2027	Dec/2029
No	Yes	Yes
Project Management		
Implementing agency staff who have increased skills/knowledge in key areas as a result of capacity building delivered by the CTSSU (Number)		
Feb/2025	Feb/2026	Feb/2027
0	25	50
Transactions completed by CTSSU specialists within service standards outlined in CTSSU Standard Operating Procedures/Service Agreement (Percentage)		
Feb/2024	Dec/2027	Dec/2029
77	87	92
Share of private and financial sector stakeholders satisfied with the benefits of the project (Percentage)		
Jul/2024	Dec/2027	Dec/2029
0	70	80



Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

Financial Supervisory System	
Improved CBS' risk-based supervision as measured by average lag between end of a quarter and availability of financial soundness indicator (FSI) data published on CBS website (Months)	
Description	Improved CBS Supervisory capacity measured by timeliness and lag between end of quarter and publication of financial soundness indicator data on website (ex: in CBS Bulletin or raw data)
Frequency	Quarterly
Data Source	CBS website
Methodology for Data Collection	CBS publication of financial soundness indicator data on website reports
Responsibility for Data Collection	CBS - Financial Supervision and Regulatory Services Department
National Payment System	
DFS customers per 10,000 adults, of whom are women (number)	
Description	Number of mobile money customers per 10,000 adults disaggregated by gender. This indicator contributes to World CSI #12 "Millions of People and Businesses using Financial Services, of which % are women.
Frequency	Quarterly
Data Source	Regulatory reporting forms reported to CBS
Methodology for Data Collection	Quarterly submission by CBS regulated entities
Responsibility for Data Collection	CBS - Financial System Development Department
Average cost of remittances (percentage)	
Description	Average cost as a percentage of transaction value incurred by remitters when sending money from Samoa's largest remittance corridor (New Zealand to Samoa) through banks, MTOs, mobile operators, and post offices. Transaction value of US\$200/NZD 260.
Frequency	Quarterly
Data Source	Remittance Prices Worldwide online database
Methodology for Data Collection	researchers posing as customers and contacting firms within each corridor; and automatically from APIs and websites of remittance service providers
Responsibility for Data Collection	CBS - Economics Department WB Remittance Prices Worldwide database https://remittanceprices.worldbank.org/ https://remittanceprices.worldbank.org/corridor/New-Zealand/Samoa



National Identification Systems	
People with digitally verifiable ID (of whom are female) (number)	
Description	The number of people in Samoa who have received a verifiable digital identity that is part of the National Digital Identification System (NDIDS). Data will be collected by SBS through the NDIDS in a bi-annual basis. End target is at least 80% of eligible people aged 20+ (50% women) using annual projection data from UN DESA (2022). The indicator will be reported in percentage terms for gender disaggregated indicator.
Frequency	Bi-annual
Data Source	NDID system
Methodology for Data Collection	Project data collection
Responsibility for Data Collection	SBS - National ID Division
People who have digitally authenticated themselves at least once with a financial service provider (number)	
Description	People with verifiable digital ID that is part of the National Digital Identification System (NDIDS) who have used digital ID at least once to access financial services through a financial service provider. Tracking will be conducted through unique authentications tracked by the NDID system.
Frequency	Bi-annual
Data Source	NDIDS system
Methodology for Data Collection	Query of the NDID System to identify
Responsibility for Data Collection	SBS - National ID Division

Monitoring & Evaluation Plan: Intermediate Results Indicators by Components

Component 1: FINANCIAL SUPERVISORY AND NATIONAL PAYMENT SYSTEMS	
Banking system remains well capitalized with a capital adequacy ratio well above the CBS minimum requirement of 15 percent (Percentage)	
Description	CBS aggregate capital adequacy ratio (CAR) data reflecting Tier 1 and 2 capital relative to risk exposure
Frequency	Quarterly
Data Source	CBS banking system data published through consolidated quarterly reports
Methodology for Data Collection	Central bank data



Responsibility for Data Collection	CBS - Financial Supervision and Regulatory Services Department
Financial institutions reporting integrated within the CBS financial services data architecture (Number)	
Description	Number of financial institutions reporting regularly to the CBS and integrated within the data platform
Frequency	Quarterly
Data Source	CBS
Methodology for Data Collection	CBS website
Responsibility for Data Collection	CBS Financial Supervision and Regulatory Services Department
Guidelines and regulations implemented to support the competitive environment for payments (Number)	
Description	Regulations/guidelines/directives on payment system formally issued (e.g. agent banking, electronic fund transfer, retail payment instrument, etc)
Frequency	Annually
Data Source	CBS
Methodology for Data Collection	CBS website
Responsibility for Data Collection	CBS - Financial System Development Department
Financial institutions utilizing national digital ID eKYC function to process customer due diligence (CDD) requirement (Number)	
Description	National digital ID is being used in customer due diligence process to open account (bank account or mobile money account)
Frequency	Annually
Data Source	CBS aggregate data from financial service providers
Methodology for Data Collection	Reporting by financial service providers
Responsibility for Data Collection	CBS - Financial System Development Department
Annual value of transactions processed through national payment system/automatic transfer service (Amount (USD))	
Description	Annual value of retail payment transactions processed through automatic transfer service
Frequency	Annual
Data Source	CBS



Methodology for Data Collection	ATS statistics from CBS reports
Responsibility for Data Collection	CBS - Financial System Development Department

Component 2: NATIONAL IDENTIFICATION SYSTEMS

National Digital Identity System and Civil Registration created (Yes/No)

Description	Identity system encompasses processes, technologies and standards that allow digital registration, authentication and verification of identity. The system includes a unique Samoa Digital National Identification Number (SDIN), authentication functionality, interoperability functions for further development and deployment services. Protocols that allow safe and secure storage, transmission and verification of identity, and data management capabilities oversee the national digital ID. The creation of the identity system allows provision of authentication services for authorized public and private sector entities. The identity system will be deemed created upon satisfaction of all functionalities described above and readiness for launch, including for use case.
Frequency	Bi-annual
Data Source	SBS
Methodology for Data Collection	Project data collection
Responsibility for Data Collection	SBS divisions, including the National ID Division, Births Deaths and Marriages Division, and ICT and Data Processing Division, under the leadership of the Government Statistician.

Data protection impact assessment conducted (Yes/No)

Description	Data protection impact assessment has been conducted by the implementing agency for the component.
Frequency	Annual
Data Source	SBS
Methodology for Data Collection	Project data collection
Responsibility for Data Collection	SBS - National ID Division

Component 3: PROJECT MANAGEMENT

Implementing agency staff who have increased skills/knowledge in key areas as a result of capacity building delivered by the CTSSU(Number)



Description	Number of Implementing Agency staff for active World Bank projects during the period that were trained by CTSSU specialists in key areas such as Procurement, Financial Management, E&S, Monitoring & Evaluation, and Contract Management (this includes new staff)
Frequency	Annual
Data Source	Numbers from attendance lists provided by MOF - Monitoring and Evaluation
Methodology for Data Collection	Annual monitoring per the intermediate targets
Responsibility for Data Collection	Ministry of Finance - Finance Sector Coordination Division
Transactions completed by CTSSU specialists within service standards outlined in CTSSU Standard Operating Procedures/Service Agreement (Percentage)	
Description	Number of transactions completed by the CTSSU specialist in accordance with the CTSSU service standards and contracts. Data collected with reference to service standards policies and expectations that have been developed and adopted by GoS and the CTSSU specialists that set out the minimum level of expected standards in terms of quality, process, time and cost that the Government expects and the CTSSU specialists commit to deliver to Project Executing Agency, Implementing Agencies, Sector Coordination Divisions, World Bank and other stakeholders.
Frequency	Annual
Data Source	MOF Reports
Methodology for Data Collection	Annual monitoring per the intermediate targets
Responsibility for Data Collection	Ministry of Finance - Finance Sector Coordination Division
Share of private and financial sector stakeholders satisfied with the benefits of the project (Percentage)	
Description	The share of respondents reporting satisfied in a survey conducted among the project beneficiaries in the Finance Sector Plan Annual Review forum
Frequency	Annual
Data Source	Results from a survey conducted annually in the Finance Sector Plan Annual Review forum.
Methodology for Data Collection	Ministry of Finance to administer the survey and report the results of this indicator which assesses Citizen's Engagement
Responsibility for Data Collection	Ministry of Finance - Finance Sector Coordination Division



ANNEX 1: IMPLEMENTATION ARRANGEMENTS

COUNTRY: Independent State of Samoa Samoa Finance Sector Resilience and Development

Financial Management and Disbursement

Accounting and Maintenance of Accounting Records

1. The IAs agreed that the project's FM arrangements will be centralized within MOF through the FSCD and the oversight of the ACMD. The GoS Finance One system will be used to record project transactions, and accounting records will be maintained by MOF.

Internal Controls, including Internal Audit

2. The POM, which includes an FM chapter and the coordination and collaboration mechanism between MOF, SBS, and CBS with a clear delineation of FM responsibilities, will be prepared and submitted to the World Bank for review and no objection. MOF and SBS are required to comply with the PFMA 2001 and TI 2013. CBS is mandated by the Central Bank of Samoa Act 2015. The Internal Audit and Investigation Division within MOF provides independent and oversight internal audit and investigations functions across government ministries and public bodies. Additionally, the pre-audit process function is furthermore performed by the Samoa Audit Office for government ministry transactions processed through the Finance One system and the projects DA with CBS. CBS has an Internal Audit Department that provides independent assurance and audit services to add value and improve governance processes and internal controls. The internal control environment under the three IAs is acceptable.

Budgeting

3. The US\$21 million project budget has been assessed and discussed with the IAs during project preparation. Activities and figures included in the budget are realistic and relevant to the project, including goods (such as office equipment, software, IT equipment, verification scanners, and registration kits), consulting services, training and workshops (such as training of the registration teams and workshop facilities), and operating costs (such as vehicle hire, fuel, internet, stationary, safety gear, registration teams costs, stakeholder consultations, and communications production).

4. An Annual Work Plan and Budget (AWPB) containing all project eligible activities and expenditures proposed for the following fiscal year will be prepared by the FSCD within MOF with CBS and SBS inputs and will be submitted to the World Bank through the MOF ACMD for approval no later than June 30 of each year during implementation of the project. The IAs will monitor budget execution and variances for the parts they implement and will ensure that the project is carried out as per the approved AWPB. They will work closely to ensure consistency and adherence to the project's objectives.

Counterpart Funding

5. The project is funding 100 percent of eligible expenditure, inclusive of taxes, and no counterpart funding is envisaged.

Funds Flow

6. MOF will coordinate and authorize the funds flow and make all payments for the project. A DA will be established for the project (refer Disbursement Section below). Funds will flow from the World Bank to the GoS into the DA for advances or to the nominated GoS bank account for reimbursement of prefinanced expenditures. Funds can also flow to contractors via direct payment or to suppliers' commercial banks for special commitments. The IAs agreed that the DA will be opened at CBS and will be managed by MOF as this is the practice for all World Bank-financed projects.



Periodic Financial Reporting

7. Project unaudited IFRs will be required, which will be prepared by the FSCD within MOF with inputs from SBS and CBS. The financial reports will include an analysis of actual expenditure for the current period, year to date, and cumulative to date, plus outstanding commitments, compared against total project budget and as required under GoS PFMA and TI. The IFRs will be submitted to the World Bank through the MOF ACMD within 45 days after the end of each calendar quarter. A contracts register will be submitted to the World Bank as supporting information of the quarterly IFRs and will detail all the contracts signed under the project, payments made during the reporting period, and the contracts balance amount, consistent with the outstanding commitments amount reported in the IFRs.

External Audit

8. A project audited financial statement must be received by the World Bank annually within six months after the end of the fiscal year, for example, by December 31 of each year, and shall be made publicly available by the recipient in a manner acceptable to the World Bank. The project annual financial statements will be prepared by the FSCD within MOF, with inputs from SBS, CBS, and the CTSSU FM consultant, by September 30 of each year and submitted to the Samoa Audit Office through the MOF ACMD to ensure timely field work and submission of the audit report by December 31 of each year.

Disbursement Methods and Supporting Documentation Arrangements

9. The project will use four disbursement methods: (a) advances, (b) direct payment, (c) reimbursement, and (d) special commitments. Direct payment would only be used for large payments or when payments are in currencies that the borrower may have difficulty obtaining. Reimbursement would only be used if the GoS funds were used for project expenses rather than expenditure through the DA. Special commitments may be needed if goods are purchased from overseas. Disbursements will be against List of Payments and Statements of Expenditure. Required supporting documentation for disbursements will be outlined in the Disbursement and Finance Instructions Letter (DFIL).

Retroactive Financing

10. No retroactive financing is available.

Project Preparation Advance

11. The Government will not use the preparation advance facility.

Table 1.1. Eligible Expenditures

Category	IDA Grant Amount of Grant Allocated (Expressed in US\$)	Percentage of Expenditures to be Financed. (Inclusive of Taxes)
(1) Goods, consulting services, training and workshops and operating costs under Part 1 of the Project.	6,000,000	100%
(2) Goods, consulting services, training and workshops, and operating costs under Part 2 of the Project.	12,000,000	100%
(3) Goods, consulting services, training and workshops, and operating costs under Part 3 of the Project.	3,000,000	100%
Total amount	21,000,000	



Table 1.2. Funding Sources

Source	Amount (US\$, millions)	Share of Total (%)
World Bank - National IDA Grant	21.00	100%
Total	21.00	100%

Procurement Management

Implementation Arrangement - Procurement Management

Applicable Procurement Regulations

12. Procurement will be carried out in accordance with the World Bank’s Procurement Regulations for IPF Borrowers dated September 2023 hereinafter referred to as ‘Regulations’. The World Bank standard procurement documents would be used for all procurement under international competitive procurement activities. In addition, the GoS procurement legislation including the PFMA 2001 Section XII, TI Section 6 and B4 Schedule, and the Procurement Operating Manual will be followed. The project will use a web-based procurement tracking system STEP to communicate procurement review request with the World Bank. MOF will recruit a national principal procurement officer under the MOF FSCD; the CTSSU international procurement consultant will assist CBS and SBS procurement implementation and ensure that the project procurement is consistent with the World Bank procurement regulations. The IAs have prepared their PPSD and Procurement Plan and outlined that procurement will be managed by each IA, with hands-on support by the MOF FSCD and the CTSSU.

IA Assessment and Support Plan

13. CBS and SBS have no experience of implementing World Bank-financed project procurement and limited staff to implement the project procurement activities. The CTSSU international procurement consultant under the MOF ACMD will provide handholding support to both agencies to ensure compliance with the agreed procurement procedures. In addition, MOF will recruit a principal procurement officer who will assist the IAs’ procurement implementation, under its FSCD. In addition to prior review of procurement transactions, the World Bank procurement mission will be fielded every six months to support implementation, and procurement post reviews will be conducted annually as needed.

PPSD and Procurement Plan

14. CBS, SBS, and MOF prepared the PPSD and Procurement Plan. The current draft Procurement Plan outlines 25 activities estimated at US\$15.339 million, the largest activity is for the NDIDS/CRS Systems Integrator (IT system procurement) at US\$5.64 million, which is planned to be procured by April 2025. The World Bank task team and MOF with inputs from the IAs discussed advanced procurement arrangements and identified eight advanced procurement activities estimated at US\$1.77 million, to start before project effectiveness.

Table 1.3. Procurement by Category and Planned Sign Contract Year

Category	#	Estimated Amount (US\$)
Goods and Non-Consulting Services	8	9,719,000
Consulting Services Firm	7	2,880,000
Consultancy Services Individuals	10	2,740,000
Year		
2024 and 2025 - advanced procurement activities	8	1,770,000
2025	14	11,355,000
2026	2	2,200,000



Category	#	Estimated Amount (US\$)
2027	1	14,000
Grand total	25	15,339,000

Table 1.4. Risk Assessment and Proposed Mitigation Measure

Risk	Mitigation Measure	Risk Owner
CBS and SBS do not have sufficient staff to undertake procurement effectively	<p>MOF has already set up the FSCD to support the IAs.</p> <p>SBS to hire NDIDS policy adviser consultant and NDIDS advisory firm.</p> <p>CTSSU will provide hands-on and proactive procurement support to CBS, SBS, and MOF for the duration of the project.</p>	CBS, SBS, and MOF
Unclear system of accountability with defined responsibilities and delegation of authority on who has control of project implementation (including procurement) decisions	MOF’s CTSSU to provide training to all CBS, SBS, and MOF personnel on approval processes.	MOF’s CTSSU
There is no robust oversight of procurement that provides timely and regular feedback, for example, through procurement audits	CTSSU and the Finance Sector Coordination Procurement Team to provide quality assurance over procurement done by SBS, CBS, and MOF. CTSSU procurement consultant will undertake a formal ‘quality assurance review’ before the award of all prior review contracts.	MOF’s CTSSU
Procurement delays may occur due to untimely technical inputs (for example, terms of reference and detailed cost estimate) or due to lack of effective monitoring	<p>Terms of reference and detailed cost estimate for eight advance procurement activities to be finalized, and the procurement will start before the project effectiveness.</p> <p>CTSSU to provide technical backstopping, which will include provision of technical inputs.</p> <p>CBS, SBS, and MOF submitted the Procurement Plan through STEP and the World Bank cleared it on September 10, 2024.</p> <p>CBS, SBS, and MOF, with support from the CTSSU, to prepare monthly procurement monitoring reports. Actions to expedite implementation are to be outlined when delays are identified.</p> <p>CTSSU to continue using the Procurement Efficiency Key Performance Indicator (KPI) (Percentage of the Value of Contracts Procured on Schedule) and measure it on a quarterly basis.</p>	CBS, SBS, MOF, CTSSU, and FSCD



Risk	Mitigation Measure	Risk Owner
	CTSSU will deliver the procurement training to CBS, SBS, MOF, and FSCD.	
Relative purchasing power is low, and the target market does not perceive it as very attractive	CBS and SBS to carry out a market outreach for potential bidders/consulting firm for the procurement activities with an estimated cost of more than US\$500,000.	CBS, SBS, CTSSU and FSCD



ANNEX 2: SECTORAL ANALYSIS

COUNTRY: Independent State of Samoa

Samoa Finance Sector Resilience and Development

1. **Samoa’s financial system includes 30 licensed financial institutions.** Foreign-owned commercial banks and PFIs dominate Samoa’s finance sector. Commercial banks account for more than 55 percent of the financial sector and provide conventional financial services to the public, such as savings and checking accounts, money transfers, credit and debit cards, and loans. Nonbank financial institutions, although generally very small, provide important financial services to the community, especially for those without bank accounts. There are few specialized private sector financial services providers that mainly offer microfinance (such as South Pacific Business Development - SPBD) and money transfers to the public, and credit unions, such as the teacher’s credit union, which provide some financial services to their members. In addition, a few nongovernmental organizations (NGOs) provide financial and business services to small and micro enterprises. The financial system also comprises a small insurance sector with six insurance companies, four brokers, and 17 agents, catering mainly to the insurance of housing, business property, and motor vehicles. CBS is the country’s monetary authority and primary regulator of financial institutions.

Table 2.1. Structure of Samoa’s Financial Sector (%)

	2021	2022	2022	2023	2023
	Dec	June	Dec	Jun	Dec
Commercial banks	54.8	54.4	55.0	56.0	55.4
Australia New Zealand Bank (Samoa) Ltd	14.1	14.2	14.2	14.0	12.9
Bank of South Pacific (Samoa) Limited	18.2	18.5	19.9	20.7	20.7
National Bank of Samoa Limited	10.5	9.7	9.3	9.4	9.2
Samoa Commercial Bank Limited	12.1	12.0	11.6	11.9	12.7
Nonbank financial institutions	45.2	45.6	45.0	44.0	44.6
Samoa National Provident Fund	27.9	28.5	27.5	26.8	27.4
Development Bank of Samoa	5.8	5.5	5.5	5.0	4.9
General Insurance Companies (4)	2.2	1.9	2.0	2.0	1.9
Samoa Life Assurance Corp.	1.5	1.7	1.6	1.5	1.5
Samoa Housing Corporation	2.4	2.4	2.4	2.4	2.5
Unit Trust of Samoa (2)	5.4	5.5	6.0	6.3	6.5

2. **Samoa’s banking system has remained resilient despite the recession triggered by the COVID-19 pandemic.** The Samoan financial sector is dominated by commercial banks and PFIs. Banking indicators suggest a resilient system overall, with adequate capital and liquidity, moderate asset quality, and high provisions to NPLs. There has been some deterioration in asset quality, with increased NPLs particularly for tourism and construction. In December 2023, total NPLs reported by CBS were equivalent to 5.4 percent of total loans and advances.³⁰ Samoa has also faced some pressures on its CBRs, the termination of which have cut off many PICs from cross-border payments options that are essential to trade and remittances. In 2021, two Samoan domestic banks had their US dollar CBRs terminated by their Australian correspondent bank, forcing them to find alternative arrangements that were more costly to avoid losing access to cost-effective financial services needed for trade, investment, remittances, and commercial transactions. However, NPLs

³⁰ CBS June 2023 Bulletin, <https://www.cbs.gov.ws/assets/Uploads/JUNE-BULLETIN-final.pdf>.



remain near historical averages, high provisioning levels have been maintained,³¹ and the banking sector remains liquid with capital above prudential norms.

3. **Samoa’s private sector credit to GDP remains below the East Asia and Pacific (EAP) average, while dependence on remittances has increased during the pandemic years despite relatively high remittance costs.** Private sector credit (from deposit money banks) to GDP increased from 45.2 percent in 2017 to 50.2 percent in 2022, at a more moderate pace comparable to upper-middle-income peers. Remittances increased sharply in the pandemic years, following the global trend, surging to 33.6 percent of GDP in 2022, making Samoa the third highest country in the world for remittances as a share of GDP. Remittance costs in Samoa are higher than EAP and global averages, particularly in transactions conducted in bank branches but have been on a downward trend since 2016, consistent with global trends.³² For instance, the average cost to send US\$200 from Australia to Samoa in the second quarter of 2023 was 8.22 percent, which, although lower than in other PICs, was well above the EAP average of 5.73 percent. The cost of remittances from Australia and New Zealand to PICs remains higher than to ASEAN³³ countries and India.

4. **Estimates indicate that approximately half of Samoan adults are excluded from the formal financial sector.** While sampling, coverage, and methodologies differ, recent census data (2021) also indicated that only 30 percent of adults had access to formal financial services, while a 2023 UNCDF survey³⁴ indicated that 40 percent of Samoans have a current account. While the GoS has implemented its NFIS 2017–2020, challenges remain in providing broader coverage to financial services, including a limited bank branch network, particularly in rural areas and certain islands, and limited customer demand due to respondents reporting insufficient funds for a bank account.

5. **While DFS in Samoa have been expanded, cash is still a predominant payment instrument in the country.** In Samoa, 78 percent of population has internet access, but mobile banking transactions (both per capita and volume as share of GDP) have been stagnant in recent years, and the range of DFS providers is limited. In 2023, CBS launched its new national payment system, enabling more efficient, secure, and inclusive electronic payments. The 2023 UNCDF survey indicated that 24 percent of the Samoan adult population have a digital wallet. While DFS are improving access, large gaps remain, and 3 in 10 Samoans overall (31 percent) do not have any form of bank account, electronic payment card, or digital financial service they can use to store money or make payments.³⁵

6. **Samoa’s Finance Sector Plan for 2022/23–2026/27 affirms Samoa’s interest to modernize Samoa’s banking sector for the digital age.** Samoa’s financial system has a diverse set of providers including commercial banks, nonbank financial institutions, MTOs, mobile network operators, credit unions, insurance companies, and NGOs providing financial services to small and micro enterprises. Some of them are regulated by and report information to CBS on a manual basis. An automated and integrated financial data reporting and analysis platform, envisaged in the Finance Sector Plan, would help CBS undertake its financial stability mandate. The plan also aims to modernize and establish a robust national payment system and safeguard the stability and sustainability of the financial system. These modernization efforts would be underpinned by strengthening the financial sector legal and institutional frameworks, which would facilitate improved regulation and supervision of the Samoan financial system and more effective implementation of the Samoa Disaster Risk Financing Policy including timely delivery of funds for disaster relief.

7. **Samoa has made significant strides in improving the digital infrastructure, which could serve as a foundation for financial sector modernization.** The ICT infrastructure in Samoa is relatively developed, with near-total 4G population coverage and a high percentage of smart devices attached to networks. Around 98 percent of the population has 4G coverage while the population penetration for mobile subscriptions (49.7 percent) is less than the average for nine Pacific

³¹ Samoa 2023. IMF Article IV Consultation. March 2023.

³² World Bank/Remittance Price Worldwide Database

³³ Association of Southeast Asian Nations.

³⁴ UNCDF. 2023. *Assessing Digital and Financial Literacy in Samoa: A Survey on Knowledge, Skills, and Access.*

³⁵ Ibid.



countries (74.15 percent) and the average in GDP per capita decile (117.20 percent).³⁶ Total fixed broadband household subscriptions are at 6.1 percent which is significantly lower than the regional average (27.7 percent) and the average in GDP per capita decile (47.8 percent). However, the sustainability and resilience of internet connectivity, particularly in rural areas, is still a concern. The DCRSP aims to address some of these issues, including rural connectivity outside of Apia and on Savai'i.

8. **Challenges with identification hamper financial inclusion and access to services, and sustain risks associated with inconsistent data quality, governance, and data security.** Foundational identity in Samoa is currently provided by the civil registry, which needs modernization. The absence of robust and accessible digital identity creates challenges for some citizens and residents to provide proof of identity (online and in person) or to apply for services such as health care, education, or a bank account. Limitations on the completeness or accuracy of the population register may lead to inefficiencies or reduced effectiveness of social protection and disaster relief programs and permit risks of identity fraud.³⁷ Without a verifiable digital identity, individuals may struggle to send or receive remittances, apply for loans, or engage in financial transactions, limiting their economic and social inclusion. Inclusive NDID can also facilitate CDD, which has been a challenge referenced in the termination of CBR, and support efforts to broaden financial inclusion by enabling remote onboarding with little or no additional information requested.

Table 2.2. Selected Financial Stability Indicators

	Dec-20	Dec-21	Dec-22	Dec-23
Asset quality				
NPL to total loans	3.8	3.6	5.0	5.4
Provisions to total loans	6.4	7.0	7.8	8.7
Provisions to NPLs	167.4	198.3	156.9	161.7
NPLs net of provisions to regulatory capital	1.4	-1.7	-0.9	-1.3
Profitability				
Return on equity	17.5	18.6	12.1	12.6
Net interest margin	5	5.5	2.1	5.3
Efficiency ratio	58.8	54.9	53.2	55.8
Liquidity and funding				
Liquid assets to total assets	17.8	17.6	19	26.1
Liquid assets to total domestic liabilities	23	21.9	25.7	34.1
Capital adequacy and leverage				
Tier one (1) capital to risk - weighted exposures	22.7	23.5	25.4	24.9
Tier one (1) capital to total assets	12.4	12.7	12.2	10.7
Total capital to total assets	15.3	15.8	14.9	13.8

Source: CBS Quarterly Bulletin March 2024.

Table 2.3. Selected Financial Access Indicators

Year	2018	2019	2020	2021	2022
Institutions of commercial banks	4	4	4	4	4
Number of insurance corporations	6	6	6	6	6

³⁶ Telegeography data for mobile (population) subscriptions as of June 2023. Regional average is calculated as the average from Kiribati, Palau, Samoa, Tonga, Tuvalu, and Vanuatu. Telegeography does not capture data from Nauru, Marshall Islands, and the Federated States of Micronesia.

³⁷ The [WB report](#) *Scaling Up Social Assistance Payments as Part of the COVID19 Pandemic Response* noted that countries with digital databases and trusted data sharing reached around 51 percent of their populations, while countries without such a system reached only 16 percent of their populations.

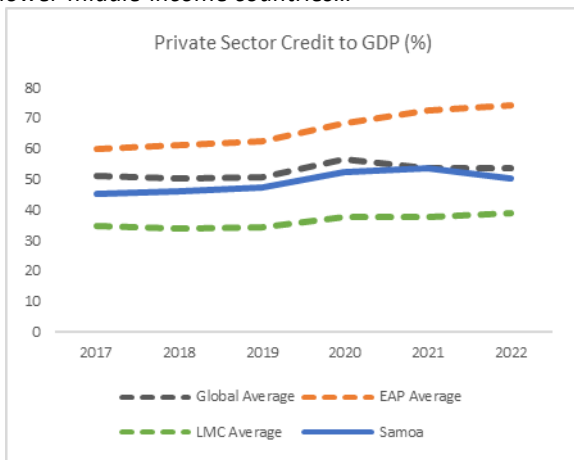


Year	2018	2019	2020	2021	2022
Branches of commercial banks	25	25	26	28	28
Automated teller machines (ATMs)	65	66	74	78	76
Number of active mobile money agent outlets	5	66	48	59	172
Number of loan accounts with commercial banks per 1,000 adults	150.0	151.6	120.8	114.3	115.0
Number of mobile and internet banking transactions per 1,000 adults	335.0	270.7	384.3	491.7	707.7
Value of mobile and internet banking transact. (% of GDP)	4.5	3.9	3.2	4.3	5.5

Source: IMF Financial Access Survey 2023.

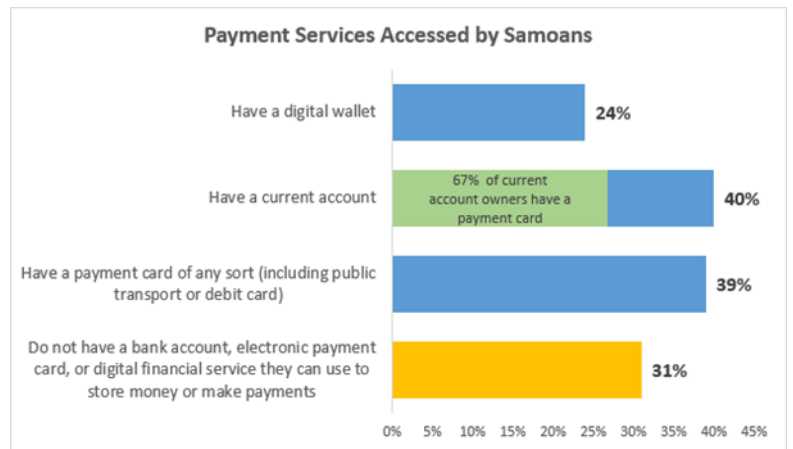
Figure 2.1. Financial Sector in Samoa

a. Private sector credit to GDP is below the EAP average and global average but above the average for lower-middle-income countries...



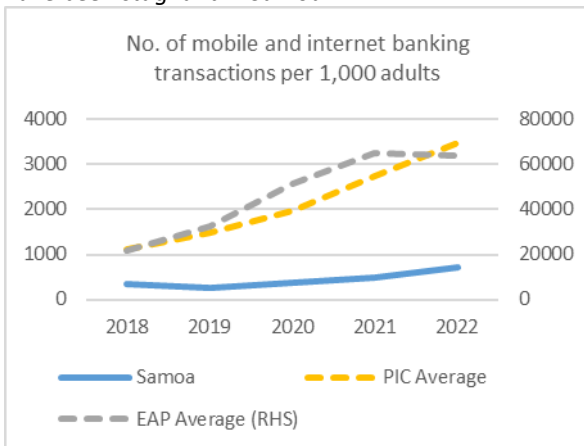
Source: Finstats 2024.

b....and just 40% of Samoans have a current account



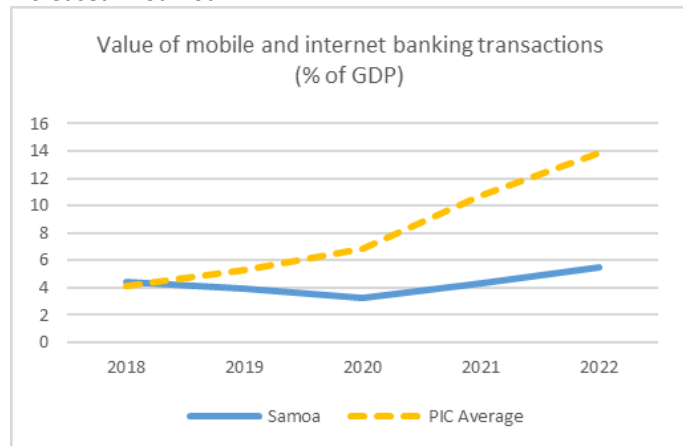
Source: UNCDF 2023.

c. Mobile and internet banking transactions per adult have been stagnant in Samoa...



Source: IMF Financial Access Survey 2023.

d....mobile and internet banking transactions as a % of GDP have not increased in Samoa

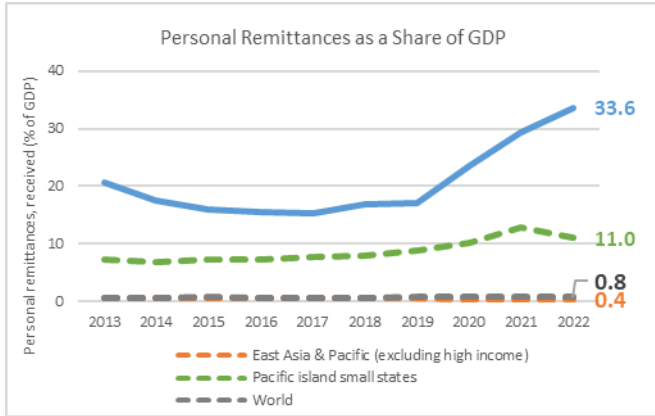


Source: IMF Financial Access Survey 2023.



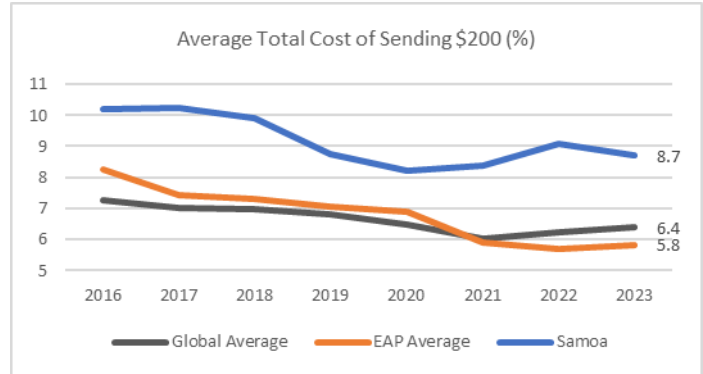
Figure 2.2. Remittances in Samoa

a. Remittances into Samoa have surged in recent years



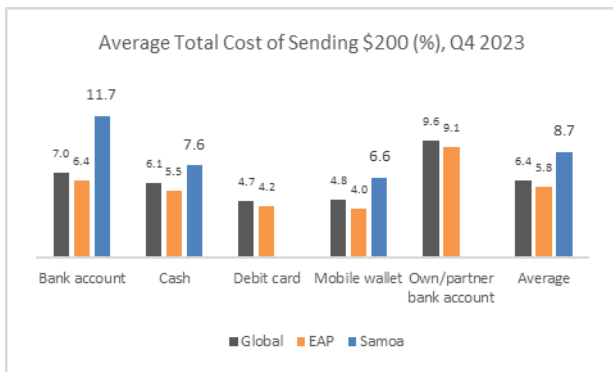
Source: World Bank, World Development Indicators 2024.

b. The average cost of sending remittances of US\$200 is above global and EAP averages



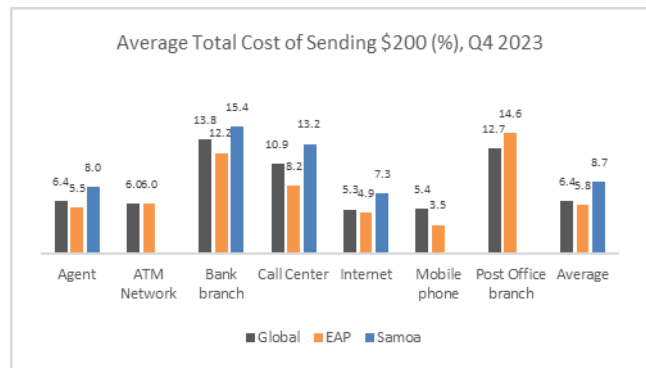
Source: World Bank, Remittance Price Worldwide 2023 (Q4).

c. Bank accounts are the most expensive ways to send remittances...



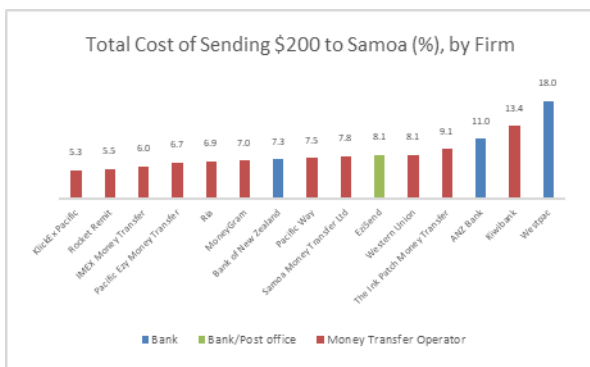
Source: World Bank, RPW 2023 (Q4).

d. ...and bank branches are the most expensive location



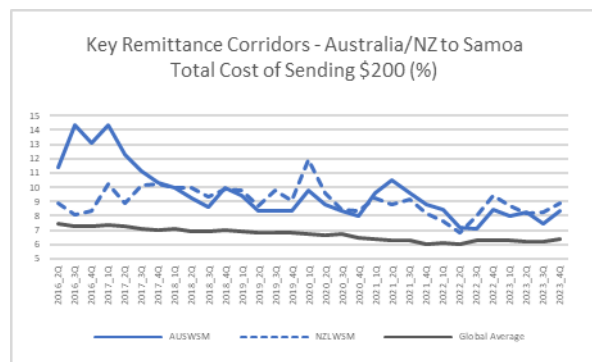
Source: World Bank, RPW 2023 (Q4).

e. Costs charged by Samoan remittance providers can vary by as much as over 10 percentage points



Source: World Bank, RPW 2023 (Q4).

f. Remittance prices between Samoa and the Australia/New Zealand corridor have dropped since 2016 but have increased in 2022



Source: World Bank, RPW 2023 (Q4).



ANNEX 3: GENDER

COUNTRY: Independent State of Samoa Samoa Finance Sector Resilience and Development

- Gender gaps in economic opportunities persist in Samoa with women largely at a disadvantage.** The labor force participation for women was 41.1 percent compared to 66.3 percent for men in 2022.³⁸ While both increased over time, men's labor force participation increased faster in recent years. Only about 37 percent of paid employees and about 38 percent of persons in formal employment are women. Unemployment rates are higher for women compared to men at 10 percent and 7 percent, respectively; but the gender gap is larger among unemployed youth ages 15–24. Among those who are employed, there are some indications of gender gaps in hourly earnings, which persist within occupations and educational levels. Data from the 2017 Labor Force Survey show that nominal hourly wages for men are higher in seven of the nine main occupational categories. The advent of DFS is supporting economic transformation, including helping the underserved gain greater access to financial services which can allow individuals and firms to take advantage of business opportunities, receive remittances more efficiently, and insure against risks. But not all segments of the population are benefiting equally.
- The digital gender gap is noticeably evident according to the International Telecommunication Union (ITU).** Efforts to address and close the gender gap in mobile use have not been as successful as hoped and as a result have not had the desired impact of improving productivity and growth. Research by GSMA found that closing the gender gap in mobile internet use across low- and middle-income countries over five years could deliver an additional US\$700 billion in GDP growth, while closing the gender gap in mobile ownership and use over the same period could deliver US\$140 billion in additional revenue to the mobile industry. Men globally are 21 percent more likely to be online than women but this disparity rises to 52 percent in the world's lesser developed countries. This has serious implications for women's ability to benefit from developments in digital technology, which is especially problematic in a post-COVID environment that is increasingly reliant on online platforms for information sharing, services, and business opportunities.
- Women, especially those in rural Samoa, have lower levels of access to digital technology.** A recent survey by UNCDF indicated that men (44 percent) are more likely than women (36 percent) in Samoa to own a current account for conducting financial transactions. Yet challenges remain, particularly with respect to many rural women and poor families who remain outside the purview of the formal financial system. Among women, rural (33 percent) and younger women (ages 15 to 24, 28 percent) are the least likely to own a current account.³⁹ Similarly, the survey also indicates that women benefit less from cost savings from access to DFS than men, with 53 percent of Samoan male respondents and 46 percent of female respondents reporting cost savings on financial transactions as a result of using a digital channel. But without digital skills training, women are at risk of being left behind.
- The adoption of DFS by women is limited by a range of barriers including lack of awareness of its broader potential benefits, risk perception, price, and lack of digital skills.** Women's access to digital technologies is constrained by a lack of awareness of potential benefits,⁴⁰ such as lower-cost options for sending and receiving remittances (a significantly higher proportion of women [48 percent] receive remittances than men [39 percent]),⁴¹ price, and most notably lack of skills in using and engaging with digital technology. In 2023, a UNCDF survey indicated 79 percent of Samoans had access to a smartphone of their own or of a family member but only 36 percent of adults were using digital financial products. Some of the key challenges regarding skill development for women are lack of quality and relevant technical and vocational education and training (TVET), low workforce skills in communication and information

³⁸ ILOSTAT in [WB Gender Data Portal](#).

³⁹ UNCDF 2023.

⁴⁰ ADB (Asian Development Bank). 2022. "Women's Economic Empowerment in the Pacific Region." Summary Brief.

⁴¹ Central Bank of Samoa, Financial Services Demand Side Survey Samoa, 2013.



technology, and lack of links between labor market demand and training. In the past, limited progress has been made to reach out to women.

5. **Appropriate measures and improvements in technological skills for women in Samoa will likely bring significant benefits to women.** Growing evidence suggests that in developing economies increasing digital financial inclusion, particularly payments, opens the door to engagement with the broader financial ecosystem which is associated with improved access to economic opportunities.⁴² DFS can narrow gender gaps in financial inclusion by removing constraints that particularly affect women—such as a mobility and time constraints. DFS can also provide a safe and secure way for women and women-led enterprises to transact, run, and expand businesses. This would allow women-led enterprise to work from the comfort and safety of their own homes. Running a business from home also allows them to oversee any usual household responsibilities, saving time and money. Empowering women and girls by improving their access to digital technologies can benefit other aspects of their lives including education, employment, health, as well as access to critical information they need. The GoS views equal access to the internet and digital technologies for women and girls as a prerequisite and a critical enabler for ensuring delivery of universal health care, access to quality education, achievement of financial literacy, and creation of more efficient and accountable public service delivery.

6. **Similarly, women also face time and mobility constraints in accessing public services, due to social norms, making digital options more equitable.** NDID will provide an easier, secure, and authenticated way for women, especially from rural and remote communities, to access social assistance benefits, health, and other government services. Digital ID will also help promote women’s access to online financial and business services (for example, business licensing and collateral registration) through submission by the holders, authentication of their issued digital ID, and verification of their identity by the institution or provider without the need to have multiple paper identification documents or attestation of their identity from village elders. Progress will be monitored by measuring the ‘Share of eligible population who have registered for a NDID (half of the digital ID owners are women)’. The program supports the introduction of National Digital Identification System (component), which will contribute to both improving access to credit and public services, including social assistance. Data privacy protections and controlled access to personally identifiable information are legislated and will be a foundational component in the design and use of digital ID. This ensures women's information cannot be aggregated or patterns deduced through online transactions to personally identify them from any metadata collected.

⁴² Klapper, L, et al. 2022. “Women and Financial Inclusion.” The Global Findex Database 2021.

**ANNEX 4: TASK TEAM**

Name	Role	Unit
Rekha Reddy	Team Leader (ADM Responsible)	EEAF2
Ji Eun Choi	Team Leader	IDD05
Christopher David Miller	Team Leader	EEAF2
Janet Virginia Gamarra Rupa	Financial Management Spec. (ADM Responsible)	EEAG2
Myat Kay Khine	Procurement Specialist (ADM Responsible)	EEAR2
Bunlong Leng	Environmental Specialist (ADM Responsible)	SEAE1
Thomas John Callander	Social Specialist (ADM Responsible)	SEAS1
Vipasha Bansal	Counsel	LEGAS
Terina Eirenei Darna Masei	Counsel	LEGAS
I Gede Putra Arsana	Team Member	EEAF2
Shivnesh Roynendra Prasad	Team Member	IDD05
Dara Malia Lengkong	Team Member	EEAF2
Ryan Koh	Team Member	EEAF2
Jiyoung Song	Team Member	EEAF2
Yolanda Mengyu Cao	Team Member	EEAG2
Matei Dohotaru	Team Member	EFNFS
Jonathan Daniel Marskell	Team Member	IDD05
Ivan William Clarke	Team Member	IDD03
Aly Salman Alibhai	Team Member	EEAF2
Philbert Tiki Yong	Team Member	EEAF2
Nilima Chhabilal Ramteke	Team Member	EFNFI
Antonia Wong	Team Member	EACSA
Katia D'Hulster	Team Member	EEAF2
Lynn Ioana Malolua	Team Member	EACSA
Heejin Lee	Team Member	EEAF2
Olivia May McDonald	Team Member	EACNF
Tatiana Didier	Team Member	EEAF2
Sama Khan	Team Member	SEAS1
Nepomuk Dunz	Team Member	EFNFS