DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

WS: PACIFIC REGIONAL CONNECTIVITY PROGRAM: PHASE 3 - SAMOA

APPROVED ON JUNE 19, 2015

TO

INDEPENDENT STATE OF SAMOA

DIGITAL DEVELOPMENT
EAST ASIA AND PACIFIC

Regional Vice President: Victoria Kwakwa
Country Director: Michel Kerf
Regional Director: Boutheina Guermazi
Practice Manager/Manager: Nicole Klingens
Task Team Leader(s): Natasha Beschorner
I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Financing Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>P128904</td>
<td>Investment Project Financing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Original EA Category</th>
<th>Current EA Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial Assessment (B)</td>
<td>Partial Assessment (B)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approval Date</th>
<th>Current Closing Date</th>
</tr>
</thead>
</table>

Organizations

Borrower: Independent State of Samoa

Responsible Agency: Ministry of Finance, Samoa Bureau of Statistics, Samoa Submarine Cable Company, Office Of The Regulator

Project Development Objective (PDO)

Original PDO

The Project development objective is to reduce the cost and increase the availability of Internet services in the Independent State of Samoa.

Current PDO

The Project Development Objectives are: (a) to reduce the cost and increase the availability of internet services; and (b) to facilitate the development of initial foundations for digital government, including digital identification.

Summary Status of Financing

<table>
<thead>
<tr>
<th>Ln/Cr/Tf</th>
<th>Approval</th>
<th>Signing</th>
<th>Effectiveness</th>
<th>Closing</th>
<th>Net Commitment</th>
<th>Net Disbursed</th>
<th>Net Undisbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF-A2332</td>
<td>23-Mar-2016</td>
<td>30-May-2016</td>
<td>16-Nov-2016</td>
<td>31-Jul-2020</td>
<td>1.50</td>
<td>.87</td>
<td>.63</td>
</tr>
</tbody>
</table>
Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

1. This is the second restructuring proposed under this Project. Overall, the Project is rated Satisfactory both for Progress towards Achievement of the PDO and for Implementation Progress.

2. The original Project, approved on June 19, 2015, comprised three components: (1) Submarine Cable System; (2) Regulatory Technical Assistance, and (3) Project Management. The original Project Development Objective (PDO)—to reduce the cost and increase the availability of internet services—was achieved. The Tui Samoa submarine cable to Fiji was installed and operational (ready for service) in February 2018 and significant technical assistance was delivered to the Office of the Regulator (OOTR). Samoa Submarine Cable Company (SSCC) is fully operational and supplying capacity to telecommunications and internet services providers in Samoa under agreed interconnection contracts and at standardized prices. The telecommunications and internet service providers and other private sector entities contributed share capital to the SSCC and are represented on the Board to ensure its ongoing viability.

3. Following a request from the Recipient, the Project was restructured and extended in August 2019, as approved by the EAP Regional Vice President on August 17, 2019. This first restructuring was to utilize US$4.382 million in IDA-funded Project savings from Component 1. At the Recipient’s request these savings are now being used to leverage Samoa’s improved digital infrastructure and connectivity to support the initial design and implementation of digital government, particularly its key enablers: Digital ID and a Digital Government Platform. A new Component (Part) 4 was therefore added to the Project scope to support the following activities:

Component (Part) 4 - National Digital ID (NDID) system development:
   a) Legal and regulatory enabling environment.
   b) Advisory Assistance on a Samoa Digital Government Platform.
   c) Establishing the National Digital ID System and upgrading the Civil Registration System.

4. Component (Part) 4 is currently rated Moderately Satisfactory in terms of Progress towards Achievement of the PDO and for Implementation Progress. The rationale for this proposed second restructuring is because the Recipient, on November 25, 2019, requested the allocation of additional resources for the upstream design/preparation activities, viz. the sub-components that support the legal and regulatory enabling environment (Component 4 (a)) and the technical and functional design for the implementation strategies and technical and functional designs for the national digital ID and civil registration systems (Component 4 (c) (i)). This follows a further review of the detailed scope of work and the extent of stakeholder engagement required. The Recipient wishes to reallocate SDR 346,377 from disbursement Category 5 to Category 4 for this purpose. Both disbursement categories 4 and 5 are for Component (Part) 4 of the Project.

5. Category 4 was established to fund the following activities—primarily related to design and preparation. The implementation status of these is as follows:

Part 4 -
a) Legal and Regulatory Enabling Environment. The scope of this subcomponent is to provide legal advisory work to the Government on the development and introduction of the legal and regulatory enabling environment for the proposed new digital ID system. As of December 3, 2019, consultant recruitment is nearing completion following a competitive selection process, and the work is expected to commence in Q1 2020.

b) Advisory Assistance on a Samoa Digital Government Platform. The scope of this subcomponent is to complete a comprehensive Digital Government enabling environment review and analysis to identify potential solutions for supporting the rollout of digital government platforms in Samoa including utilization of shared services. As of December 3, 2019, consultant selection is ongoing through a competitive process, and the work is expected to commence in Q2 2020.

c) Establishing the National Digital ID System and upgrading the Civil Registration System.

   i. Providing technical assistance to develop implementation strategies and technical and functional designs. The scope of work is to assist the Government with developing: a comprehensive three-year strategy for the development and management of a national ID system, to be formally adopted by the Government of Samoa; detailed technical and functional requirements, to be used to procure core software and hardware for the national ID system and a new civil registration system; and, subsequently to assist Government with the preparation and evaluation of bidding documents. As of December 3, 2019, consultant recruitment is nearing completion and the work will commence in Q1 2020.

   iii. Developing and implementing a communications and public outreach strategy. As of December 3, 2019, consultant recruitment is ongoing, and the work is expected to commence in Q2 2020.

6. Category 5 was established to support the implementation of the National Digital ID and Civil Registration Systems.

Part 4(c) - Establishing the National Digital ID System and upgrading the Civil Registration System:

   ii. Providing hardware, software, and technical support to establish an inclusive and secure National Digital ID System, including a system for generating Unique Identification Numbers and other credentials, upgrade the Civil Registration System, and link the National Digital ID System with the Civil Registration System so that, at a minimum, the Unique Identification Number can be issued at the time of birth registration;

   iv. Conducting a registration campaign to include all persons in the Independent State of Samoa, aimed at populating the National Digital ID System with required data on said persons;

   v. Establishing procedures to facilitate the ongoing registration of persons not covered by the initial mass registration campaign, including Samoan nationals residing outside the Recipient’s territory; and

   vi. Establishing procedures to facilitate reliable automated identity authentication and electronic signatures of registered persons.

7. The activities financed under Category 5 are contingent on the successful completion of activities under Category 4, and hence subject to the following withdrawal condition:
“until the Recipient has provided evidence satisfactory to the Association that the Recipient has enacted and given effect to laws and associated regulations that are consistent with the Principles on Identification for Sustainable Development and which establish and govern the implementation of the National Digital ID System in a manner which guarantees universal coverage and accessibility; ensures the design is robust, secure, responsive and sustainable; and mandates governance arrangements that build trust by protecting privacy and user rights”.

8. At this stage it is therefore essential to ensure that adequate resources are allocated to prioritize the implementation of activities funded under Category 4. The revised allocation of funds proposed is provided in detail in the attached Table 1. The proposed reallocation will ensure that sufficient resources are made available for the critical upfront technical design and legal work for this component (multiple pieces of legislation that will be impacted by the reforms) as well as the associated stakeholder/public consultations and outreach that are required for an activity that engages multiple sectors. The activities to be funded under Category 5 remain viable with the revised budget.

Table 1. (Attached)

II. DETAILED CHANGES

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

<table>
<thead>
<tr>
<th>Ln/Cr/TF</th>
<th>Current Expenditure Category</th>
<th>Current Allocation</th>
<th>Actuals + Committed</th>
<th>Proposed Allocation</th>
<th>Disbursement % (Type Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GO,W0,Non-CS,CS for P1(a)</td>
<td>6,975,000.00</td>
<td>6,969,281.98</td>
<td>6,975,000.00</td>
<td>43.00</td>
<td>43.00</td>
</tr>
<tr>
<td>GO,Non-CS,CS,TR for P2</td>
<td>932,500.00</td>
<td>588,618.91</td>
<td>932,500.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>GO,Non-CS,CS,IOC for P3</td>
<td>725,000.00</td>
<td>350,534.59</td>
<td>725,000.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>NCS, CS, IOC P4abc, ciii</td>
<td>650,000.00</td>
<td>0.00</td>
<td>996,377.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>GO, NCS, CS, IOC P4cii,iv,v,vi</td>
<td>2,317,500.00</td>
<td>0.00</td>
<td>1,971,123.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>11,600,000.00</td>
<td>7,908,435.48</td>
<td>11,600,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>