



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
PACIFIC REGIONAL CONNECTIVITY PROGRAM

SAMOA CONNECTIVITY PROJECT

APPROVED ON JUNE 19, 2015

TO

INDEPENDENT STATE OF SAMOA

DIGITAL DEVELOPMENT DEPARTMENT

EAST ASIA AND PACIFIC REGION

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**ABBREVIATIONS AND ACRONYMS****CURRENCY EQUIVALENTS  
EXCHANGE RATE EFFECTIVE JULY 31, 2019**

<b>CURRENCY UNIT</b>	=	
<b>US\$1</b>	=	WST2.60
<b>WST1.0</b>	=	US\$0.38
<b>SDR1</b>	=	US\$1.38

	<b>FISCAL YEAR</b>	
<b>July 1</b>	–	<b>June 30</b>

**ABBREVIATIONS AND ACRONYMS**

ADB	Asian Development Bank
CAPEX	Capital expenditure
CR	Civil Registration
DFAT	Australian Department of Foreign Affairs and Trade
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FM	Financial management
Gbps	Gigabits per second
GDP	Gross domestic product
GNI	Gross national income
ICT	Information and communication technologies
ID	Identification
IDA	International Development Association
Mbps	Megabits per second
MCIT	Ministry of Communications and Information Technology
MOF	Ministry of Finance
MOU	Memorandum of understanding
NDID	National Digital ID
OAG	Office of the Attorney-General
OOTR	Office of the Regulator
OPEX	Operating expense
PPP	Public-private partnership
SBS	Samoa Bureau of Statistics
SSCC	Samoa Submarine Cable Company
TA	Technical assistance

**BASIC DATA**



**Product Information**

Project ID P128904	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 19-Jun-2015	Current Closing Date 31-Jul-2020

**Organizations**

Borrower Independent State of Samoa	Responsible Agency Ministry of Finance,Samoa Bureau of Statistics,Samoa Submarine Cable Company,Office Of The Regulator
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**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.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-D0630	19-Jun-2015	11-Aug-2015	04-Sep-2015	31-Jul-2020	16.00	11.41	4.79
TF-A2332	23-Mar-2016	30-May-2016	16-Nov-2016	31-Jul-2020	1.50	.87	.63

**Policy Waiver(s)**

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

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### A. RATIONALE FOR RESTRUCTURING

1. The original Project 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— has been achieved. The *Tui Samoa* submarine cable to Fiji was installed and operational (ready for service) in February 2018 and significant technical assistance has been 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 have contributed share capital to the SSCC and are represented on the Board to ensure its ongoing viability. The Project is rated Satisfactory both for Progress towards Achievement of the PDO, and for Implementation Progress.
2. A restructuring, including closing date extension, is proposed to utilize US\$4.382 million in IDA-funded Project savings.<sup>1</sup> These savings were realized as the cost of the submarine cable system, financed under Component 1, was lower than anticipated, following a competitive bidding process.
3. With improved digital infrastructure and connectivity, the Government of Samoa has requested Project savings to be utilized to develop two more foundations for digital government and the digital economy, namely digital ID and a digital government platform. In line with the Government’s digital transformation policy agenda, the development of a digital ID system and a digital government platform are a natural continuation for this Project because they, like connectivity, are a prerequisite for digital government and the digital economy, and they enable the creation of use cases (e.g. financial services and shifting government services from face-to-face to online) which will allow Samoa to maximize the benefits from cheaper and better quality connectivity. Digital ID, for example, allows people to reliably prove who they are online, which is a fundamental challenge for doing secure and meaningful transactions over the internet (i.e. without an in-person interaction or the submission of physical identity documents). A digital government platform will create a virtual ‘one stop shop’ for Samoans to access government services online, simultaneously reducing costs for government and increasing accessibility of such services to the population. With these foundations in place, future digital transformation projects in Samoa could invest in the development of specific online services (e.g. license and passport applications, telemedicine, business registration, etc.), which require capacity-building and process re-engineering in responsible line ministries and agencies
4. **Digital ID.** There is a compelling justification for the Government to introduce a national digital ID (NDID) system

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<sup>1</sup> Amounts noted in the main text of this Restructuring Paper are accurate to three decimal places, however, due to rounding, there are some small variations with the datasheet. What will happen to the ADB portion of cost savings is yet to be confirmed and so their full allocation to Component 1 has been left as the original amount.



with two functions: (i) providing a unique and digital legal identity to the citizens and residents of Samoa; and (ii) enabling the identity of citizens and residents of Samoa to be authenticated in real time, for both in person and online transactions. Such a foundational ID system can provide a significant boost to Samoa's development in the following ways, *inter alia*:

- a. *Inclusion*: Making services (e.g. banking, remittances, passports, visa applications, and licenses and permits) more accessible and cheaper, since the digital ID should be accepted by itself as proof of identity and its authentication function will streamline the administrative processes behind these services;
  - b. *Integrity*: Acting as an authoritative source of truth on identity, which will strengthen the accuracy of other information systems, databases and registries (e.g. by ensuring uniqueness), including the electronic Health Information System (HIS) being developed with support from ADB, passport applications, the voter registry, and the Student Enrollment Number (SEN) system; and
  - c. *Digital Government and Digital Economy*: Facilitating the digitization of service delivery and processes in the public and private sectors, including enabling relevant public and private sector services to go online, which will make them more accessible and innovative as more Samoans get access to the internet.
5. **Upgrading civil registration (CR) system technology.** Likewise, there is a clear need to upgrade the software that the CR system runs on which is more than 10 years old and has reached the end of its life. Apart from improving the functioning and reducing the costs of maintaining the CR system, which should in turn help increase the coverage, quality and timeliness of birth and death registration, new software (and accompanying hardware) is necessary to support the sustainability and accuracy of the NDID system.
  6. **Digital government platform.** The development of digital government services, including integrated government back office systems and front-line services to individuals and business, will require a significant change in the approach to government information systems and data management. Specifically, this entail transitioning away from siloed approaches to a "whole of government approach." The Government is aware of global trends and practices in this regard and is in the process of establishing a high-level agency for digital development.
  7. During the Mid-term review in August 2018, and subsequent discussions with the client including follow-up missions in December 2018 and April 2019, the World Bank team assessed that a 23-month extension is needed for these new activities to be completed.

## II. DESCRIPTION OF PROPOSED CHANGES

8. **Extension of IDA Grant closing date.** The proposed change includes an extension of the closing date for the IDA grant (IDA-D0630) from July 31, 2020 to June 30, 2022. This is the first extension for the Project.
9. **Addition of new Project activities.** The proposed new activities for using the US\$4.382 million savings in IDA funds are as follows.

### **New Component 4. National Digital ID (NDID) system development (US\$4.096 million)**



10. **Scope and rationale.** Currently, apart from the civil registration system that needs modernization, Samoa does not have a foundational ID system. The population uses a combination of IDs to identify and authenticate themselves, such as driving licenses and passports. This subcomponent will therefore finance the development and early implementation of the national digital ID (NDID) system, in line with the *Principles on Identification for Sustainable Development*<sup>2</sup> as a guiding framework of international best practices and drawing on the resources and guidance of the World Bank Group’s Identification for Development (ID4D) Initiative. The NDID – linked with CR – will provide a unique and digital legal identity to all citizens and residents of Samoa and facilitate the reliable authentication of that identity and the use of electronic signatures for in-person and online transactions. Its objective will be to increase access to and enable the digitalization of public and private sector services.
11. Priority services that have been identified for the NDID include voter registration (for upcoming elections in March 2021), financial services (e.g. Know Your Customer (KYC) requirements for remittances and account opening), uniquely identifying patients in the health sector, uniquely identifying students, and passport applications. The NDID will also be instrumental in aiding trusted transactions through the digital government platform (e.g. registering businesses or property online) and in the sub digital economy (e.g. e-commerce). Finally, the NDID and upgraded CR system will support Samoa in achieving Sustainable Development Goal (SDG) target 16.9 to “provide legal identity for all, including birth registration” by 2030 and many other SDG targets for which progress can be accelerated through digital identity (e.g. the empowerment of women and girls, safe and orderly migration, and social protection), as well as to make progress under the United Nations Economic and Social Commission for Asia and the Pacific’s (ESCAP) *Regional Action Framework on Civil Registration and Vital Statistics*.
12. The highest priority will be given to ensuring inclusion and non-discrimination (both in terms of enrolling in the NDID and using its authentication capabilities), data protection and privacy (particularly with respect to consent and incorporating ‘privacy by design’ features into the architecture of the system), cyber- and information security, and meeting the needs of a wide range of service providers as relying parties. As a foundational ID system, the NDID is intended to underpin “functional” ID systems and registries (used for particular purposes, e.g. Health Information Systems and Education Management Information Systems), which can involve “seeding” the unique identity number assigned to individuals by the NDID into those functional ID systems and registries, using tokenization, where appropriate, to prevent unwarranted correlation of data.
13. **Proposed approach.** The NDID will have the following characteristics:
  - a. *Coverage:* All citizens and residents of Samoa, including all age groups, will be eligible for enrollment in the NDID free of charge. Citizens living abroad may also be eligible and could be charged a fee for cost recovery. The World Bank-financed project will prioritize registration of the population currently residing in Samoa. A strategy for registration of Samoans overseas will be prepared. Special efforts should be undertaken to provide digital IDs to first-generation Samoan migrants in Australia and New Zealand as key sources of remittances to Samoa, in recognition of the role that the NDID can play in ensuring KYC compliance for these important remittance channels.
  - b. *Data:* In line with best practices around data protection, the NDID will collect and hold only the minimum data needed to establish identity for service delivery, namely: (1) name; (2) date of birth; (3) gender; and (4) appropriate biometrics (in accordance with international standards, such as the International Civil Aviation

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<sup>2</sup> The 10 Principles on Identification for Development have been endorsed by 24 international and regional organizations, including the World Bank Group, the Asian Development Bank, and seven United Nations agencies. They are available at:

<http://id4d.worldbank.org/principles>



Organization (ICAO) 9303 standards). Email and phone number will be optional fields to facilitate notifications and One Time Password-based authentication. Government will review the value of also collecting residential address. Biometric recognition, such as of facial images, will be used for deduplication and authentication purposes, and their security will be continuously strengthened, including, *inter alia*, encryption, access control, and data segmentation. Exception handling mechanisms will be introduced to ensure that people whose biometrics cannot be captured or used for authentication will not be denied access to the NDID or any service that uses the NDID for authentication.

- c. *Credentials*: A random unique identity number will be issued to all persons enrolled in the NDID. A minimal-cost card (potentially leveraging barcodes for identity authentication) will be issued to all enrolled persons beginning at an appropriate age, such as 12 years old. The first and expired cards will be free while lost or damaged cards could be replaced free or at cost price. A mobile ID, as a digital identity credential with the same effect as a physical card, will be available as an option to increase choice and convenience for end-users.
  - d. *Authentication*: The NDID will facilitate identity authentication and electronic signatures through a variety of means, such as presentation of the physical card or mobile ID, facial recognition against the database or a barcode on the card, and public key infrastructure (PKI). Authentication will be possible without the possession of a physical card (e.g. the unique identity number and biometric recognition or One Time Password (OTP) against the NDID database, requiring internet connectivity).
  - e. *Linkage with CR*: The NDID will be linked with the upgraded CR system, including assigning unique identity numbers to newborns through birth registration and being notified of deceased persons (to deactivate or lock those records) through death registration.
  - f. *Vendor and technology neutrality*: Both the NDID and CR system will be designed and implemented in a way that reduces risks of lock-in. Open standards and design principles will be adopted for the technological solutions, and capacity-building and knowledge transfer will be integrated into the procurement of solutions. Open source software will be considered, where appropriate.
14. The initial mass enrollment will adopt a census-style approach with teams visiting communities and using mobile kits and/or tablets to collect data. After the mass enrollment, the mobile kits and/or tablets (except those needed by the NDID to carry out steady state enrollment and to update data) will be transferred to other Government institutions that can use them as authentication devices for service delivery. Furthermore, the NDID may be able to provide card personalization services to other Government departments for their functional IDs.
  15. To support NDID implementation and upgrade of the CR system, the Government will need to formulate and adopt an appropriate policy, legal and regulatory framework and build the foundations for digital government implementation.
  16. To the extent possible, the NDID will adopt features that could facilitate mutual recognition with other countries' digital identity systems, particularly Australia, New Zealand and other Pacific island countries, which will enable greater integration and trade. For example, Samoans could register businesses, open bank accounts or enter into contracts in Australia using a digital identity and electronic signature issued by Samoa's NDID, without the need to be physically present in Australia.
  17. **Timeline and Sequencing.** In line with best practices, the NDID and associated activities should be implemented in the following sequence (timeframes are indicative):



- a. *Phase 1 (months 0-12):*
  - (i) Enacting of the NDID and the data protection and privacy law and promulgation of regulations (see subcomponent 4 (a), including public consultations and harmonization of/with other relevant existing laws and regulations.
  - (ii) Development of implementation strategy and technical and functional requirements for the NDID system and the new CR system
  - (iii) Establishment of entity or division to manage the NDID
  - (iv) Initiate public engagement to raise awareness and solicit feedback on the proposed design of the NDID
- b. *Phase 2 (months 7-12):*
  - (v) Procurement and installation of software, hardware and services for the NDID system and new CR system
  - (vi) Preparations for mass enrollment and for public and private sector relying parties to adopt the NDID for service delivery
- c. *Phase 3 (months 13-18):*
  - (vii) Mass enrollment and credential distribution completed
  - (viii) Initial use cases for authentication using the NDID begins through integration into public and private sector service delivery
- d. *Phase 4 (months 19-24):*
  - (ix) Integration of NDID into service delivery continues
  - (x) NDID and CR system linked

18. **Activities to be Financed.** The proposed new Component 4 will support the Government in three interrelated key areas: enabling laws and regulations, NDID design and implementation, and digital Government platform options assessment and high-level design.

***Subcomponent 4 (a): Legal and regulatory enabling environment (US\$0.5 million)***

19. This subcomponent will provide technical assistance to support the development and implementation of a legal and regulatory framework that is consistent with the Principles on Identification for Sustainable Development (<http://id4d.worldbank.org/principles>), to enable digital identification, digital government and, more broadly, digital economy development, including the preparation of draft bills and associated regulations on: (i) the National Digital ID System; (ii) data protection and privacy; and (iii) other relevant laws and regulations including, but not limited to, cybersecurity, cybercrimes, electronic transactions, data governance, and birth and death registration. This technical assistance will also support analytical work, public consultations, institutional capacity building, and implementation of reforms designed to strengthen coverage and inclusion, system design and the governance of the National Digital ID System, particularly to protect users, safeguard privacy, and prevent the misuse of data.

20. Key activities to be financed under this subcomponent are:

- a. Consultant services: legal and regulatory technical assistance



**Subcomponent 4 (b) Advisory Assistance on a Samoa Digital Government Platform (US\$0.4 million)**

21. This subcomponent will provide technical assistance to design and assess practical implementation options including costs, institutional roles and responsibilities, and suitability for a digital government platform.
22. Improvements in connectivity, as Samoa is experiencing, coupled with the planned rollout of the NDID, are creating opportunities for broader digital government development. In many countries, Governments operate digital platforms, *inter alia* to offer public services such as online facilities to apply for licenses and permits, register businesses, pay taxes etc as well as to share information such as with open data or reusable public-sector data, and run back-office systems. Governments also can stimulate usage of digital platforms in the broader digital economy by digitizing some of their own operations or processes, such as procurement, invoicing, or communications.
23. This subcomponent will support Government with a review of options and implementation approaches to develop a Samoa Digital Government Platform, addressing the following issues. MICT will provide technical guidance and oversight for this subcomponent.
  - a. *Technical foundations*: “horizontal” enablers: network (government, private-where applicable), government ICT architecture, data management, cybersecurity, use of shared services (e.g. cloud whether in country or offshore), policies and standards (e.g. on hardware, software use, networking/communications), interoperability/enterprise architecture;
  - b. *Information systems (back-office)*: status of main government back office systems and their deployment across government; major ongoing and upcoming systems development projects related to particular use cases (e.g. govt financial management systems, health information systems, education information systems, procurement, environment/natural resources monitoring, trade facilitation etc.)—including those supported by different development partners;
  - c. *Human resources/skills*: arrangements for technical support for government information systems and networks, plus high- level review of digital literacy at different levels of government;
  - d. *Private sector service provision*: review and document the availability (locally and regionally) of potential digital government support services including cloud hosting, data management and systems support.
24. Key activities to be financed under this subcomponent are:
  - a. Consultant services: on design and practical implementation options including costs, institutional roles and responsibilities and sustainability for a Samoa digital government platform

**Subcomponent 4 (c): Establishing the NDID system and upgrading the CR system (US\$3.196 million)**

25. This subcomponent will support the Samoa Bureau of Statistics to establish the National Digital ID System, consistent with the Principles on Identification for Sustainable Development, and upgrade the existing Civil Registration System, with such establishment and upgrade to be conducted in accordance with the institutional and regulatory framework established under subcomponent 4(a) of the Project and informed by the options assessment undertaken under subcomponent 4(b) of the Project. This will be achieved by: (i) providing technical assistance to develop implementation strategies and technical and functional designs; (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; (iii) developing and implementing a communications and public outreach strategy; (vi) 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.

26. This subcomponent will finance technical and managerial assistance to design and implement the NDID system. It will also finance new software and associated hardware and support service to upgrade the CR system that is managed by SBS, as well as establishing a linkage with the NDID to exchange data on births and deaths, which will replace existing software that is more than ten years old and is at the end of its life. Modernization of the CR system is important for ensuring universal and continuous registration of births, deaths and marriages, which, through automated data exchange, also makes the NDID more accurate and efficient. In the interest of efficiency and synergy an integrated solutions provider will be procured for the development and delivery of both the NDID and CR systems.
27. This subcomponent is designed to ensure the sustainability of the investments made. For instance, the Government of Samoa will co-finance key operating costs of the NDID, including Government staff and maintenance of the Government data center and back up site, or the subscription cost for cloud hosting services—as appropriate. Furthermore, there will be capacity-building and knowledge transfer so that the responsible Government agency can continue to operate the NDID and civil registration systems beyond the contract with vendors. To reduce the risk of vendor and technology lock-in and to promote interoperability, open source software will be assessed for their feasibility in the Samoan context (e.g. the Modular Open Source Identity Platform for the NDID and Open CRVS for the CR system).
28. Key activities to be financed under this subcomponent are:
  - a. Consultant services: technical advisor for NDID and CR implementation strategy, technical and functional requirements for bidding documents, procurement support and capacity-building for Government
  - b. Communications strategy development and implementation (public awareness, stakeholder engagement and public consultations)
  - c. Combined procurement of solutions to establish the NDID system and upgrade the CR systems, including hardware, software, systems integration, installation, testing and technical support
  - d. Mass registration activities, notably SBS staff/management costs will be financed through Government counterpart funds, and incremental operating costs will be funded under the Project

### **Revised Component 2**

29. The allocation for ICT Regulatory Technical Assistance for the Office of the Regulator (OOTR) under the existing Component 2 is to be increased by US\$0.031 million to enable further survey of the uptake and impact of internet services particularly in rural communities.

### **Revised Component 3**



30. The allocation for Project Management under the existing Component 3 is to be increased by US\$0.255 million to cover the additional requirements associated with the restructuring, including procurement, financial management, monitoring and reporting.

#### **PDO**

31. In the light of these changes it is proposed to revise the PDO to read as follows:

“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.”

#### **Institutional and Implementation Arrangements**

32. The Government of Samoa has determined the following institutional governance arrangements for the NDID system. The proposed activities to be financed under the Project under the new Component 4 will be overseen by MOF as overall Project Implementing Entity and implemented by the Samoa Bureau of Statistics (SBS). SBS is recruiting additional staff to manage the NDID program, on top of its existing mandate for CR.
33. For the longer term, other arrangements may be made for ID management and other aspects of digital government, prospectively through the planned new Digital Transformation Authority to be established under the Office of the Prime Minister.
34. In recognition of the cross-cutting nature of the NDID, its design and development will be carried out in close consultation with a steering committee comprising at a minimum the Ministry of Prime Minister and Cabinet, MOF, SBS, Ministry of Communications and Information Technology (MCIT), Ministry for Revenue, Ministry of Health, Ministry of Education, Office of the Attorney General, and the Office of the Electoral Commissioner.
35. Where practicable and appropriate, the NDID will leverage existing infrastructure (e.g. voter data held by the Office of the Electoral Commissioner, and the data center being established by MCIT or, if not practicable, using cloud services for data hosting).

#### **Performance Indicators**

36. New indicators are required for Component 4. Indicators for Components 1 and 2 have also been reviewed and adjusted. The Results Matrix has been revised accordingly.
37. **Component 4.** For the proposed new Component 4 the following set of performance indicators are proposed and will be included in the revised Matrix
- a. PDO Indicators:
- (i) Percentage of Samoa’s population who have received their credentials from the NDID system (of whom are women and girls) – End of Project target: 80%



- (ii) Number of institutions using the NDID system to authenticate their clients/customers – End of Project target: 5 (e.g. 1-2 banks, Money Transfer Operators, passport applications, health information system, education management information system)

b. Intermediate Outcome Indicators

- (i) NDID law enacted (Yes/No)
- (ii) NDID implementation strategy (Yes/No)
- (iii) NDID awareness campaign and public consultations launched (Yes/No)
- (iv) NDID system begins enrolment (Yes/No)
- (v) NDID system begins authentication (Yes/No)
- (vi) New CR software operational (Yes/No)
- (vii) NDID and CR system sharing data on births and deaths (Yes/No)
- (viii) Government digital platform implementation options assessment completed (Yes/No)

38. **Components 1 and 2.** Updated performance indicators are also proposed to monitor the outcome of activities supported under Components 1 and 2 to reflect changes in technology that have impacted internet pricing structures. Internet pricing is now quoted in terms of data volume (GB) rather than speed (Mbps) (as was the case during Project preparation). The following PDO indicators can therefore no longer be measured and are proposed for deletion:

- a. Retail price of internet services (US\$/Mbps)-including sub-indicators for business and residential prices.

39. The proposed revised PDO indicators measuring retail internet pricing are as follows:

- a. Retail price of internet services (lowest published price 2Gb data volume)
- b. Retail price of internet services-business (lowest published price 50Gb data volume)

40. In addition, OOTR wishes to measure the impact of the *Tui Samoa* cable in terms of uptake of internet usage. The following new intermediate outcome indicators are therefore proposed:

- a. Monthly volume of data downloaded--all service providers (Terabytes)
- b. Monthly peak data rate (speed of data download from Tui Samoa cable to all service providers in Samoa) (Mbps)

41. **Project Management.** The Project Management Unit (PMU) in MOF retains responsibilities for Project management and administration.

42. **Procurement.** The Project Management Unit (PMU) in MOF retains responsibilities for procurement. The Procurement Plan will be revised in STEP following approval of the Restructuring Paper to include the new Component 4. Advance Contracting is being used for a number of key procurement activities. The Procurement risk remains Substantial. The summary procurement plan for Component 4 is as follows (note that this does not



include incremental operating costs as these are non-procurable items under the Project).

CONTRACT	Amount (US\$)	Procurement Type
Legal Advisory Services	500,000	CQS
Technical Advisory Services	500,000	CQS
ID and CR Solution Development	2,600,000	IT Supply and Installation
Communications	75,000	IC
Digital Government Advisory	400,000	QCBS

43. **Financial Management.** A financial management assessment was carried out in accordance with the *“Principles Based Financial Management Practice Manual”* issued by the Vice President, Operations Policy and Country Services (OPCS) on February 04, 2015 and as further elaborated on in the Bank Guidance *“Financial Management in World Bank-Financed Investment Operations”* issued by the Director, Operations Risk Management, OPCS on February 24, 2015. Under the Bank’s OP/BP 10.00 with respect to projects financed by the Bank, the borrower and the project implementing agencies are required to maintain financial management systems—including planning and budgeting, accounting, internal controls, funds flow, financial reporting, and auditing systems—adequate to ensure that they can provide to the Bank accurate and timely information regarding project resources and expenditures. These arrangements are deemed acceptable if they are capable of correctly and completely recording all transactions and balances relating to the project. In addition, such arrangements are acceptable if they can facilitate the preparation of regular, timely and reliable financial statements and safeguard the projects assets; and are subject to auditing arrangements acceptable to the World Bank. The restructure will add one more implementing agency to the Project so that there will now be four implementing agencies for the Project. The project’s overall financial management risk is rated as **“Substantial”**. The four implementing agencies are as follows:

- a. **Component 1: Samoa Submarine Cable Company (SSCC).** No change to the implementation arrangements for component 1, only a decrease in the value of component resulting from savings. The project’s financial management risk for SSCC is **“Substantial”**.
- b. **Component 2: Office of the Regulator (OOTR).** No change to the implementation arrangements for component 2. The project’s financial management risk for OOTR is **“Substantial”**.
- c. **Component 3: Ministry of Finance (MOF).** No change to the implementation arrangements for component 3, only a minor increase in the value of the component of USD250,000 (refer proposed components and costings below). The project’s financial management risk for SCC is **“Moderate”**.
- d. **Component 4: Samoa Bureau of Statistics (SBS).** The existing financial management systems for the SBS are assessed as adequate to the meet the financial management requirements as stipulated in OP/BP 10.00. The project’s financial management risk for SBS is rated as **“Substantial”**.

44. **Project Costs and Financing Sources.** Overall costs and financing sources are unchanged as of the time of restructuring.



Project Financing Data (in USD Million)					
<input type="checkbox"/>	Loan	<input checked="" type="checkbox"/>	IDA Grant	<input type="checkbox"/>	Guarantee
<input type="checkbox"/>	Credit	<input checked="" type="checkbox"/>	Grant	<input type="checkbox"/>	Other
Total Project Cost:		49.94		Total Bank Financing: 16.0	
Financing Gap:		0.00			
Financing Source			Amount		
BORROWER/RECIPIENT			5.76		
IDA Grant			16.00		
Asian Development Bank			18.50		
APIP			1.50		
SSCC			8.18		
Total			49.94		

45. **Disbursements.** Two new disbursement categories, Category 4 and Category 5, have been added to finance activities under the new Part 4. Project proceeds have also been reallocated across categories. Disbursement Category 4 has been added in respect of non-consulting services, consultants’ services and Incremental Operating Costs for subcomponents 4(a), 4(b), 4(c)(i), and 4(c)(iii) of the Project. Disbursement Category 5 has been added in respect of Goods, Non-consulting services, Consultants’ services and Incremental Operating Costs for subcomponents 4(c)(ii), 4(c)(iv), 4(c)(v), and 4(c)(vi) of the Project (see Financing Agreement Schedule 2, Section IV.A.2). In accordance with Section IV.B.1(c) of Schedule 2 to the the Financing Agreement, Category 5 is subject to the following withdrawal condition to ensure that appropriate arrangements for data protection and privacy are put in place:

“...no withdrawal shall be made under Category (5), 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.”

46. **Safeguards.** The proposed new activities comprise technical assistance and software development. As such, there is no proposed revision to the ISDS or the Project safeguards instruments.



**I. SUMMARY OF CHANGES**

	<b>Changed</b>	<b>Not Changed</b>
Implementing Agency	✓	
Project's Development Objectives	✓	
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Disbursements Arrangements	✓	
Disbursement Estimates	✓	
Overall Risk Rating	✓	
Legal Covenants	✓	
Institutional Arrangements	✓	
Implementation Schedule	✓	
Other Change(s)	✓	
Technical Analysis	✓	
DDO Status		✓
Cancellations Proposed		✓
Safeguard Policies Triggered		✓
EA category		✓
Financial Management		✓
Procurement		✓
Economic and Financial Analysis		✓
Social Analysis		✓
Environmental Analysis		✓



IV. DETAILED CHANGE(S)

IMPLEMENTING AGENCY

Implementing Agency Name	Type	Action
Ministry of Finance	Implementing Agency	No Change
Samoa Bureau of Statistics	Implementing Agency	Marked for Deletion
Samoa Bureau of Statistics	Implementing Agency	New
Samoa Submarine Cable Company	Implementing Agency	New
Office Of The Regulator	Implementing Agency	New

PROJECT DEVELOPMENT OBJECTIVE

Current PDO

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

Proposed New 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.

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
	0.00	New	Component 4 (a) ): Legal and regulatory enabling environment	0.50
	0.00	New	Component 4 (b) Advisory Assistance on a Samoa Digital Government Platform	0.40
	0.00	New	Component 4 (c): Establishing the NDID system and upgrading the CR system	3.20
Component 1 (a) Submarine Cable System	37.38	Revised	Component 1 (a) Submarine Cable System	33.00



Component 1 (b) Landing stations and ancillary equipment	2.85	No Change	Component 1 (b) Landing stations and ancillary equipment	2.85
Component 1(s) Additional costs	7.41	Revised	Component 1(c) Additional costs	7.41
Component 2. ICT Regulatory Technical Assistance	1.44	Revised	Component 2. ICT Regulatory Technical Assistance	1.47
Component 3. Project implementation and administration	0.86	Revised	Component 3. Project implementation and administration	1.11
<b>TOTAL</b>	<b>49.94</b>			<b>49.94</b>

**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D0630	Effective	31-Jul-2020		30-Jun-2022	30-Oct-2022
TF-A2332	Effective	31-Jul-2020		31-Jul-2020	30-Nov-2020

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-D0630-001   Currency: XDR				
iLap Category Sequence No: 1   Current Expenditure Category: GO,WO,Non-CS,CS for P1(a)				
10,150,000.00	6,969,281.98	6,975,000.00	43.00	43.00
iLap Category Sequence No: 2   Current Expenditure Category: GO,Non-CS,CS,TR for P2				
910,000.00	541,139.80	932,500.00	100.00	100.00
iLap Category Sequence No: 3   Current Expenditure Category: GO,Non-CS,CS,IOC for P3				
540,000.00	337,130.64	725,000.00	100.00	100.00



iLap Category Sequence No: 4	Current Expenditure Category: Non-CS,CS and IOC for P4(a), 4(b), 4(c)(i), and 4(c)(iii)		
0.00	0.00	650,000.00	100
iLap Category Sequence No: 5	Current Expenditure Category: GO, Non-CS, CS and IOC for P4(c)(ii), 4(c)(iv), 4(c)(v), and 4(c)(vi)		
0.00	0.00	2,317,500.00	100
<b>Total</b>	<b>11,600,000.00</b>	<b>7,847,552.42</b>	<b>11,600,000.00</b>

**DISBURSEMENT ESTIMATES**

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2015	0.00	0.00
2016	1,600,000.00	1,600,000.00
2017	6,000,000.00	6,000,000.00
2018	6,400,000.00	3,800,000.00
2019	2,000,000.00	600,000.00
2020	0.00	1,000,000.00
2021	0.00	1,250,000.00
2022	0.00	1,500,000.00
2023	0.00	250,000.00

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating at Approval	Current Rating
Political and Governance	● Moderate	● Moderate
Macroeconomic	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Moderate



Institutional Capacity for Implementation and Sustainability	● Substantial	● Moderate
Fiduciary	● High	● Substantial
Environment and Social	● Low	● Moderate
Stakeholders	● Substantial	● Substantial
Other	● Substantial	● Substantial
Overall	● Substantial	● Substantial

**LEGAL COVENANTS**

Loan/Credit/TF	Description	Status	Action
IDA-D0630	Finance Agreement :Project management   Description :The Recipient shall appoint, by not later than three months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a Project manager, within the Ministry of Finance, with qualifications and experience and under terms of reference acceptable to the Association, to be responsible for supporting Project implementation. [FA Schedule 2 Section I.A.3]   Due Date :14-Dec-2015	Complied with	No Change
IDA-D0630	Finance Agreement :Open Access to International Connectivity Infrastructure   Description :The Recipient shall take all measures to ensure that OoTR, shall, by not later than 3 months after the Effective Date and pursuant to Part VI of the Telecommunications Act ... ensure that all international submarine fiber optic infrastructure in its territory shall be subject to independent regulation which guarantees open access .. on a cost based and nondiscriminatory basis[FA Sched 2, Sect IC].   Due Date :14-Dec-2015	Complied with	No Change
IDA-D0630	Finance Agreement :Proposed structure and implementation arrangements for SSCC   Description :The Recipient shall, by not later than 6 months after the Effective Date, obtain & submit..an independent appraisal of the proposed structure for SSCC, including	Complied with	No Change



	ownership, financing & governance arrangements, business model, divestiture arrangements (including asset valuation) & the mechanism for ensuring financial equilibrium in the interests of users of ICT services...[FA Schd 2, Sect I.B.1(a)]   Due Date :14-Mar-2016		
IDA-D0630	Finance Agreement :Binding offer for the private sector to participate in SSCC   Description :The Recipient shall, by not later than nine months after the Effective Date, issue a binding offer to sell shares in, or otherwise provide for private sector involvement in the financing of, SSCC, all in an amount and in a manner satisfactory to the Association. [FA Schedule 2, Section I.B.1(b)]   Due Date :14-Jun-2016	Complied with	No Change
IDA-D0630	Finance Agreement :Establishment and operationalization of SSCC   Description :The Recipient shall, by not later than 12 months after the Effective Date, ensure that SSCC is established & made operational, including adoption of by-laws, articles of association, shareholders agreement & related contractual instruments for the financing & operation of SSCC, in conformity with the Recipient's Laws, all in form & substance acceptable to the Association [FA Sch 2, Sect I.B.1(c)].   Due Date :14-Dec-2017	Complied with	No Change
IDA-D0630	Finance Agreement :Reference Interconnection Offer   Description :The Recipient shall, by not later than 12 months after the Effective Date, ensure that SSCC is established & made operational, including adoption of by-laws, articles of association, shareholders agreement & related contractual instruments for the financing & operation of SSCC, in conformity with the Recipient's Laws, all in form & substance acceptable to the Association [FA Sch 2, Sect I.B.1(c)].   Due Date :30-Sep-2016	Complied with	No Change
IDA-D0630	Financing Agreement: No disbursement shall be made under Category (5), until the Recipient has provided evidence satisfactory to the Association that the Recipient has, consistent with the ID Principles, enacted	Not yet due	New



and given effect to laws and regulations for the National ID System. [FA Schedule II, Section IV.B.1(c)]

IDA-D0630

Financing Agreement: The Recipient shall establish, by no later than October 31, 2019, and maintain until the Closing date, the NDID Steering Committee. [FA Schedule II, Section I.A.2]

Not yet due

New



Results framework

COUNTRY: Samoa

WS: Pacific Regional Connectivity Program: Phase 3 - Samoa

Project Development Objectives(s)

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

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Impact on Telecom sector of WB Technical Assistance composite score: 1- low impact to 5-high impact)</b>								
Impact on Telecom sector of World Bank TA to OOTR (composite score: 1- low impact to 5-high impact) (Number)		1.00	2.00	2.00	3.00	4.00	5.00	5.00
<b>Access to Internet Services (number of subscribers per 100 people) (Action: This Objective has been Revised)</b>								
Access to Internet Services (number of subscribers per 100 people) (Number)		27.00	28.00	29.00	35.00	45.00	55.00	55.00
Retail price of internet services (lowest published price 2Gb data volume) (Amount(USD))		16.00	10.00	8.00				5.00
<b>Action: This indicator is New</b>	<b>Rationale: Internet pricing is now volume based rather than speed based.</b>							



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Retail price of internet services-business (lowest published price 50Gb data volume) (Amount(USD))		80.00	60.00	40.00				30.00
<b>Action: This indicator is New</b>	<b>Rationale:</b> <i>Internet bandwidth pricing now measures in volume rather than speed.</i>							
<b>Retail Price of Internet Services (per Mbit/s per Month, in US\$) (Action: This Objective has been Marked for Deletion)</b>								
Retail Price of Internet Services (per Mbit/s per Month, in US\$) (Amount(USD))		11.00						2.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Retail Internet price--business services (Action: This Objective has been Marked for Deletion)</b>								
Retail Internet price--business services (Amount(USD))		630.00	630.00	500.00	450.00	400.00	300.00	100.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Direct Project Beneficiaries</b>								
Direct Project beneficiaries. (Number)		0.00						96,000.00
Project beneficiaries (female) (Number)		0.00						48,000.00
<b>Action: This indicator is New</b>								



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Retail Price of Internet services - residential. (Action: This Objective has been Marked for Deletion)</b>								
Retail Price of Internet Services - residential (Amount(USD))		43.00						19.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Grievances registered related to delivery of project benefits addressed.</b>								
Grievances registered related to delivery of project benefits addressed. (Percentage)		0.00						80.00
<b>Grievances related to delivery of project benefits that are addressed. (Action: This Objective has been Marked for Deletion)</b>								
Grievances related to delivery of project benefits that are addressed. (Number)		0.00						0.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Beneficiaries that feel project investments reflected their needs. (Action: This Objective has been Marked for Deletion)</b>								
Beneficiaries that feel project investments reflected their needs. (Percentage)		0.00						75.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Female Beneficiaries. (Action: This Objective has been Marked for Deletion)</b>								



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Female Beneficiaries (Percentage)		0.00						50.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Beneficiaries that feel project investment reflected their needs - female.</b>								
Beneficiaries that feel project inv. reflected their needs - female. (Number)		0.00						36,000.00
<b>Total beneficiaries - female. (Action: This Objective has been Marked for Deletion)</b>								
Total beneficiaries - female. (Number)		0.00						48,000.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Total beneficiaries - male. (Action: This Objective has been Marked for Deletion)</b>								
Total beneficiaries - male. (Number)		0.00						48,000.00
<b>Action: This indicator has been Marked for Deletion</b>								
<b>Beneficiaries that feel project investment reflected their needs - male.</b>								
Beneficiaries that feel project investment reflected their needs - male. (Number)		0.00						36,000.00
<b>Wholesale Internet Bandwith Price (\$/Mbps/month)</b>								
Wholesale Internet Bandwith Price		1,500.00						400.00



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
(\$/Mbps/month) (Amount(USD))								
<b>Available International Bandwidth (mbps)</b>								
Available International Bandwidth (mbps). (Number)		250.00						3,000.00
<b>Coverage of the NDID system (Action: This Objective is New)</b>								
Percentage of Samoa's resident population who have received their credentials from the NDID system (Percentage)		0.00	0.00	25.00				80.00
<b>Action: This indicator is New</b>								
Population who have received their credentials from the NDID system of whom are women and girls (Percentage)		0.00	0.00	25.00				50.00
<b>Action: This indicator is New</b>								
<b>The NDID system is used for service delivery (Action: This Objective is New)</b>								
Number of institutions using the NDID system for automated identity authentication of their clients (Number)		0.00	1.00	2.00				5.00



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<i>Action: This indicator is New</i>								

**Intermediate Results Indicators by Components**

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Component 1 (a) Submarine Cable System</b>								
Length of Fiber Optic Network Built (km) (Kilometers)		0.00	0.00	0.00	0.00	0.00	0.00	1,300.00
<b>Component 1 (b) Landing stations and ancillary requirement</b>								
Private Capital Mobilized (Amount(USD))		0.00	2,500,000.00	2,500,000.00	3,000,000.00	0.00	0.00	8,000,000.00
<b>Component 3. Project implementation and administration</b>								
National installed data capacity (Number)		0.00						48,000.00
Available (lit optical and contracted satellite) International Bandwidth (mbps) (Number)		250.00						3,000.00
Monthly volume of data downloaded--all service providers (Terabytes) (Number)		650.00	750.00	950.00				1,250.00



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<b>Action: This indicator is New</b>	<b>Rationale:</b> <i>This measures the extent of utilization of internet bandwidth across the Samoan market.</i>							
Monthly peak data rate (speed of data download from Tui Samoa cable to all service providers in Samoa) (Mbps) (Number)	4.00	5.00	6.00				7.00	
<b>Action: This indicator is New</b>	<b>Rationale:</b> <i>This measures the speed of data download from the Tui Samoa cable to all service providers in Samoa</i>							
<b>Component 4 (a) Legal and regulatory enabling environment (Action: This Component is New)</b>								
Law establishing National Digital ID System is enacted (Yes/No)	No	No					Yes	
<b>Action: This indicator is New</b>								
<b>Component 4 (b) Advisory Assistance on a Samoa Digital Government Platform (Action: This Component is New)</b>								
Government digital platform implementation options assessment completed (Yes/No)	No	No					Yes	
<b>Action: This indicator is New</b>	<b>Rationale:</b> <i>Measures progress in technical assistance provision</i>							
<b>Component 4 (c): Establishing the NDID system and upgrading the CR system (Action: This Component is New)</b>								



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
NDID implementation strategy developed (Yes/No)		No						Yes
<b>Action: This indicator is New</b>								
NDID awareness campaign and public consultations launched (Yes/No)		No	Yes					Yes
<b>Action: This indicator is New</b>								
NDID system enrollment begins (Yes/No)		No	No					Yes
<b>Action: This indicator is New</b>								
NDID system begins automated authentication (Yes/No)		No	No					Yes
<b>Action: This indicator is New</b>								
New civil registration software is operational (Yes/No)		No	No					Yes
<b>Action: This indicator is New</b>								
NDID and CR systems sharing data on births and deaths (Yes/No)		No	No	No				Yes





**The World Bank**

WS: Pacific Regional Connectivity Program: Phase 3 - Samoa (P128904)

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