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Program Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 14-Oct-2026 | Report No: PIDDA00240



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Operation ID	Operation Name	
Samoa	P514213	Samoa Resilience and Investment Development Policy Operation with a Catastrophe Deferred Drawdown Option	
Region	Estimated Approval Date	Practice Area (Lead)	Financing Instrument
EAST ASIA AND PACIFIC	08-Dec-2026	Macroeconomics, Trade and Investment	Development Policy Financing (DPF)
Borrower(s)	Implementing Agency		
Independent State of Samoa	Ministry of Finance		

Proposed Development Objective(s)

The objectives of the proposed operation are to: (i) bolster resilience to protect the foundations for growth and jobs; and (ii) strengthen the business and investment environment.

Financing (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	Yes
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Financing	30.00
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DETAILS

Total World Bank Group Financing	30.00
World Bank Lending	30.00

Decision

The review did authorize the team to appraise and negotiate

Explanation

The Chair authorized the team to proceed to Appraisal and Negotiations, subject to the decisions reached and the completion of agreed revisions as per the Decision Note.

B. Introduction and Context

Country Context

Samoa is an upper-middle-income small island state with a population of about 219,000 and GDP of approximately US\$1.3 billion. The economy relies heavily on tourism, agriculture, remittances and development assistance. Small scale, remoteness, limited diversification, infrastructure and skills gaps, constrained access to finance, and exposure to external shocks limit productivity, private investment and formal employment. Tourism-related industries account for about one-quarter of GDP and around 15 percent of employment, while female labor-force participation remains comparatively low.

Samoa is highly exposed to natural and climate-related hazards. Between 1980 and 2020, the country experienced 13 major disasters. Tropical cyclones, storm surges and seasonal droughts are recurrent, and the 2009 earthquake and 2012 Tropical Cyclone Evan each caused losses equivalent to about 35 percent of GDP. Average annual asset losses from earthquakes and cyclones alone are estimated at approximately US\$10 million. Climate change is expected to intensify these risks, with much infrastructure and many livelihoods concentrated in low-lying coastal areas.

The macroeconomic policy framework is considered adequate for the operation. Economic activity contracted in FY26, following a strong post-pandemic recovery, and inflationary pressures have risen due to the global energy price shock. But Samoa is well placed to deal with current macroeconomic conditions and increased uncertainties in the global environment. Public debt declined from 45.4 percent of GDP in FY2021 to below 20 percent in FY2026, and foreign exchange reserves are above adequacy benchmarks. Although fiscal deficits are expected to widen in coming years to support development priorities and respond to weaker growth, the authorities enter this period from a position of fiscal strength. The external and monetary policy frameworks remain credible and supportive of stability, and the financial system remains stable, though some risks warrant continued monitoring. In particular, Samoa remains vulnerable to global energy and food price shocks, weaker tourism demand, correspondent banking pressures, risks associated with changes to central bank governance, natural hazards and climate change.

Relationship to CPF

The proposed operation is aligned with the World Bank Group Regional Partnership Framework for Nine Pacific Island Countries FY2026–31, particularly Outcome 1 on macroeconomic and fiscal management and Outcome 4 on resilience. It is further consistent with the WBG Small States Strategy lighthouse initiatives on fiscal sustainability and debt management and disaster preparedness; with IDA21 priorities under People, Prosperity, Planet, and Infrastructure; and



with the Paris Agreement. The operation is classified as an MFD-Enabling Project based on Prior Actions 5 and 6, which support private investment and financial inclusion. The operation is also fully aligned with Samoa's national development plan — the Pathway for the Development of Samoa 2 (PDS2) FY2026/27–FY2030/31 — which is anchored in five strategic outcomes: inclusive social development; a sustainable economy; trusted governance, rule of law and security; a safeguarded climate-resilient environment; and structured public works and sustainable infrastructure. The prior actions supported by this operation form part of the government's Joint Policy Action Matrix (JPAM), which is coordinated with development partners including the Asian Development Bank, Australia, New Zealand, and the European Union, all of whom are providing complementary budget support.

C. Proposed Development Objective(s)

The objectives of the proposed operation are to: (i) bolster resilience to protect the foundations for growth and jobs; and (ii) strengthen the business and investment environment.

Key Results

The results framework for this operation is organized under the two Development Objectives and their corresponding pillars. Progress will be measured against baselines established at or prior to effectiveness, with targets to be achieved by the closing period of FY2029.

The first development objective of the proposed operation is to bolster resilience to protect the foundations for growth and jobs. Under Pillar 1, it presents four results which are linked to corresponding Prior Actions. **Result 1 — Risk-Informed Development Planning (linked to PA#1):** Requiring documented climate and disaster risk screening in Development Control Approvals (DCAs) reviewed by the Planning and Urban Management (PUM) Board is expected to mainstream risk-informed development across the country's public investment and land use decisions, reducing the vulnerability of new infrastructure and communities to future hazard events. **Result 2 — Cross-Sectoral Drought Preparedness (linked to PA#2):** Establishing sectoral drought plans across critical sectors — agriculture, water, health, tourism, energy, transport, and environment — is expected to strengthen Samoa's preparedness for seasonal and prolonged drought events, which occur nearly every year and disproportionately affect rural, agricultural, and lower-income communities. **Result 3 — National Digital Identification and Shock-Responsive Social Protection (linked to PA#3):** National Digital Identification (NDID) is expected to cover a substantial proportion of the population to enable faster, more accurate targeting and delivery of social protection benefits and public services — particularly in the aftermath of disasters and economic shocks, enhancing the resilience of beneficiaries to climate risks — with results disaggregated by gender and age to ensure inclusive coverage. **Result 4 — Domestic Debt Issuance (linked to PA#4)** Approval of procedures for issuing domestic debt is expected to enable the Government to diversify its financing sources and develop Samoa's nascent domestic capital market, reducing reliance on external concessional borrowing alone.

The second development objective is strengthening the business and investment environment. Pillar 2 includes two Prior Actions that support measures to improve the business-enabling environment and facilitate mobilization of private capital, complementing the resilience-building reforms in Pillar 1 by strengthening the foundations for private investment. **Result 5 - International Tax Compliance (linked to PA#5)** Following the enactment of the Miscellaneous (Removal of Tax Exemption for International Companies) Amendment Act 2026, Samoa was removed from the EU list of non-cooperative tax jurisdictions in February 2026. Remaining off this list and full implementation of the new tax regime will reinforce confidence in Samoa as a stable and cooperative jurisdiction for foreign investment and international business. **Result 6**



— **Access to Credit and Financial Inclusion (linked to PA#6)** The establishment of a legal framework for a national credit information register is expected to expand the share of the adult and female population with credit information, with a focus on gender equity in access to financial services given the particular constraints faced by women borrowers.

D. Project Description

This standalone Development Policy Operation is organized around two pillars and six prior actions to bolster resilience and strengthen the business environment in Samoa. It provides US\$30.0 million in IDA financing comprising a Development Policy Grant of US\$10.0 million disbursed upon effectiveness, and US\$20.0 million in Catastrophe Deferred Drawdown Option resources — a US\$12.5 million grant and a US\$7.5 million credit — available for rapid drawdown following a government-declared Proclamation of Emergency in response to a catastrophic event. The operation closes on December 8, 2029, irrespective of the timing of any Cat DDO drawdown.

Pillar 1: Bolstering Resilience to Protect the Foundations for Growth and Jobs

Pillar 1 supports four prior actions to strengthen resilience to natural and climate-related hazards, protect human capital, and diversify public financing options. The revised Codes of Environmental and Social Practice (PA1) mandate climate and disaster risk screening — including social impact assessments and protections for vulnerable groups — as part of the statutory development approval process, ensuring that new developments reduce rather than compound hazard exposure. The National Drought Management Policy (PA2) shifts drought management from a reactive to a proactive, cross-sectoral risk-based approach, supported by a dedicated Drought Early Warning System Technical Working Group. The National Digital Identification Policy (PA3) establishes a unique, persistent digital identity for each registered person, enabling rapid and verified identification of disaster-affected households for timely delivery of emergency assistance and social protection benefits. Finally, Cabinet-approved Procedures for the Issuance of Government Debt Securities (PA4) provide a structured framework for issuing Treasury bills and bonds, allowing for diversification of the government's financing options and reducing reliance on external concessional sources.

Pillar 2: Strengthening the Business and Investment Environment

Pillar 2 supports two prior actions to improve the enabling environment for private investment and expanding access to finance. The Miscellaneous (Removal of Tax Exemption for International Companies) Amendment Act 2026 (PA5) removes harmful tax preferences for international companies, bringing Samoa into compliance with OECD/G20 BEPS Action 5 standards and resulting in its removal from the EU list of non-cooperative tax jurisdictions in February 2026 — addressing a significant reputational barrier to foreign investment. The Credit Information Register Bill (PA6) mandates the Central Bank of Samoa to establish a national credit information register, reducing the information asymmetries that currently limit access to affordable finance for MSMEs, women-owned firms, and underserved households.

E. Implementation

Institutional and Implementation Arrangements

The Ministry of Finance will coordinate implementation across responsible line ministries and agencies and monitor progress against the agreed results indicators. Progress will be reviewed jointly with development partners through semi-annual JPAM missions, and regular reports will be provided to the World Bank to inform Implementation Status and Results Reports and the Implementation Completion and Results Report.

Existing country systems will be used for financial management, procurement, reporting, and auditing. Fiduciary and procurement risks are both rated **Moderate**. No separate project audit is required. DPO proceeds will be deposited through the Central Bank of Samoa and credited to the Treasury current account.

F. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects

Poverty and Social Impacts

No negative poverty or social impacts are anticipated from the policy actions supported under this operation. The revised COESP (PA1) may generate positive distributional outcomes by embedding mandatory social impact assessments, stakeholder consultation, and explicit protections for vulnerable groups — including women and other disadvantaged communities — into the statutory development approval process. The National Drought Management Policy (PA2) benefits subsistence farmers, women, and low-income households, who are disproportionately exposed to drought-related food and water insecurity, by improving early warning systems and cross-sectoral preparedness. The NDID Policy (PA3) strengthens the ability of poor and vulnerable households to access social protection benefits and essential public services, particularly during and after disasters. The credit registry reform (PA6) may generate longer-term indirect benefits by reducing information asymmetries that currently constrain access to affordable finance, including for poorer underserved households.

Environmental, Forests, and Other Natural Resource Aspects

The Policy actions under this operation are not expected to negatively impact Samoa's environment, forests, or natural resources. The COESP (PA1) will increase the climate and disaster resilience of future developments, generating significant positive environmental outcomes. The Drought Management Policy (PA2) promotes more sustainable management of water, land, and ecosystems under increasing climate stress. All investment activities enabled by the international tax and credit registry reforms (PA5 and PA6) remain subject to Samoa's existing environmental safeguard regulations. This operation has been screened for climate change and disaster risk, and the results are discussed in the Appraisal Document. All six prior actions are aligned with the Paris Agreement's mitigation and adaptation goals.

G. Risks and Mitigation

The overall residual risk rating for the operation is Substantial. Political and governance, macroeconomic, and institutional capacity risks are each rated Substantial, while all other categories — sector strategies and policies, technical design, fiduciary, environment and social, and stakeholders — are rated Moderate. The principal risks include further spikes in global energy prices, weaker tourism demand, correspondent banking pressures, potential fiscal overruns from expanded cash transfer programs, risks to central bank independence from proposed CBS governance amendments, and uneven implementation capacity across the ministries responsible for the reform program. These risks are mitigated through the MoF's strong coordination role, the semi-annual JPAM monitoring mechanism, ongoing World Bank economic policy dialogue, complementary investment projects and technical assistance, and sustained development partner engagement. Data protection risks associated with PAs 3 and 6 are partially mitigated by sector-specific protections built into the NDID Policy and the Credit Information Register Bill, and by the complementary Digitally Connected and Resilient Samoa Project (P180807), which supports development of a national data protection framework.



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