

**PROGRAM INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

September 1, 2017  
Report No: 120156

<b>Operation Name</b>	Samoa First Growth and Resilience Development Policy Operation
<b>Region</b>	EAST ASIA AND PACIFIC
<b>Country</b>	Samoa
<b>Operation ID</b>	P162104
<b>Lending Instrument</b>	Development Policy Grant
<b>Borrower(s)</b>	Independent State of Samoa
<b>Implementing Agency</b>	Ministry of Finance
<b>Date PID Prepared</b>	1 September 2017
<b>Date of Appraisal</b>	19 September 2017
<b>Estimated Date of Board Approval</b>	31 October 2017
<b>Corporate Review Decision</b>	Following the corporate review, the decision was taken to proceed with the preparation of the operation.

**I. Key development issues and rationale for Bank involvement**

The proposed operation is the first in a programmatic series of two development policy operations (DPOs) designed to enhance Samoa's macroeconomic and financial resilience and mitigate risks associated with natural disasters, climate change, and non-communicable diseases (NCDs). In this operation the Bank will continue to support key elements of the government's reform program, building on the substantial progress achieved under the previous DPO series in promoting macroeconomic sustainability and in the specific policy areas of revenue mobilization, efficiency in public procurement, and climate resilience. The proposed DPO series is essential to maintain support for Samoa's substantive efforts to protect incomes and livelihoods, and is central to the Bank's overall engagement with Samoa, as highlighted in the Regional Partnership Framework (RPF) discussed by the Board in 2017. The Bank has worked closely with Australia, New Zealand, and the Asian Development Bank to coordinate the provision of budget support (as well as supporting technical assistance) under a matrix of policy actions developed jointly by the government and its development partners.

**II. Objective(s)**

The proposed objectives of the operation are i) to strengthen Samoa's macroeconomic and financial resilience; and ii) to increase Samoa's resilience to the effects of climate change, natural disasters, and non-communicable diseases.

**III. Description**

The proposed operation is aimed at boosting the resilience of Samoa to the major risks threatening its sustainable growth and development. The first pillar contains prior actions that will bolster the government's revenue base, reduce risks around remittance flows, and increase

access to finance, building on reforms supported by the previous programmatic series of DPOs. The second pillar aims to reduce Samoa’s vulnerability to some of its major long-term threats: climate change, natural disasters and NCDs. The operation will support government efforts to improve the climate resilience of buildings and roads, promote healthy consumption choices through increased excise duties on unhealthy products, and reduce costs and inefficiencies associated with pharmaceutical procurement. The prior actions in this operation support key elements of the government’s reform agenda, and are in line with the national priorities identified in the Strategy for the Development of Samoa: economic sustainability and business development, improved education and health outcomes, better access to infrastructure, and climate and disaster resilience. The operation is also closely aligned with the World Bank Group’s Regional Partnership Framework (RPF) for nine PICs, including Samoa, and in particular the focus areas of protecting incomes and livelihoods (including through strengthening resilience to natural disasters and climate change, and addressing NCDs); and of strengthening the enablers of growth and opportunities (through improved macro- economic management and infrastructure).

**IV. Poverty and Social Impacts and Environment Aspects**

Over time, the reforms supported by the operation should reduce those risks that have a disproportionate impact on vulnerable groups, including the risk that the government is unable to fund essential public services after an economic shock; the risk of a disruption to remittance flows; and the risk of a lack of access to key services after a natural disaster. They are also likely to improve the availability of credit, particularly for women, spur behavioral change that ultimately reduces the incidence of NCDs, and reduce the likelihood of medicine shortages. The policy actions supported under the operation are not expected to create negative impacts on Samoa’s environment, natural resources or forests compared with the status quo.

**V. Tentative financing:** US\$5 million, IDA grant terms

**VI. Contact point**

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**VII. For more information contact:**

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