

## **The European Union approves EUR 5.5 million to help Samoa to face the consequences of the economic crisis**

***Today, the European Union (EU) approved a financing decision of EUR 5.5 million (approx. WST 17.45 million) for Samoa in the framework of the Vulnerability FLEX mechanism (V-FLEX). The EU support is critical to reduce the effect of the global economic crisis on Samoa's public finances and help the government maintain its obligations to the community.***

*"Samoa has been hit particularly hard by the global economic downturn as the impacts of the crisis severely affected the country's tourism industry, remittance flows, and agricultural exports. The EU assistance via V-FLEX aims to help close the current fiscal financing gap and ensure that essential social services can be maintained",* said Ambassador Wiepke van der Goot, Head of the EU Delegation for the Pacific.

The EU assistance supports the Government of Samoa's macro economic and fiscal measures to mitigate the impact of the crisis on the country. The present contribution to the country's treasury is critical in order to maintain priority expenditures in 2010, especially as they relate to social spending and growth promotion.

The EUR 5.5 million Vulnerability FLEX financing decision comes in addition to EU assistance from the 10th European Development Fund in the amount of EUR 16.415 million provided under the ongoing Water and Sanitation Sector Policy Support Programme.

### **Background:**

The Vulnerability FLEX mechanism is the European Union's swift response to help countries which were the most affected by the economic downturn. It was created in 2009 and was allocated EUR 500 million over two years (2009-2010).

It is demand-driven and targeted at countries with a high degree of economic, social and political vulnerability, the right policies in place to fight the crisis and sufficient absorptive capacity as well as a financing gap in their budgets where EU support can make a difference by closing or significantly reducing this gap.

See also: Press Release [IP/10/1091](#)

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