



Samoa: Samoa Submarine Cable Project

Project Name	Samoa Submarine Cable Project										
Project Number	47320-001										
Country	Samoa										
Project Status	Active										
Project Type / Modality of Assistance	Grant										
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Grant 0458-SAM: Samoa Submarine Cable Project</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 25.00 million</td></tr><tr><td colspan="2">Grant: Samoa Submarine Cable Project</td></tr><tr><td>World Bank</td><td>US\$ 16.00 million</td></tr><tr><td>Government of Australia</td><td>US\$ 1.50 million</td></tr></table>	Grant 0458-SAM: Samoa Submarine Cable Project		concessional ordinary capital resources lending / Asian Development Fund	US\$ 25.00 million	Grant: Samoa Submarine Cable Project		World Bank	US\$ 16.00 million	Government of Australia	US\$ 1.50 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration										
Drivers of Change	Partnerships Private sector development										
Sector / Subsector	Health - Health system development Information and communication technology - ICT infrastructure										
Gender Equity and Mainstreaming	Some gender elements										
Description	The proposed project will improve international broadband connectivity of Samoa. The proposed project focuses on building a submarine cable system (SCS) connecting Samoa to regional and global communications infrastructure.										

Project Rationale and Linkage to Country/Regional Strategy

Samoa was one of the first Pacific countries to open telecommunications up to competition through the Telecommunications Act 2005. Following market liberalization, total customers for fixed and mobile lines increased from 12,500 in 2002 to 152,800 in 2008. As of end 2014, over 95% of the population was covered by mobile networks, while mobile penetration had reached 89% of network covered population. However, internet access is lagging significantly, due to high access costs relative to income levels. Broadband penetration was estimated at about 1% fixed and 27% mobile. Projected demand, if prices are lowered, is expected to grow from the current level of about 420 megabits per second to 6 gigabits (Gbps) per second by 2021, and to 30 Gbps by 2028.

Internet prices are driven by the high wholesale internet bandwidth costs. Samoa relies on a submarine cable and satellite service for its international internet connectivity. Samoa is connected to the American Samoa Hawaii cable system via the Samoa-American Samoa cable, which has a remaining useful life of 5 years. The current system capacity of 1 Gbps is above Samoa's current bandwidth demand, but is significantly below projected bandwidth demand. The proposed submarine cable system (SCS), with a minimum capacity of 1 terabits per second and a regulated bandwidth price below current price levels, can facilitate broader internet access and meet Samoa's growing demand. The current ICT service providers are interested in investing in the SCS as a long-term solution to their capacity needs. However, given the significant project cost, there is insufficient private sector interest to invest in such a cable. Therefore, the government is supporting the investment to bridge the gap between the economic and financial viability of the project. ADB supported similar projects in Tonga (also jointly financed with the World Bank) and the Solomon Islands.

The Office of the Regulator (OOTR) was established in 2006 to regulate telecommunications, and has functioned as a multi-sector regulator, including electricity services, since 2013. The proposed SCS aims to improve access to international connectivity; hence, the government requires support to strengthen the legal and regulatory environment, and capacity of the OOTR to regulate international connectivity services to protect the long term interests of consumers. Strong and robust regulation is essential to ensure the Samoa Submarine Cable Company (SSCC) does not engage in monopoly pricing or other anticompetitive behavior.

The ICT sector is recognized as an enabler of economic growth and development. Reliable and affordable ICT helps create new business opportunities and with it employment. The proposed project will cater to increased demand for high-bandwidth applications by businesses, households and individuals. In 2014, the government launched the Samoa National Broadband Highway, an internet ready fiber/mobile network linking all government offices, schools and hospitals. With affordable international connectivity, the proposed SCS will enhance the domestic network's delivery of improved public services.

The government has already adopted elements of e-education with the support of development partners and ADB also provided support for an online secured transactions registry and an online company registration. The government has now selected the health sector for implementation of an e-strategy to improve service delivery and reduce the reliance on overseas medical care. The Samoa Ministry of Health (MOH) is planning and designing investments to effectively implement its 5-year health information strategy and has undertaken an initial needs appraisal which identified a patient information system as a priority. The project will help the government implement an e-health patient information solution, and explore e/m-health initiatives utilizing improved ICT accessibility domestically through the national broadband highway and internationally through the SCS.

The proposed project is consistent with ADB's Pacific Interim Approach 2015 and Samoa's country operations business plan 2015_2017. It also aligns with a key outcome of the Strategy for the Development of Samoa 2012_2016 to facilitate universal access to reliable and affordable ICT services.

Impact	Universal access to reliable and affordable ICT services (Strategy for the Development of Samoa 2012-2014)
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Project Outcome

Description of Outcome	Quality broadband services available at an affordable price and used for enhancing e-health.
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Progress Toward Outcome	SSCC is established as a private company under the Companies Act 2001. A Board representing the six investors as well as a Chairperson have been appointed. Shareholders and financing agreements were signed with the SSCC investors; as well as a security deed with the government on 5 April 2016. Recruitment of a chief executive officer (CEO) is completed (to assume office in September 2016).
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Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none">1. Special purpose vehicle-the SSCC-to operate and manage the SCS established2. SCS established and efficiently operated3. Legal and regulatory environment improved4. Investments in e-health solutions Project Management Activities
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Status of Implementation Progress (Outputs, Activities, and Issues)	SSCC is established, the Board of Directors have been appointed and CEO recruited (to commence in September) Not yet due. Not yet due. Ongoing. Noted. Awaiting submission of first quarterly progress report. Not yet due. Noted. Not yet due. Not yet due. Ongoing. Being complied. Not yet due.
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Geographical Location

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible Staff

Responsible ADB Officer	Melei, Maria
Responsible ADB Department	Pacific Department
Responsible ADB Division	Urban, Social Development & Public Management Division, PARD
Executing Agencies	<i>Ministry of Finance V-TAGILIMA@TREASURY.GOV.WS Ministry of Finance Government of Samoa Private Bag, Apia, Samoa</i>

Timetable

Concept Clearance	15 Apr 2015
Fact Finding	15 Apr 2015 to 24 Apr 2015
MRM	07 Sep 2015
Approval	23 Nov 2015
Last Review Mission	-
Last PDS Update	29 Sep 2016

Grant 0458-SAM

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
20 Nov 2015	03 Dec 2015	09 Feb 2016	30 Jun 2020	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	57.41	Cumulative Contract Awards			
ADB	25.00	20 Nov 2015	12.76	0.00	51%
Counterpart	14.91	Cumulative Disbursements			
Cofinancing	17.50	20 Nov 2015	3.02	0.00	12%

Project Page <https://www.adb.org/projects/47320-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=47320-001>

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