ANNEX III: SAMOA—RELATIONS WITH THE ASIAN DEVELOPMENT BANK[1]

The Asian Development Bank (AsDB) operations in Samoa started in 1969. Up to the end of 2008, 33 loans totaling US$159.4 million for 30 projects and technical assistance totaling US$27.08 million for 85 projects have been provided.

The Country Partnership Strategy (CPS) 2008–12 for Samoa focuses on poverty reduction with three pillars for intervention: (i) removal of infrastructure constraints, (ii) improvement of access and delivery of public services, and (iii) promotion of private sector development. The CPS builds on a coordinated strategy with the other main development partners, and acknowledges lessons from the past, by focusing on sectors where AsDB has strong comparative advantage, particularly power; water, sanitation, and drainage; and private sector development.

A Power Sector Expansion Project was approved in 2007, with Japan Bank for International Cooperation and Government of Australia co-financing, for a total amount of US$88 million. AsDB's approved ADF lending for this project is US$26.61 million. Three TA grants were approved from 2007 for a total of US$3.55 million, including the latest for preparing the Afulilo Environmental Enhancement Project for US$1.2 million, approved in September 2008. A US$1.00 million grant has been provided for immediate tsunami relief.

Samoa: AsDB Loan Approvals and Disbursements, 2002–08
(In millions of U.S. dollars)

	2002	2003	2004	2005	2006	2007	2008
Loan approvals	0.0	8.0	0.0	8.1	0.0	26.6	2.8
Loan disbursements	0.8	1.9	2.8	2.7	1.6	1.4	2.6
Cumulative loan amount available[1]	111.0	120.8	121.6	128.1	122.8	150.8	152.6
Cumulative disbursements	95.3	97.2	100.0	102.7	104.3	105.7	108.3
Net loan amount undisbursed	9.4	15.7	15.3	21.6	17.4	18.5	18.0

[1] Balance as of December 2008, cumulative since operations began with Samoa in 1969.

[1] Prepared by the Asian Development Bank staff.

INTERNATIONAL MONETARY FUND
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IMF Executive Board Approves US$9.3 Million Disbursement for Samoa Under the Exogenous Shocks Facility

The Executive Board of the International Monetary Fund today approved a disbursement of SDR 5.8 million (about US$9.3 million) to Samoa under the rapid-access component of the Exogenous Shocks Facility (ESF) to help the country recover from the damage caused by a devastating earthquake and tsunami on September 29, 2009.

Samoa has suffered its worst human losses and physical damage from a natural disaster since its independence in 1962. The disaster also severely damaged the country's economic resilience and prospects for a quick recovery from the global economic slowdown. In particular, the impact on Samoa's tourism sector, which is its main commercial source of foreign exchange, was significant.

The ESF disbursement will provide the authorities with financial assistance to support the country's external reserves amid shortfalls in export earnings and increased import costs related to the disaster response. It will also help catalyze significant donor support by signaling the authorities' commitment to maintain sound macroeconomic policies.

Following the Executive Board discussion, Mr. Takatoshi Kato, Deputy Managing Director and Acting Chair, issued the following statement:

"The IMF extends sympathy to the people of Samoa for the losses caused by the September 2009 tsunami. Owing to its scale, the disaster has severely undercut Samoa's prospects for a quick recovery from the global recession. Its adverse impact on the tourism sector and sizable reconstruction needs will result in a sharp widening of the fiscal and current account deficits. The government responded swiftly in addressing immediate humanitarian needs and in developing a recovery plan consistent with securing Samoa's social and economic progress.

"The fiscal cost of emergency relief and rehabilitation is significant and will result in sharply higher fiscal deficits over the coming two to three years. Against this background it will be important to prioritize spending on areas that are key to revive the economy, as well as on basic social services. The authorities' commitment to minimize the overall fiscal burden by