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THE GOVERNMENT OF SAMOA

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Government of Samoa

**ACTION PROGRAMME
SAMOA**

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SAMOA : SUMMARY OF SELECTED INDICATORS

Indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
GDP (million tala)	346.5	365.2	393.9	423.2	479.0	478.1	534.5	604.1	650.6	718.4
GDP per capita (tala)	2,191	2,264	2,430	2,598	2,926	2,906	3,232	3,624	3,872	4,240
Aid (million tala)	44.3	30.7	42.3	40.5	53.5	80.5	79.2	65.2	72.3	70.4
Aid as a % of GDP	12.8	8.4	10.7	9.6	11.2	16.8	14.8	10.8	11.1	9.8
Aid as proportion of current revenue (%)	35.3	23.1	32.9	30.3	42.6	65.5	58.5	46.6	47.2	41.5
Aid as proportion of current expenditure (%)	64.5	37.6	33.9	30.3	42.6	65.5	58.5	46.6	47.2	41.5
Aid as proportion of Development Expenditure (%)	42.3	33.3	42.5	43.5	69.0	87.2	87.9	86.5	92.4	83.5
External Debt (million tala)	213.8	264.1	309.7	352.9	437.5	439.1	412.3	428.4	475.7	445.4
External Debt (percentage change)	-	23.5	17.3	14.0	24.0	0.4	-6.1	3.9	11.0	-6.4
• Bilateral (million tala)	10.0	15.6	25.9	33.8	35.5	30.2	30.3	25.8	28.6	28.1
• Multilateral (million tala)	179.3	226.4	265.2	302.2	319.7	347.5	335.1	360.6	411.0	408.4
• Official (million tala)	202.2	255.1	302.5	346.7	363.8	385.1	372.1	393.3	446.3	442.3
• Commercial (million tala)	9.9	8.5	7.2	6.3	73.7	54.0	40.2	35.1	29.4	3.1
External Debt as % GDP	61.7	72.3	78.6	83.4	91.3	91.8	77.1	70.9	73.1	62.0
Debt Servicing as % Government Revenue (current)	9.5	8.7	9.8	7.6	8.9	7.3	6.8	6.7	6.1	6.2
Debt Servicing as % Exports (goods & services)	10.0	10.8	10.5	9.0	10.1	6.8	5.8	6.0	4.5	4.8
Debt Servicing as % Health Expenditure	119.88	92.90	93.2	71.6	85.7	72.7	59.5	49.3	41.5	42.3
Debt Servicing as % Education Expenditure	86.27	61.94	66.9	52.6	59.0	51.4	43.5	37.0	32.5	32.8
Trade as % GDP	59.6	66.0	72.5	66.2	44.2	52.2	50.2	48.6	52.4	56.2
Services as % Exports (goods & services)	82.7	85.4	88.0	86.2	93.0	87.1	86.9	86.8	75.4	77.9

Source: Treasury Department, Government of Samoa

EXECUTIVE SUMMARY

1. Purpose of Study

This document will provide the basis for Government to set strategies for developing the necessary policy environment and securing the necessary resources to fully implement its proposed public sector investment programme for the period 2001-2010.

Samoa's national economic strategies and development programmes for the first decade of the new millennium will require a total public sector investment programme of ST\$1,857.59 million. Funding is expected from the following sources:

	<u>ST\$ million</u>	
Local Funding	318.1	17.1%
External Loans	723.0	38.9%
External Grants	816.49	44.0%
TOTAL	ST\$1,857.59	100.0%

The planned local funding and external grants sources are manageable when based on the 1999 patterns and levels of funding required for public sector investments. The planned external loans of ST\$723.0 million or annual average of ST\$72.3 million will be closely monitored. Strategies for shifting a portion of loan funding to external grants and foreign private investments over the 10 year period will be developed as to keep the national debt burden as at end 2010 within the economy's capacity to service it at close to current levels of 6.5 percent of net foreign assets.

It is estimated that capital projects will continue to dominate the public sector investment programme with a total cost of ST\$1,234.6 million accounting for 66.5 percent of total investment. Technical assistance projects on the other hand are costed at ST\$622.99 million representing 33.5 percent of total investment for the decade.

Given the vulnerability of the Samoan economy to natural disasters and adverse international financial shocks, the public sector investment programme will be closely monitored by the Cabinet Development Committee and adjusted depending on the risks encountered.

2. Performance In The 1990s

Samoa's economic performance in the early 1990s was severely disrupted by two major cyclones and the taro leaf blight, which led to the shrinking of the real Gross Domestic Product by 3 percent during 1989-1995.

The second half of the 1990s saw a rapid economic recovery after an extensive cyclone rehabilitation programme and implementation of wide-ranging economic and financial reforms. Gross Domestic Product grew by 9 percent during 1996-1999.

The major growth sectors during the 1990s were tourism, commercial fisheries and commerce.

Extensive domestic production disruptions plus the introduction of VAGST contributed significantly to high inflationary pressures in the early 1990s. Following a strong recovery in

domestic production, reduction of tariff on imports and relatively stable foreign exchange rates, price stability was fully restored by the end of the 1990s with a price inflation rate of less than 1.0 percent end of 1999.

The Balance of Payments structure was substantially altered in the aftermath of the cyclones and the taro leaf blight in the early 1990s, when agricultural crops, which had historically dominated exports, were virtually wiped out. Recovery of the coconut industry; a boom in the export markets for kava and commercial fisheries; and expansion of manufacturing and processing exports led to a turn around in the balance of payments in the second half of the 1990s, with surpluses recorded for 5 consecutive years during 1995-1999.

The extensive financial commitments to implement the rehabilitation programmes for economic infrastructure and financial support for state owned enterprises impacted severely on the Government financial operations resulting in budget deficits equivalent to an annual average of 17 percent of GDP during the first half of the 1990s. Improved expenditure controls and tax administration as well as increased revenue from the introduction of VAGST led to an overall strengthening of the Government financial operations with overall budget surpluses during 1995/96 to 1998/99.

The heavy borrowing programmes for the past infrastructure rehabilitation programmes have led to total official government debt, which are mainly on soft terms, reaching ST\$442.3 million at end of 1999.

The relatively successful introduction of extensive economic and financial reforms in the second half of the 1990s has made the 1990s decade a historical turning point in the development of Samoa. These reforms have included building effective partnership between Government and private sector; the overhauling of the revenue structure for Government based on introduction of the value added goods and services tax and a reduction and simplification of import tariffs and direct income tax rates; institutional strengthening of Government departments and corporations; corporatisation and privatisation of selected public sector activities; financial sector liberalisation; and overall pursuance of good governance principles in the public sector.

The health and education sectors suffered extensive infrastructural damages in the cyclones of the early 1990s. The cyclone-related rehabilitation programmes gave first priority to the reconstruction of facilities in these important social sectors. Running parallel to the reconstruction activities were major long term strategic planning exercises aimed at improving the health status of the population through the provision of basic health services augmented by a comprehensive reform of the health sector and improving the quality of and access to education for all Samoans.

3. Opportunities And Constraints

The domestic opportunities for Samoa emanate from a renewed competitive spirit and willingness to reform and innovate following the traumatic experience of the shocks of the early 1990s. The momentum of the reforms of the 1990s if maintained is expected to underpin new economic opportunities during the 2001-2010 decade.

The new economic infrastructure built in the 1990s now provides the Samoan economy an excellent platform to support its future growth. Transportation, telecommunications, electricity, and water have all undergone tremendous improvements.

The potential key growth areas in the productive sector are in high value agricultural crops, commercial fisheries and tourism.

Government has clearly recognised the importance of the private sector and has successfully developed the necessary policy and operating framework for private enterprise to flourish.

There is clearly a strong commitment to good governance at all levels of Government.

The investment in human resource development in the past decade has now laid the necessary groundwork for an educated, skilled and healthy labour force to meet the challenges of social and economic development in the years ahead.

Samoa has clearly recognised the importance of protecting its natural environment and of the sustainable development of its natural resources.

The excellent relationship and ongoing dialogue between Samoa and its development partners will ensure stability in external support for Samoa's priority development/reform programmes during the decade.

The main 'constraints' that will most likely impact on future development include

- 'brain drain' of specialised skills especially in the education and health sectors
- inadequate specific skills and low productivity levels of Samoa workers relative to their counterparts in the competitive Asian region
- possible spread of HIV/AIDS as a result of inadequate prevention and public education and of increased tourism development.
- vulnerability to 'cyclones' and to external economic and trade developments for which Samoa has no control.
- continuing increases in oil prices and consequent impact on energy, transport and production costs
- inadequate attention given to strategies/policies to address emerging social issues and to promote more equitable distribution of development benefits
- negative image of the Pacific islands region as a result of political and civil tension in neighbouring islands

4. Programme of Action 2001-2005

The programme of action for the first five years, 2001-2005, is based on the Statement of Economic Strategy (SES) 2000/2001 and the Public Sector Investment Programme (PSIP) 2000/01-2002/03. The SES sets the vision, development agenda and strategies for the 2001-2005 period. The PSIP provides the investment programme for 2001-2005 by extrapolating investments to the period 2003 to 2005.

Samoa's vision of the future is of a nation characterised by:

- Macroeconomic stability

- A thriving and competitive business sector
- A highly efficient public sector
- Plentiful employment opportunities for its people
- Best practices for good governance and public accountability
- High standards of education and health services delivery
- Dynamic development of its key agriculture and tourism sectors
- Vibrant social and cultural values
- Sustainable management of its environment

The fulfillment of the vision for Samoa in the next decade is premised on the successful implementation of programmes to achieve the following outcomes.

- (i) a balanced fiscal policy supported by monetary policy targets of low inflation and ready access by the private sector to credit.
- (ii) an efficient and effective public sector able to deliver government's core business activities to the people and businesses of Samoa at minimal cost.
- (iii) a skilled pool of human resources.
- (iv) improved access by all Samoans to quality education and health services
- (v) a strong and diversified private sector
- (vi) a well developed and thriving agriculture, fisheries and tourism sectors.

The proposed programme of action for 2001–2005 costed at ST\$1075.59 million is dominated by the investments in economic infrastructure:

- In the public administration sector, ongoing projects totalling ST\$72.6 million and pipeline projects totalling ST\$8.5 million will be dominated by the institutional strengthening projects in Treasury, Public Works Department and the Public Service Commission.
- The law and order sector includes one ongoing technical assistance project costing ST\$0.9 million for the institutional strengthening the Justice Department. An institutional strengthening project for the Police Department worth ST\$8.5 million will also begin during this period.
- The economic infrastructure sector accounts for the majority of investment for the first half of the decade totalling ST\$581.7 million for ongoing projects and ST\$218.0 million for pipeline projects. Ongoing projects are mainly in port development, rural water supplies and hydro-power schemes.
- In the productive sector, ongoing technical assistance projects total ST\$7.2 million are in the agriculture and fisheries sector with one tourism development project. Pipeline projects totalling ST\$39.1 million are also for the same sectors.
- In the social and social services sector, ongoing projects totalling ST\$121.99 million and pipeline projects totalling ST\$17.1 million are mainly for education and health.

- The total public sector investment programme for 2001–2005 is projected to be funded as follows:

Total Investment 2001-2005	<u>ST\$ million</u> <u>1075.59</u>	<u>100%</u>
Local Funding	(160.6)	14.9%
External Loans	(461.0)	42.9%
External Grants	(453.99)	42.2%

- The funding of the public sector investment plan for 2001-2005 will be guided by the following principles.
 - (i) All technical assistance programmes are to be funded from a combination of local budgeting and external grant funding.
 - (ii) Infrastructural programmes with FIRR less than 10 percent are to be funded mainly from external grants and external soft-term loans
 - (iii) Infrastructural programmes with FIRR in the range of 10 percent to 15 percent are to be financed mainly from soft-term loans
 - (iv) Infrastructural programmes with FIRR in excess of 20 percent are to be financed from export credits and other commercial loans.

5. Programme of Action 2006-2010

The broad vision is for “*Samoa to become a competitive economy that encompasses cultural and traditional values with adequate education and health standards for all.*”

Samoa’s vision of the second half of the decade will be a nation characterised by

- an outward looking society positioned to make the best of the benefits from globalisation whilst retaining its distinctive cultural values.
- A thriving economy generating employment opportunities to fully absorb the increasing number of school leavers entering the workforce.

The expected outcomes of the first half of the decade on which the 2006-2010 Programme of Action will build on are as follows.

- economy growing by at least 4 percent p.a. in real terms to about ST\$760million (in 1994 prices) by end of 2005.
- population growth of 1 percent p.a. with an expected population of about 177,000 by end 2005.
- significant growth in the private sector underpinned by a strong and robust development in tourism and information technology.
- progressive reduction in the size of the public sector with increased outsourcing of services to the private sector.
- best practice for good governance and public accountability is widely promoted and monitored by civil society and media.
- substantial progress made to prepare Samoa for the trade environment of the Pacific Free Trade Area and the World Trade Organisation.
- level of local funding sources to reach 20 percent of total investment.

The proposed programme of action for 2006-2010 includes only the expected pipeline projects costing at ST\$782.0 million. A review of the 2001-2005 proposed to be undertaken in

2004 will determine the prioritisation of ongoing and pipeline projects which will ‘spill over’ into the 2006-2010 period.

The funding of the public sector investment programme for 2006-2010 is planned as follows:

Total Investment 2006-2010	<u>ST\$ million</u>	<u>100%</u>
	<u>782.0</u>	
Local Funding	(157.5)	20.2%
External Loans	(262.0)	33.5%
External Grants	(362.5)	46.3%

- pipeline projects estimated at ST\$7.0 million for public administration include the construction of some government offices and preparation work for the Free Trade Agreement.
- Investment in the law and order sector is related mainly to infrastructural upgrades of the Police Department and Prisons at an estimated cost of ST\$80.0 million.
- The economic infrastructure sector again dominates the investment programme in the second half of the decade particularly in the development of telecommunications linkages, upgrading of the Electric Power Corporation generating capacity, upgrading of facilities at Faleolo International Airport and inter-island ferry facilities and major hotel development in support of the tourism industry. Investments in these areas are estimated at ST\$395.0 million or 53 percent of total investment programme.
- Total investment for productive sector is estimated at ST\$140.0 million. The main projects are the proposed construction of the Development Bank of Samoa complex and technical assistance projects for venture capital funding and development of credit lines for micro-enterprises.
- Proposed investment of ST\$160.0 million in the social sector and social services is dominated by two capital projects being the expansion of the National University of Samoa and the upgrade of the Polytechnic facilities.
- In summary, capital projects in the 2006-2010 period total ST\$407.0 million of 52.0 percent of total investment while technical assistance projects estimated at ST\$375.0 million represents 48.0 percent of total investment for the period.

1. OVERVIEW

The Government of Samoa is strongly committed to taking measures for further improvement of its national socio-economic well being.

Since the submission of its Programme of Action for the 1990s, Samoa has made good progress in terms of economic and social outcomes. In the early 1990s, two cyclones caused major devastation on the economy but infrastructure has been restored, macroeconomic stability has been achieved and important reforms undertaken in the public sector, the financial sector and to the tax and tariff systems.

The economy is now benefiting from strong economic growth and the impact of reform efforts. Social indicators have improved and a host of activities are presently directed to further improving health and education.

For the first decade of the new millennium, the immediate challenge will be for Samoa to continue the momentum of recent economic and financial reforms and strengthening social institutions to ensure a prosperous and peaceful society. The investments necessary to implement the necessary Programme of Action of 2001 to 2010 necessitate increasing reliance on foreign aid and private capital flows. Therefore, one of the main objectives of compiling this report is to provide a long-term platform for the Government of Samoa to identify possible future scenarios and their projected policy and resource requirements in the next decade.

PART I : REVIEW OF PERFORMANCE IN THE 1990s

2. INTRODUCTION

Samoa's performance in the early 1990's was severely disrupted by two major cyclones which caused considerable damage to both agriculture and infrastructure. These were followed in late 1993 by the taro leaf blight which effectively wiped out production of Samoa's major food and export crop. Real Gross Domestic Product is estimated to have shrunk by 3 percent during 1989-1995. The rehabilitation of cyclone damaged infrastructure dominated economic activity to the mid 1990s.

The second half of the 1990s was characterised by relative prosperity based on strong performances in the tourism, fisheries and commerce. Real Gross Domestic Product is estimated to have increased by 9 percent during 1990-1999.

2.1 Inflation

Inflation rates were high in the early 1990s which reflected the supply shortages following the major cyclones in 1990/1991, the taro leaf blight from 1993 and the introduction of the VAGST in 1994. The annual inflation rate peaked at 18 percent in 1994. In the latter part of the decade, inflation declined considerably and was less than 2.0 percent in 1999 reflecting the low rates of inflation in Samoa's main import sources, the impact of tariff cuts on both imports and domestic prices as well as greater availability of a large range of locally grown/produced food items.

2.2 Employment and Wages:

Formal sector employment is estimated as 23,000 of which about 70 percent are in the private sector and 30 percent in the public sector. The employment figures probably underestimate employment in the fishing sector which has grown substantially in the past two to three years.

Most of the workforce is still employed in the agriculture, forestry and fisheries sector reflecting the importance of subsistence activity. The share of this sector would however have declined over the 1990s, while the share of the workforce in wholesale and retail trade is expected to increase following the introduction of financial and tax reforms in the latter part of the 1990s.

The minimum wage in the private sector is ST\$1.40 per hour. In practice, workers have been paid higher salaries than the official minimum wage.

2.3 External Trade and Balance of Payments

Samoa's balance of payments structure reflects its small size, distance from other countries and large expatriate community. The historically very large level of import payments (60 percent of GDP during 1987-1996) has been made possible by private remittances (20 percent of GDP), and official transfers and travel receipts (15 percent of GDP each), rather than by export receipts. Capital account flows are dominated by

official loans, usually at highly concessional terms. Reserve coverage has averaged about 6 months of imports, and fluctuations in the real effective exchange rate have been relatively small given Samoa's vulnerability to economic shocks.

The series of shocks that hit Samoa during the early 1990s substantially altered the structure of the balance of payments. The cyclones of 1990 and 1991 eliminated copra and coconut exports and necessitated a surge of imports for reconstruction, while the blight of 1994 reduced taro exports to zero. During 1995-1996, the balance of payments swung into surplus, reserve coverage was maintained at about 5 months of imports and external debt ratios fell sharply. This turnaround was due to the slowdown of reconstruction imports, a decline in debt repayments and the broad-based growth in current account receipts.

Exports of goods doubled in 1995-1996 over the previous two years. Taro sales, which accounted for more than half of exports in 1993, fell to virtually nil in 1995 because of the blight. However, the drop-off in taro receipts was more than made up for by the recovery of copra and coconut production. Nevertheless, exports remained about a tenth of imports and were still below the 1989-1990 peak.

Imports rose during 1995-1996 on the back of the economic recovery. Imports had contracted during 1993-1994 with the winding down of heavy purchases of building and other intermediate materials for reconstruction. The 12 percent expansion of imports during 1995 reflected higher government capital good purchases for aid projects (rural telecommunications, and construction of the university campus and cultural centre), while consumer durable purchases also rose strongly. Import growth during 1996 was broad-based; private sector imports, especially for intermediate goods, swelled, and government purchases declined by half.

Total net foreign earnings stood at ST\$234.6 million in 1997, an improvement of 8.9 percent over the year earlier. The improvement was largely a result of the increase in both export earnings and net transfers of 51 percent and 19 percent respectively, which more than countered the decline in net services of 11 percent.

The following table summarises the balance of payments performance from 1990–1999.

Table 1: BALANCE OF PAYMENTS 1990 - 1999

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Exports	20.50	15.53	14.36	16.53	8.92	21.67	24.83	37.45	55.52	54.74
Imports	186.12	225.35	271.34	263.70	202.96	228.05	243.72	256.23	285.67	348.47
TRADE BALANCE	(65.62)	(209.82)	(256.98)	(247.17)	(194.04)	(206.38)	(218.89)	(218.78)	(230.15)	(293.73)
Net Services & Income	61.12	41.40	41.8	32.66	65.06	81.37	101.05	89.60	98.13	110.43
Net Private remittances	91.96	74.35	107.01	80.45	83.39	87.24	90.49	107.53	109.90	125.20
CURRENT ACCOUNT BALANCE	(2.54)	(94.07)	(108.17)	(134.06)	(45.59)	(37.77)	(27.35)	(21.65)	(22.12)	(58.10)
CAPITAL ACCOUNT (Net)	50.07	97.46	87.88	113.35	30.43	45.87	41.07	48.59	51.39	58.11
OVERALL BALANCE [Change in NFA]	37.53	3.39	(20.71)	(20.71)	(15.16)	8.10	13.72	26.94	29.27	0.01
CURRENT ACCOUNT BALANCE as % of GDP	(3.6)	(25.7)	(27.4)	(31.6)	(9.5)	(7.9)	(5.1)	(3.6)	(3.4)	(8.1)
OVERALL BALANCE as % GDP	10.8	0.9	(5.1)	(4.9)	(3.1)	1.7	2.6	4.5	4.5	0.001
Gross Reserves										

Source: Central Bank of Samoa and Treasury Department. All data provisional.

2.4 Government Finances/External Debt

Government's financial operations in the first half of the 1990s reflected the response to the series of external shocks during 1991-1994. Rehabilitation and reconstruction efforts in the aftermath of the cyclones led to a large budget deficit averaging 17 percent of GDP from 1991/1992 through to 1993/1994 and heavy foreign borrowing. Current expenditure reached over 40 percent of GDP and development expenditure averaged 30 percent of GDP during this period. Tax revenue was stable at 34 percent of GDP and non-tax revenue averaged 10 percent of GDP.

With the completion of reconstruction efforts and the national airline crisis essentially under control, fiscal performance improved considerably in 1995/1996 despite increases in current and development expenditure. The budget shifted to a surplus of ST\$8.0 million, equivalent to 2 percent of GDP, as against a projected deficit of 4 percent of GDP. The favourable outcome relative to 1994/1995 was due mainly to sharply lower net lending to public enterprises, higher external grants and higher revenue collection.

Table 2 : GOVERNMENT FINANCE 1991/1992 – 2000/2001
(ST\$ million)

	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
Revenue & Grant	159.30	184.60	178.20	217.40	254.30	236.16	234.44	267.90	251.02	253.70
Revenues	121.10	138.20	143.70	145.00	165.80	166.24	173.94	183.77	194.40	188.61
External Grants	38.20	46.40	34.50	72.40	88.50	69.92	60.50	84.14	56.62	65.09
Expenditure	206.30	251.60	216.20	252.20	246.60	222.40	221.55	265.76	256.21	280.31
Current(1)	121.00	128.60	138.50	112.40	133.20	137.62	142.09	163.95	169.67	172.76
Development(2)	84.20	114.90	71.30	83.60	100.90	79.42	71.27	85.24	67.14	93.98
Other (capital & net lending)	1.10	8.10	6.40	56.20	12.50	5.35	8.19	16.57	19.41	13.56
Current Balance	0.10	9.60	5.20	32.60	32.60	28.61	31.85	19.82	24.73	15.86
Overall Balance	-47.00	-67.00	-38.00	-34.80	7.70	13.76	12.89	2.14	-5.19	-26.61
Financing										
Net External Borrowing	32.90	43.50	39.60	12.20	5.30	2.72	3.12	3.64	1.52	26.01
Domestic	14.30	23.40	-0.70	22.80	-13.20	16.48	16.01	5.78	-3.67	-0.59
Overall Balance as % of GDP	-16.5	-22.1	-11.5	-7.3	1.5	2.4	2.0	0.3	-0.7	-3.7
Current Expenditure as % of GDP	42.5	42.4	42.0	23.7	26.5	24.2	22.4	24.4	23.6	24.0
Total Expenditure as % of GDP	72.5	83.0	65.6	53.2	49.0	39.1	34.9	39.6	35.6	38.9

Source: Treasury Department

(1) includes domestically financed development projects

(2) financed from external grants and loans

NOTE: Figures for 1991/92 to 1999/00 are provisional actuals and for 2000/01 is budget

Provisional outturn for the fiscal year 1999/00 recorded an overall deficit of ST\$5.19 million, equivalent to 0.7% of GDP. This was an improvement of ST\$17.12 million against a budgeted overall deficit of ST\$22.32 million which reflected the expected heavy spending on investment projects such as major infrastructural projects planned for the fiscal year.

At the end of year 1999, total official government debt outstanding was ST\$442.3 million, ST\$4.0 million below the corresponding 1998 period. At the current level, 92.0 percent is multilateral loans whilst bilateral loans account for only 8.0 percent.

External debt servicing costs in 1999 increased by 9.5 percent from the previous year. The percentage of debt servicing cost over merchandise exports and net foreign assets (NFA) increased in the year compared to 1998 to 21.8 percent and 6.5 percent respectively.

2.5 Tax and Tariff Reforms

The government has implemented a number of important tax and tariff reforms in the 1990s and particularly in the 1998/1999 and 1999/2000 budgets aimed at improving the competitiveness of Samoan businesses and to developing a more diversified economy and to generating employment opportunities for Samoans in the years ahead.

In the first half of the 1990s, the key reforms adopted were the simplification of the 10 percent income tax system, the introduction of a value added goods and services tax (VAGST) in 1994 and the adoption of a single corporate tax rate of 35 percent for both foreign and local companies. The single corporate tax not only removed any discrimination against foreign companies but also encouraged foreign companies to invest in the country.

Major tax and tariff reforms were introduced in the 1998-1999 budget with further reforms implemented in the budget the following year. These reforms have given Samoa a competitive, certain and transparent tax structure.

2.6 Structural Changes and Sectoral Developments

2.6.1 Productive Sector

In 1999 aggregate GDP in current market prices was estimated at ST\$718.39 million. In real terms (inflation adjusted) the economy improved with GDP growing by 5.5 percent reaching a total of ST\$602.66 million. This figure compares well with ST\$478.98 million in 1994, ST\$547.05 million in 1996 and ST\$571.16 million in 1998.

The non-monetary component of GDP has declined steadily in the last five years while the monetary component increased indicating an apparent move towards more monetisation of the economy towards the end of the 1990s. The most notable declines in the non monetary component were in the agricultural and fishing industries.

Strong performances across most industries especially in Hotels and Restaurants, Construction, Transport and Communications as well as Commerce were responsible for the strong growth in GDP estimates.

Hotels and Restaurants recorded a growth rate of 17.8 percent, although its contribution to the overall growth of the economy was only 0.4 percent.

Construction activities recorded a 13.4 percent increase over 1998 and accounted for 0.9 percent of the total increase in real GDP. The growth was the result of major construction works in both the public and private sectors.

Transport and Communications was the second largest contributor to real GDP with 13.1 percent and accounted for 1.5 percent of the total increase in real GDP.

Commerce performed well increasing by 8.6 percent compared to 1998. Commerce in fact has been increasing steadily over the second half of the 1990's and since 1997

has become the top contributor to the economy. It represented 15.7 percent of total GDP in 1999.

Growth in the fishing industry slowed in 1999 to 6.1 percent compared to 31.8 percent and 21.0 percent in 1998 and 1997 respectively. Its overall contribution to total GDP was 6.2 percent, slightly higher than the year before. This industry is expected to grow steadily in the years ahead.

Public Administration maintained its contribution of 10.5 percent to total real GDP, the same level as for 1998. Similarly, while Personal and Other Services increased by 4.7 percent from the previous year, it maintained at 7.3 percent its contribution to real GDP, the same for the last three years.

Other Manufacturing recovered slightly by 0.6 percent in 1999 following negative growth in the previous five years.

Agriculture production has been declining in the period 1996-1998 and in 1999 was down further by 1.1 percent compared to 1998. The decline in Agriculture is a concern given the fact that some 80 percent of the population is estimated to be employed in this sector alone. Agriculture's contribution to total real GDP is equivalent to 12.4 percent.

Table 3 : REAL GDP (1994 - 1999)

At constant 1994 prices	1994	1995	1996	1997	1998	1999
Agriculture	74.08	88.30	89.57	77.34	75.81	74.91
Fishing	20.56	20.51	22.02	26.64	35.12	37.25
Food & Beverages Manufacturing	17.10	20.93	29.67	29.48	24.17	24.18
Other Manufacturing	80.83	74.75	70.62	64.75	58.16	58.51
Construction	33.31	35.89	36.96	39.48	38.27	43.40
Electricity and Water	12.84	13.34	14.29	14.72	14.58	14.16
Commerce	58.47	64.18	72.96	79.56	87.06	94.58
Hotels, Restaurant	11.18	10.92	13.24	12.66	12.67	14.94
Transport, Communication	45.93	50.09	57.38	59.65	66.61	75.35
Public Administration	45.53	46.73	50.07	54.71	59.49	63.55
Finance & Business Services	27.80	28.61	32.74	34.94	38.82	39.22
Less Enterprise share of FISIM	(2.74)	(2.71)	(2.84)	(2.86)	(3.15)	(3.39)
Ownership of Dwellings	19.97	20.40	20.81	21.23	21.65	22.09
Personal & Other Services	34.13	37.80	39.57	40.25	41.92	43.91
Value added at 1994 market prices	478.98	509.72	547.06	552.54	571.16	602.66
Implicit price deflator	100.0	93.8	97.7	109.3	113.9	119.2
Selected measures of production:						
<u>At constant 1994 prices</u>						
Non-monetary	109.92	115.42	110.75	102.54	100.89	99.79
Monetary – total	369.09	394.29	436.31	450.00	470.27	502.87
Monetary - restricted scope	306.67	338.12	384.04	403.62	430.16	461.81

NOTE: The breakdown of GDP estimates prior to 1994 is in a different format.

Source: Treasury Department: *Quarterly Economic Review Issue No. 8*

2.6.2 Social Sector and Services

Education:

In 1999, there were 168 public schools, 35 schools administered by religious denominations and 3 privately owned schools. Over the period 1995-1999 national enrolments in schools remained fairly constant at around 50,000 per annum. A slight decrease in enrolments in public schools has been matched by an increase in enrolments in non-Government schools.

The national participation rates (i.e. percentage of an age cohort enrolled in the education system for the period 1995-1999 revealed that the rates of students need 5-14 years have been consistently above 90 percent while the rates of students aged 15-19 years have increased. The participation rates for 15-19 year olds should improve further as a result of curriculum and infrastructure improvements.

The “Education Policies and Strategies 1995-2005” provide the policy framework and strategic plan for the development of the education sector in Samoa. The 1998-1999 Statement of Economic Strategy states that:

“the policies and strategies of the plan are designed to build an institutional structure capable of delivering an education product that meets the criteria of equity, quality, relevancy and efficiency to its stakeholders”

Early Childhood Education

There is a strong demand for pre-school education throughout the country. The demand is being met largely by non-government organisations. Government itself does not provide pre-schools within its formal education system, but supports the importance of early childhood education as a necessary foundation for future learning.

Primary Education

Primary education is readily accessible to all with practically every village in the country having its own primary school or sharing a school with neighbouring villages. The drop out rates are high.

School facilities are generally poor and inadequately equipped. There is overcrowding in most urban schools.

Secondary Education

Equitable access to secondary education, rationalisation of secondary facilities and more choices of study in the secondary curriculum are key issues that are being addressed and will be accorded priority in the new decade.

Post Secondary and Tertiary Education

There is a relatively high number of institutions in Samoa for secondary school graduates. The National University of Samoa is the largest tertiary institution with facilities in education, nursing, commerce, arts and science. There is also a branch of the University of the South Pacific dedicated to agriculture and which caters to a regional student body including those from Samoa.

The education sector has attracted considerable donor funding. The Education Mini Summit convened by the Government of Samoa in May 1999 reported that 42 percent

of all Australian assistance, 68 percent of New Zealand Overseas Development Assistance (NZODA) and 58 percent of all European Union micro-project assistance was dedicated to education. The Japanese Government funded the new campus of the National University of Samoa.

Health

Samoa has relatively good health services. These services are however being reformed to meet the changing patterns of illnesses and deaths associated with changes in the level of development. Diseases spread by infection is giving way to 'changing lifestyle' diseases caused by changing dietary habits, lack of exercise and excessive use of alcohol and tobacco.

The main health indicators given in the table below point to a sound health basis for Samoa – low infant mortality rates, relatively high life expectancies and high rates of immunisation coverage.

Table 4: KEY HEALTH INDICATORS (1990-1996)

	1990	1991	1992	1996
Crude birth rate/1000 population	28.1	30.6	25.4	24.0
Crude death rate/1000 population	4.3	5.1	4.8	4.6
Infant mortality/1000 live births	22.4	22.1	25.0	23.0
Low birthweight			5.3%	3.9%
Under 5 mortality		39		27
Life expectancy		63		69
Maternal mortality rate/100000 livebirths	140			60
Deliveries by health personnel		100%		95%
Antenatal coverage		55%	52%	
Immunisation coverage				
BCG	96			98
DPT3	90			95
OPV3	90			95
Measles	90			96
TT2	87			97

Source: Department of Health Annual Reports 1991-1996, The Status of the World's Children UNICEF (1998) World Bank Health Sector Study 1998

Much progress has been made in the control and prevention of communicable diseases. The risk of common childhood diseases has been reduced through the expansion of immunisation coverage.

Communicable disease such as poliomyelitis, tetanus and diphtheria have been virtually eradicated in Samoa with the incidence of whooping cough, tuberculosis and measles remaining relatively low.

Non-communicable and lifestyle-related diseases such as diabetes and hypertension are an increasing cause of morbidity. It is estimated that between 1991 and 1994, over 60 percent of the ten leading causes of death were diet-related.

A privately owned and operated 22-bed hospital was opened in December 1998, providing alternative service for the public in medical, surgical, obstetrical and

paediatric clinics. There are also five private medical clinics now operating in the country. All clinics offer general services for a wide range of patients.

Much of the improvement in the health services in recent years can be attributed to the effective partnership between Government, the private sector and the community. The Health Department has consulted widely in the past years with service providers in the private sector and other stakeholders in the development of the national health sector strategic plan for 1998-2003.

The changing role of the government in the health sector has seen a much greater focus on health prevention and health promotion. Major developments in the area of family health, with a focus on mother and child care, have involved NGOs and community groups. Programmes aimed at promoting anti-smoking and alcohol abuse and diabetes prevention have been aggressively pursued. Health education programmes are focussing on the public dissemination of information on new patterns of communicable diseases, environmental health services and changing disease patterns.

The Government of Samoa is undertaking a reform of the health sector to meet the various challenges being presented by an upsurge in lifestyle, non-communicable diseases with corresponding resource implications; growth in the non-government health service sector; bringing new planning and regulatory requirements; devolution of financial and human resource management authorities from the central government agencies and general requirements for improved service standards across the sector.

Village Economy

The revitalisation of the village economy has been one of the key elements of Samoa's development strategy in the past decade. Following the damages caused by the cyclones in the early 1990s and the loss of taro the main subsistence and export food crop from late 1993 as a result of the taro leaf blight, the Government has had to promote economic activities in the village to give the rural communities alternative income sources. These were mainly in the areas of handicrafts production, small scale agro-processing, tourism and the processing and sale of products and by products of primary commodities by individuals or community-based organisations located in the villages.

The development of the village economy through a partnership involving Government, NGOs, village appointed representatives (the pulenuus) and the communities themselves will bring greater prosperity to the communities and also ensure that the rural sector participates in and receives the benefits of the national development efforts.

Support will continue for micro-level projects in areas such as education, health, agriculture, fisheries, tourism, youth, sports and culture.

Social Problems

A number of social problems have emerged over the years which would need to be dealt with more effectively. The most critical of these have been youth unemployment, crime, drug abuse, teenage pregnancy, family breakdown, suicide and domestic violence.

The domestic policies aimed at ensuring continued economic growth and a robust private sector to provide productive employment opportunities for young Samoans as

well as the priorities being accorded to education and training at all levels from primary to secondary, vocational and tertiary would ensure that the youth of the nation would have the requisite skills to meet the demands of the growing economy.

The close partnership between Government, NGOs and village communities aimed at addressing social problems especially among youth would need to be further strengthened.

2.7 Reform Strategies

Following the period of cyclone rehabilitation (1992 – 1995), Samoa developed a comprehensive reform programme. The programme has put emphasis on macroeconomic stability, public sector efficiency, improved education and health standards and a strong private sector. In addition, the Statement of Economic Strategy for 2000-2001 emphasizes the importance of re-invigorating agriculture and fisheries to reverse the decline in the sector over the past five years, the promotion of sustainable tourism development and the importance of a revitalised village economy.

The key reforms have been

- (i) strengthening the partnership between the public and the private sectors including civil society through a highly consultative and collaborative process. This has ensured public ownership of the national development and reform agenda.
- (ii) Public service institutional strengthening aimed at achieving better focus on the core functions of policy coordination and financial management of Government and to improving service delivery to the general public.
- (iii) Public sector revenue reforms aimed at shifting the tax burden from direct to indirect taxation and at strengthening the competitive environment for private businesses.
- (iv) Financial sector reforms aimed at liberalising controls on the financial sector, relaxing interest rate controls which would enable financial institutions to lend to high risk projects through flexible interest rates which reflect the degree of risk. As well the reforms were aimed at strengthening the prudential supervision of all financial institutions.
- (v) Corporatisation and privatisation aimed at privatising selected commercial activities of Government and divesting Government shareholding in a number of companies. The reforms have also been designed to enhance the commercial performance on state-owned enterprises.

PART II : OPPORTUNITIES AND CONSTRAINTS

3. ASSESSMENT OF FACTORS THAT HAVE FACILITATED OR CONSTRAINED THE COUNTRY'S DEVELOPMENT

3.1 Domestic Opportunities and Constraints

3.1.1 Peace and Social Stability

Political stability and a strong social system based on village communities and extended family ties have played a central role in maintaining peace and stability in the Samoan society in the past. This stability will enable government to continue with the implementation of ongoing as well as new economic and political reforms, which will provide both economic and social benefits to all Samoans in the long-term. This inherent stability which will help Samoans weather the pressures arising from the adjustment costs of the reform programmes.

3.1.2 Economic Infrastructure

The provision of key economic infrastructure has been at the forefront of Governments' development agenda for the past two to three decades. Investment in infrastructure in the first half of the 1990's was estimated at over ST \$200 million mainly in the power, water and transport sectors. Much of this investment was the result of the priority given to the rehabilitation and upgrading of infrastructure following two major cyclones in 1991/92 which caused considerable damage. The high growth rate experienced by the Samoan economy in the 1995-96 period was a reflection of the high investment level. Infrastructure development slowed down in the latter part of the 1990's with the completion of the cyclone related rehabilitation works and the emphasis shifted to improving institutional capacity to manage and maintain assets.

The availability of good economic infrastructure throughout Samoa has laid the foundation for enhanced economic activity in the years ahead. Improved road infrastructure, water and power as well as shipping have contributed to increased economic activity in the rural areas and to communications, commerce and business services sectors in Apia.

3.1.3 Policy Reforms

In the first half of the 1990's the Government of Samoa committed itself strongly to reforming the national economy to reverse the poor performances of the past three decades which were characterized by low productivity, low growth and dominance by the public sector. The Government recognized back then that a robust and competitive private sector would be the key to the future economic growth and started building an economic environment that would allow private enterprise to play a dominant and leading role in the restructuring of the economy. That was the beginning of Samoa's current comprehensive economic reform programme, which is being pursued in a manner that will ensure the broadest public ownership and support

as well as compatibility with current institutional capacities in both public and private to manage and implement effectively.

The individual policy and institutional reforms which make up the national reform programme are discussed in the following sections of the Report.

3.1.4 Conducive Environment for Private Sector Development

The commitment by Government to promote and support the private sector as the engine of economic growth was clearly underlined in its first two Statements of Economic Strategy (SES). The 1996-1997 SES was titled “A New Partnership” to highlight Government’s partnership arrangement with private enterprise as the foundation for future sustained economic growth. The 1998-1999 SES was titled “Strengthening the Partnership” to give prominence to the continuing efforts of Government to enhance the policy initiatives and strategies to strengthen the enabling environment for private sector development.

Fiscal reforms to remove anomalies and distortions in the economy and to strengthen incentives to investment and enterprise were introduced. The main components of the fiscal reforms include:

- significant cuts to import tariffs particularly on raw materials capital goods and building materials.
- reduction of the corporate tax rate to 29%. The rate in 1990 was 48 %
- exemption from income tax of dividends paid by Samoan companies to resident Samoan individuals
- introduction of accelerated depreciation deductions for all business plant and equipment to enable businesses investing in new projects to recoup more of the funds invested before being called on to pay tax on profits generated:

Liberalisation of the financial sector in 1998 has meant the overall control of monetary policy by the Central Bank of Samoa has shifted from a system of direct control to one of indirect monetary instruments. The new regime has given commercial banks the flexibility to allocate credit and set interest rates according to their assessment of market demand and risk/liquidity conditions.

A National Investment Policy has been adopted. A Trade and Investment Promotional Unit, an attempt to foster a one-stop shop for all investors, has been established.

The review of the investment environment in Samoa was undertaken in 1998 which resulted in the following:

- The Business Licence Act 1998 was passed to repeal the Business Licensing Ordinance 1960. The Business Licence Act 1998 provided a transparent and simple automatic procedure to apply for a business licence.
- The Labour and Employment and Immigration Acts were amended to facilitate the issuance of work permits by the Labour Department.
- The Foreign Investment Act 2000 was passed to identify sectors reserved for local citizens as well as provide regulations to govern businesses that are predominantly foreign investors. The Act also sets up the authority to issue

Foreign Investment Certificates as well as a database on foreign investment in Samoa.

Institutional reforms have been introduced in several public sector agencies to enhance the capacity of these agencies to facilitate the development of the private sector.

The commitment of Government to provide the private sector access to qualified and trained human resources has been strengthened through the relaxation of 'bond' arrangements for university graduates trained under Government funding and scholarships programmes to enable the private sector to recruit them directly after they graduate. Government has also allocated additional resources towards strengthening the Polytechnic to provide the technical/vocational skills required by the private sector. Similarly the National University of Samoa has developed programmes aimed specifically at meeting the priority human resources needs of the country.

The main constraints to the development of the private sector are the lack of clarity in customary land property rights which could prohibit land based investment projects and the lack of access to credit due to the non-acceptance of collateral arrangements using interests in customary land.

3.1.5 Domestic Resource Mobilisation

The introduction of the VAGST in January 1994 has shifted the bias of the tax system away from income taxes and import duties into a broad based consumption tax. The VAGST has significantly improved the responsiveness of the tax system to increases in economic activity and has provided Government with a sound revenue base, despite the effects of tariff and income tax reductions on revenue collections in recent years.

Economic growth especially in the fisheries and tourism sectors will give buoyancy to Government revenues in the years ahead. The recent institutional strengthening of the key revenue Departments has significantly enhanced their capacity for tax administration and should help further improve revenue collections in the future.

Government's fiscal policy stance aimed at ensuring budget surpluses has also ensured that the private sector had priority access to available domestic savings and bank credit.

The liberalisation of the financial sector in 1998 has allowed interest rates to play a more effective role in the pricing of project risks and in attracting institutional funds and domestic savings into term deposits.

3.1.6 Governance

The Government has since the early 1990s committed itself to the promotion of good governance. The introduction of performance budgeting to bring about greater efficiency and accountability in the allocation and use of public funds, the creation of a level playing field for public and private sector enterprises, the setting up of consultative processes between Government and the business community and civil society to jointly formulate national economic policies and strategies and institutional

reforms in the public service and in several public sector agencies have been practical examples of Samoa's ongoing commitment to improving its governance framework.

Samoa's adoption of the FEMM principles of accountability and transparency and the considerable progress made in recent years to comply with the principles has further strengthened performance in the governance area. There is now much greater awareness of the importance of good governance in facilitating economic growth, in maintaining socio-political stability and in reinforcing the confidence of the donor community in the management by Samoa of the aid resources it receives.

The ongoing improvements to the budget structure and processes, the recent clearance of the backlog of public accounts and the reformatting of the accounts to improve public understanding of the financial operations of Government have been important milestones in fostering transparency and accountability in the public sector.

3.1.7 Gender

The Ministry of Women Affairs was established in 1991 to coordinate and facilitate collaboration between Government and women organisations to further strengthen the integration of women in to mainstream development. The various women organisations and the Women in Business Foundation in particular have become important conduits for developing and managing successful business ventures in a wide range of activities especially in the rural communities. Women groups have also been active participants in and contributors to consultative forums with Government in the development of national economic policies and strategies.

3.1.8 Environment

Samoa relies on its environment for its agriculture, fisheries, forestry, clean water and health. Social and economic development therefore relies heavily on the recognition that such resources must be managed in a sustainable manner.

The first step in preparing a framework for the development of environmental policies aimed at sustainable management of the environment and natural resources was the preparation in 1993 of Samoa's National Environmental Management Plans (NEMs).

Draft Environment Impact Assessment (EIA) legislation has been prepared. Notwithstanding the delays in passing EIA legislation, all large government projects are now subjected to the provisions of the draft legislation. Projects funded by multilateral donors such as the ADB and World Bank require that such assessments are undertaken.

Government is involved in a range of other activities including involvement in regional programmes such as the conservation of marine resources, involvement with the IUCN (World Conservation Union) on the development of marine protected areas, on coastal infrastructure management funded by the World Bank and on community education. There has been increased public awareness on the importance of environment and conservation issues as a result of these initiatives.

In 1992, the Secretariat of the South Pacific Regional Environment Programme (SPREP) was established in Apia. This has further enhanced public awareness of the importance of the environment and natural resource conservation and of the need to integrate environmental issues and programmes into the mainstream development

agenda. SPREP has also significantly enhanced regional cooperation in the Pacific region in dealing with common and transboundary environmental issues.

Samoa is a party to several regional and international environmental agreements/conventions.

3.1.9 Human Resource Development

Although health and education have always been priority areas in the national development, it was not until the 1990s that public sector investment shifted from economic infrastructure to these social sectors. The Government has now put greater emphasis on vocational and technical training to help minimise structural unemployment and to ensure a steady supply of skilled and trained labour would always be available to meet the demands of both the public and private sectors for these skills. The ongoing commitment to provide under graduate and post graduate training for Samoans both in country and overseas underlines Government's long term commitment to producing qualified Samoans to meet the development challenges of the next decade and beyond.

Samoa has invested heavily in education. It recently upgraded both the Technical Institute into a full fledged Polytechnic and the University Preparatory Year Programme into the National University of Samoa offering full diploma and degree qualifications in a number of vocational and academic programmes.

A major component of the public sector reform programme is the institutional strengthening of the public service agencies to enable a better focus on core functions of policy development, financial sustainability and efficient and cost effective service delivery to the public. A key element of the exercise is the more effective use of available skills to undertake core functions and reskilling of personnel to take on new responsibilities. This is being accomplished by on the job training and where appropriate further specialised training abroad.

A major concern with acquiring specialised skills is the possible loss through overseas migration. This 'brain drain' has been quite pronounced in the health and education sectors.

A key objective of Government's efforts to promote the private sector is to create job opportunities to absorb the increasing number of young Samoans leaving school each year. The upgrading of the Polytechnic and support to private vocational training institutions was primarily aimed at equipping school leavers with skills that are marketable in private enterprise. Concurrent with this programme, Government has endeavored to develop a viable scheme which would keep young Samoans longer in school.

3.1.10 Agriculture and the Rural Sector

Agriculture plays an important role in the Samoan economy with at least two-thirds of households reliant on a mixture of subsistence and cash income.

However, agriculture and the economy are highly vulnerable to the potentially destabilizing impacts of external shocks, such as fluctuating commodity prices, exchange rate movements and changes in economic policies of Samoa's trading partners. Samoa is also vulnerable to natural disasters such as the cyclones in 1990

and 1991 which caused massive long term damage to the production of important commodities, particularly tree crops such as copra and cocoa. The taro leaf blight outbreak in 1993 was also catastrophic, destroying taro production, Samoa's major export crop.

The inherent uncertainty of agricultural production affects export earnings. On the other hand it justifies Government's push for diversification of cash crops so that the country does not become too dependent on a few crops for subsistence needs and for export earnings.

The contribution of agriculture to GDP has declined since 1995 and continued to 1999 mainly as the result of the combined effect of the cyclone damages and the taro leaf blight. By contrast fisheries has been increasing its contribution to GDP rising from 4.3 percent in 1994 to 6.2 percent in the first half of 1999. This remarkable improvement in the performance of fisheries has been due to the rapid growth of commercial fisheries, mainly for the export market, as a result of private sector investment.

3.1.11 Manufacturing

Efforts to promote manufacturing have concentrated on export-oriented activities. The success of the assembly-type ventures as employment generators and as foreign exchange earners has encouraged Government to more actively seek foreign investment as a matter of priority. A robust manufacturing sector providing increased employment opportunities will have immense welfare and economic benefits for Samoa.

The main constraints facing the manufacturing sector have been the frequency of power failures resulting in the costly disruptions to production and the relatively high cost of electricity. There has also been concern about the quality, reliability and cost of water. A further constraint has been the apparent low specific skills and productivity levels of Samoan workers compared to their more competitive counterparts in the Asian region.

3.1.12 Information Technology

Developments in the second half of the 1990's included the establishment of a mobile telephone service substantially owned (90%) by private enterprise, and the reform of the public telecommunications sector. The latter development has seen the breakup of the Department of Posts and Telecommunications into three separate entities – namely a ministry dealing with legislation and sector policy issues; a regulator to administer and monitor technical functions such as frequency spectrum management and the setting and supervision of technical standards; and the corporatisation of the operational side of posts and telecommunications.

Significant innovations have been introduced in the Information technology sector which have resulted in the creation (development) of Internet based business activities. These new developments, although in their early stages, are expected to underpin major developments in the service sectors in Samoa.

3.1.13 HIV/AIDS Control

Public education programmes aimed at enhancing public awareness of the importance of prevention and control have included workshops at different levels for different target groups since 1991 and the production of published material for public dissemination and radio spots. Target groups included schools population, youth groups, sports groups, government departments and church leaders.

3.2 External Opportunities and Constraints

These may be summarised as:

- Increasing levels of foreign reserves since the economy recovered from the cyclones of the early 1990s
- Geographical location in the cyclone prone zone in the Pacific
- Likelihood of reduced private remittance flows as the social linkages between the overseas-based Samoan communities and the local recipients decline. However, the trend of replicating village groupings in overseas communities appears to have reduced the risk of the linkages being weakened.
- Risk of continuing increases in oil prices - impact on energy, transport, production costs
- Impact on reputation/image of the Pacific island region because of political/civil tension in neighbouring island countries.

3.2.1 Official Development Assistance (ODA)

Samoa has benefited immensely from the support of its development partners in the 1990's. Of particular importance was the support received for the rehabilitation and reconstruction of economic and social infrastructures and of the agricultural sector following the devastating cyclones in the early part of the 1990's and the taro leaf blight from 1993.

Table 5 : OFFICIAL DEVELOPMENT ASSISTANCE (1990 –1999)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
External Grants (millions Tala)	44.3	30.7	42.3	40.5	53.5	80.5	79.2	65.2	72.3	70.4
In percent of GDP	12.8	8.4	10.7	9.6	11.2	16.8	14.8	10.8	11.1	9.8
In per cent of total revenue	35.3	23.1	32.9	28.7	37.0	51.8	47.7	38.3	40.4	36.8
In percent of current expenditure	64.5	37.6	33.9	30.3	42.6	65.5	58.5	46.6	47.2	41.5
In percent of development expenditure	42.3	33.3	42.5	43.5	69.0	87.2	87.9	86.5	92.4	83.5

(Source: Treasury Department /Ministry of Foreign Affairs)

Table 6 : SECTORAL DISTRIBUTION OF OFFICIAL DEVELOPMENT ASSISTANCE (%) (1990 – 1999)

Sectors	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Public Administration	5	9	9	8	9	10	9	8	10	13
Law & Order	0	0	0	0	0	0	0	0	0.3	0.4
Economic Infrastructure	68	40	50	52	41	53	54	55	54	53
Private Sector	2	15	14	14	17	13	12	12	10	10
Productive Sectors	10	32	25	24	27	22	21	21	17	20
Social Sectors and Services	15	4	2	2	6	2	4	4	8.7	3.6
Notes: <ul style="list-style-type: none"> • Loan figures for 1990 were not available from Treasury except for subsequent years therefore only grant figures are reflected for 1990 • Infrastructure continues to dominate given the focus of loan funded projects on the sector - this does not reflect the trend away from infrastructure with regards to grants • There is a decreasing trend in funds for productive sector (primary production) - this is reflective of the situation with regard to grants although there is renewed interest in reviving sector given importance to economy • On the 1990 figure alone, this shows increasing assistance to social sector (grants). This is shadowed by comparative loan allocations to the sector compared to other areas. • Law and Order have only recently been allocated funding under grants 										

(Source: Ministry of Foreign Affairs, Treasury Department)

Like other LDCs, Samoa has been getting special recognition for its particular problems and has participated in various programmes including international meetings and fora, organised by the United Nations agencies to deal specifically with the developmental problems of the least developed nations. Samoa has especially benefited from the concessional lending facilities of the Asian Development Bank and the World Bank. In fact a large percentage of the investment made in past years in the country's economic infrastructure had been funded through borrowings from these special facilities.

The prospect of declining foreign aid levels in the future has been factored into the Government's strategic planning and into the development of its policies and strategies for the 2000's. A number of reforms introduced in the latter part of the 1990's have been aimed at improving aid effectiveness. Aid proposals have now been required to support the strategic outcomes laid out in the national statements of economic strategy.

The prioritization and scheduling of aid projects is now based on

- the policies and strategies of the SES's and other Government policy statements
- their expected financial and economic reforms
- contributions to removing/addressing development constraints and bottlenecks
- absorptive capacity of the economy and institutional capacity within Government to effectively manage and implement.

The donor community has been very supportive of the reform programmes through the provision of technical assistance and financial resources. In the medium to long-term, this partnership will create greater efficiency within the machinery of Government, a responsible and thriving private sector and a highly participative civil society. The outcomes of all these changes will be those envisioned in the current

Statement of Economic Strategy and will ultimately reduce Samoa's high dependence on aid in the future.

Recent high level consultations between Government and its key development partners have confirmed interest in maintaining stability in aid allocations and ongoing support for priority aid areas – namely to assist Samoa move toward economic independence by helping Samoa to implement its economic policy reform, public service reform and human resource development, to improve the quality of essential services especially - health and education, and to help strengthen the management of its natural resources.

3.2.2 External Debt Burden

Table 7 : EXTERNAL DEBT (1990 - 1999)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<i>External Debt</i> (million tala)	213.8	264.1	309.7	352.9	437.5	439.1	412.3	428.4	475.7	445.4
External Debt (percentage change)	-	23.5	17.3	14.0	24.0	0.4	-6.1	3.9	11.0	-6.4
Bilateral (mill ion tala)	10.0	15.6	25.9	33.8	35.5	30.2	30.3	25.8	28.6	28.1
Multilateral (million tala)	179.3	226.4	265.2	302.2	319.7	347.5	335.1	360.6	411.0	408.4
Official (million tala)	202.2	255.1	302.5	346.7	363.8	385.1	372.1	393.3	446.3	442.3
Commercial (million tala)	9.9	8.5	7.2	6.3	73.7	54.0	40.2	35.1	29.4	3.1
<i>External Debt as</i> <i>% GDP</i>	61.7	72.3	78.6	83.4	91.3	91.8	77.1	70.9	73.1	62.0
Debt servicing Costs (mill tala)	11.9	11.5	12.5	10.7	12.9	11.3	11.3	11.4	10.9	11.9
Debt Servicing as % GDP	3.4	3.2	3.2	2.5	2.7	2.4	2.1	1.9	1.7	1.7
Debt servicing as % Govt Revenue current	9.5	8.7	9.8	7.6	8.9	7.3	6.8	6.7	6.1	6.2
<i>Debt servicing as</i> <i>% Exports (Goods</i> <i>& Services)</i>	10.0	10.8	10.5	9.0	10.1	6.8	5.8	6.0	4.5	4.8
Debt servicing as % Health Expenditure	119.88	92.90	93.2	71.6	85.7	72.7	59.5	49.3	41.5	42.3
Debt servicing as % Education Expenditures	86.27	61.94	66.9	52.6	59.0	51.4	43.5	37.0	32.5	32.8

(Source: Central Bank of Samoa and Treasury Department estimates)

The external debt stock as a percentage of GDP is relatively high. It has been in the 60 to 70 percent range during the 1996-2000 period, although during the 1991 – 1995 period it was in the 70-90 percent range, reflecting Government's higher than usual reliance on the external financing – mainly on concessional terms from the multilateral agencies – to assist with cyclone related rehabilitation and reconstruction works in the first half of the 1990's. On the other hand debt servicing when related to Government revenues or export earnings are quite manageable (6 to 7 percent of revenues and 4 to 6 percent of export receipts) because at least 95 percent of external debt stock was contracted on soft terms.

The risk to this rather favourable position is the likely implications of Samoa's graduation from its current LDC status which will affect its access to concessionary financing and which may result in a revaluation of the current debt stock.

3.2.3 The Export Sector

The distance from export markets and the high cost associated with developing these markets and in improving the quality and the packaging of Samoa produced goods are constraints that need to be addressed.

Tourism has become the major source of foreign exchange earning for Samoa. Gross tourism revenues were about ST\$125.81 million in 1999. The emerging popularity of Samoa as a major tourist destination will further strengthen growth in the sector. However, the current constraints relating to the limited tourism infrastructure and the high costs associated with air travel because of long distances from main tourism source markets would need to be addressed promptly if Samoa is to take advantage of the potential growth in the sector.

Apart from the ever present threat of natural disasters like cyclones and damage to crops from pests and diseases like the taro leaf blight, the other risks to a thriving export sector relate to the volatility of prices for export commodities, the threat to primary productions from complacency and the lack of effective quarantine system. Furthermore, the lack of clarity on the implications of the WTO and the phasing out of trade concessions and preferential regional trade agreements, might affect potential investment both local and foreign, in export oriented industries in the agriculture, and service (e.g tourism) sectors.

3.2.4 Foreign Direct Investment

The relative social and political stability of Samoa coupled with its impressive economic performance and commitment to reform in the recent past would make Samoa an attractive destination for foreign investment. The commitment of the Government to private enterprise underlined by the development of a favourable enabling environment for the private sector in the second half of the 1990's have been positive initiatives.

On the other hand because of its relative geographic isolation from the main export and tourism markets, Samoa has to successfully overcome certain constraints which may hamper foreign investment. The main constraints are

- high transport costs
- sometimes unreliable and relatively expensive economic infrastructure and related services
- attitudinal biases against foreign investment
- land rights and access
- inefficient investment environment to facilitate investment
- Inadequate legal and regulatory environment for protection of investment
- high cost of borrowing
- low productivity levels and lack of discipline among labour force.

3.2.5 The Regional Cooperation Dimension

Samoa is a founding member and an active participant in the Pacific based regional organisations. Through these organisations Samoa has played a key role in promoting and fostering regional cooperation on transboundary issues that can only be addressed effectively through regional or subregional approaches. Examples of these issues are environment and natural resource conservation, fisheries, agricultural quarantine, trade, transport – especially shipping – and communications. Samoa has played a leadership role in the Pacific islands region. In recent times its commitment and proactive approach to economic and financial reforms, to better governance and active participation in decision making processes at the region's heads of Government level have all contributed to enhancing its influence on regional cooperation.

The ethnic and political tensions in some of Samoa's neighbouring Pacific island countries could undermine regional cooperation.

3.3 Vulnerability to Shocks

The vulnerability of Samoa and its economic performance to external and internal shocks was exposed when it was struck by two devastating cyclones in the early 1990s which caused considerable damage to both agriculture and infrastructure and by the leaf blight disease which wiped out the country's major food and export crop, the taro from late 1993 onwards. This was followed by a financial crisis involving a state-owned company which required the Government to provide financial support from the national budget to repay company debts and to restructure the company's operations.

3.3.1 Financial Shocks

The financial outflows associated with the crisis at the state-owned airline Company has had to be funded from the national budget since 1994 and is expected to be fully settled by 2003.

This financial crisis has strengthened Governments resolve to privatise public sector enterprises and to divest its many investments in business ventures. It has also strengthened its commitment to develop a corporate regulatory framework to ensure the management and operation of the remaining public institutions/companies are consistent with best practices adopted internationally for private enterprises.

The threat of disruption to economic production and high costs of doing business in Samoa from increasing oil prices and the high dependence on oil imports for power generation has been eased through the adoption of a tax and price structure to discourage wastage and by a combination of investment in hydro based energy and improving efficiency of diesel based power generation.

The target for foreign exchange reserves has been set at a minimum of six month import cover to reduce the risk of any unforeseen crisis.

The diversification of the sources of aid and the reform of processes to improve the efficient and effective use of aid to meet priority needs, coupled with efforts to strengthen domestic resource mobilisation (e.g through the introduction of broad

based VAGST) will minimise the impact of any financial crisis which may result from donors withdrawing their support.

3.3.2 Natural Disasters

The two consecutive cyclones of 1990 and 1991 and the massive destruction they caused to the Samoan economy and infrastructure led to a cumulative decline in real GDP of almost 12 percent during 1990-1992. The experience of these cyclones has provided valuable lessons in terms of strengthening the institutional and support framework for disaster preparedness. There have been significant upgrading and improvements in the capacity and capability of the Samoan meteorological office to access critical weather information on a timely basis and to receive and disseminate advance warning on any natural disaster such as cyclones, tsunamis, earthquakes and so forth.

Government has also developed and enforced building code standards for all new buildings to minimise damage to infrastructure from cyclones. A national programme has also been launched to identify the best strategies for the design of coastal infrastructure, roads and bridges to keep potential disaster – related damage and loss of lives to the minimum.

4. EXAMPLES OF SUCCESSES/BEST PRACTICES

Box 1 : Partnership Between Public Sector and Private Sector and Civil Society (Consultative Planning Process Reforms)

The development of the first statement of Economic Strategy in 1995 marked the beginning of a significant change in the relationship between the Government and the Private sector /civil society. That statement was the product of a process of extensive and genuine consultation and cooperation among all sectors in the Samoan society. This consultative planning process has significantly strengthened local ownership of the national development and reform agenda and community contribution to their implementation. Key initiatives under this partnership have been

- *Increased information sharing and collaboration between Government and the private sector on the preparation and refinement of the medium term development strategy and specific economic and financial policy reforms*
- *Extensive and effective consultation with all sectors of the community in the formulation of the medium term development vision for Samoa, its strategic outcomes as well as the identification of strategies and priorities to achieve the outcomes*
- *Government has, since 1997, provided annual grants to the chamber of Commerce and the Manufacturers Association to assist these Organisations in strengthening their institutional capacities to better carry out their functions*
- *Private sector organisations are now represented on policy-making committee and statutory boards rather than simply on the boards of Government Corporations.*
- *Regular consultative and advisory forums between the public and private sector are now well established within the system. These forums range from economic issues looking at investment, small business development, fisheries, crop diversification and market access, to social issues which include the consolidating of public and private health and education facilities, etc.*
- *Convening of national consultative forums in 1999 on the status of public Sector governance in Samoa relative to the “best practice” public accountability principles endorsed in 1997 by the Forum Economic Ministers of the Pacific region and the current status of the legal and regulatory environment for the corporate sector in Samoa relative to the key universally accepted ingredients of good corporate governance*

Source: Various information from Treasury Department

Box 2 : Financial Sector Reform

Direct controls on interest rates and credit in Samoa have historically inhibited financial sector competition and monetary policy implementation. The controls resulted in artificially low deposit interest rates, which curtailed saving and rigid loan rates, which precluded risk-based credit pricing. Combined with volatile inflation, this induced wide swings in real deposit and loan rates, constraining the level and efficiency of financial sector activity. In addition, prudential supervision was weak with limited supervisory capacity at the central bank and no effective supervision of nonbank financial institutions.

Against this background, the government in 1996 announced plans to establish a market-based financial system to better mobilise resources. Supported by a loan from the Asian Development Bank (ADB), a number of reforms have already been introduced or underway:

- *All credit ceilings and interest rate controls were removed on January 1, 1998.*
- *Auctions of central bank bills commenced in January 1998, and are now the primary monetary policy instrument. The added costs to the central bank moving to a higher - yielding liabilities is being financed by the ADB for the period 1998 – 2000*
- *The liquid assets requirement was lowered from 25 percent to 20 percent of deposits in January 1998. Since then, it has been lowered by one percentage point per month with the objective of eliminating it by September 1999.*
- *Banks were permitted to make forward exchange contracts from mid 1998 and a 1 percent levy on foreign exchange sales by banks was removed on January 1 1999*
- *Programs to strengthen the central bank's capacity to manage liquidity and undertake prudential supervision have been initiated. In addition, institutional capacity building is underway at two government – owned non bank financial institutions (the National Provident Fund and Development Bank of Samoa)*

The effects of liberalization are already apparent. Credit growth was rapid in early – 1998 as commercial banks were no longer constrained by credit ceilings and provided loans to pre-approved customers. However, sale of central bank bills and weaker economic activity slowed credit growth in mid-1998. With the removal of interest rate controls, both deposit and lending rates initially rose. More recently, however, commercial banks reduced their base lending rates slightly from 11-12 percent to 10 ½ -11 ½ percent, due to weaker credit demand and increased competition among banks. Moreover, bank and nonbank financial institutions have moved to risk – based lending and forward exchange cover is available.

Source: IMF, Samoa Staff Report for the 1998 Article IV Consultation – Treasury Department

Box 3: Public Sector Reforms

To reduce the dominance of the public sector in the economy, while strengthening the government's regulatory capabilities, a comprehensive public sector and public enterprise reform program has been put in place. The main features of the program include:

- *Redefinition of the role and responsibility of government to its core functions, including education, health, and the development infrastructure.*
- *Adoption of performance-based budgeting, requiring departments to focus on, and be held accountable by outputs they produce.*
- *Enhancement of overall performance and service delivery of the public sector through corporate planning and institutional strengthening activities*
- *"Right –sizing" the public sector by reducing public sector employment and devolving personnel management to departments.*
- *Corporatization or privatisation of government departments and public enterprises to reduce their burden on the budget and promote greater efficiency.*
- *Establishment of umbrella legislation to encourage greater financial responsibility and accountability of public enterprises*
- *Development of a framework to assess the benefits and costs of public sector investment projects, including rolling three year public sector investment programs*

Progress with the reforms has been mixed. Performance-based budgeting has been in place since 1996/97 and has played an important role in improving expenditure control and quality. However, the devolution of control over personnel management has been piloted in several Ministries and specific targets for reducing the number of public servants have not been established. The current institutional strengthening of the public service is expected to achieve these policy objectives. The framework for assessing public investment projects has been established. Three year public sector investment programs have commenced with the official publication by Government of the Public Sector Investment Programme 2000/01 – 2002/03. Progress has been made with Corporatization or privatization of public enterprises, while draft legislation to encourage greater financial and management discipline in public enterprises is being reviewed.

Source: IMF, Samoa Staff Report for the 1998 Article IV Consultation – Treasury Department

PART III : PROGRAMME OF ACTION 2001 - 2005

5. INTRODUCTION

The focus of the programme of action will be on the first five years, 2001-2005 and is based on the Statement of Economic Strategy (SES) and the Public Sector Investment Programme (PSIP). The SES 2000/01 will substantially set the vision, development agenda and strategies for the 2001-2005 period. The PSIP for 2000/01 to 2002/03 will set the stage for the investment programme for 2001-2005 by extrapolating investments to the period between 2003 to 2005.

5.1 Vision

Samoa's Statement of Economic Strategy for the period 2000 to 2001 outlines Government's vision which will set the basis for the country's development agenda for the medium term at least and ensure that the development priorities and strategies for the next decade will build on the strengths and achievements of reform processes that were put in place in the second half of the 1990s.

Samoa's vision of the future is of a nation characterised by:

- A stable macroeconomic framework
- A thriving and competitive business sector
- A highly efficient public sector
- Plentiful employment opportunities for its people
- Best practice for good governance and public accountability at all levels of society
- High standards of education and health services delivery.
- Dynamic development of its key agriculture and tourism sectors
- Vibrant social and cultural values
- Sustainable management of its environment

5.1.1 Key Strategic Outcomes

The fulfillment of the Vision for Samoa in the next decade is premised on the successful implementation of programmes to achieve the following outcomes.

- (i) a balanced fiscal policy supported by monetary policy targets of low inflation and ready access to the private sector to credit as and when needed.
- (ii) An efficient and effective public sector able to deliver government's core business activities to the people and businesses of Samoa at minimal cost.
- (iii) A skilled pool of human resources to support Samoa's development
- (iv) Improved access by all Samoans to quality education and health services
- (v) A strong and diversified private sector
- (vi) An invigorated and diversified agriculture sector as well as a well developed, thriving fisheries sector
- (vii) A tourism industry which provides employment creation and generates foreign exchange earnings
- (viii) Maintaining law and order and minimising social problems

5.2 Sectoral Objectives and Policies

5.2.1 Public Administration

The primary focus of objectives in public administration will be to enhance the efficiency and effectiveness of the public sector whilst giving due regard to enhancing good governance through improved transparency, accountability, predictability and civil society participation in the procedures and processes of public administration. These public administration objectives are to be achieved through the following initiatives:

- i. enhancing linkages with and awareness of customer needs by government agencies;
- ii. prioritising core functions of Government;
- iii. improving efficiency, effectiveness, and quality of services;
- iv. further refining of the performance budget system to improve quality of expenditure;
- v. improving government accounting systems to support delegation of financial controls;
- vi. devolving personnel management functions to the line departments;
- vii. right-sizing the public sector;
- viii. developing strategic/corporate planning in line departments; and
- ix. improving state-owned enterprises (SOEs) accountability and transparency.

5.2.2 Law and Order

The main objectives for continuing maintenance of law and order centres around achieving social harmony through a partnership approach between Government and the community at large. The focus will be on preservation of culture and restoration of family values through awareness raising programmes. To strengthen the supportive role of Government in the partnership, the focus will be on institutional strengthening of public agencies whose portfolios include policy advice and programme development that deal directly with the community such as the Ministries of Women Affairs, Internal Affairs, Youth, Sports and Culture as well as the Departments of Justice and the Police.

5.2.3 Economic Infrastructure

The main objective is to provide cost-effective development and maintenance of economic infrastructure to support the overall productive capacity of the country. The main initiatives envisaged in each sub-sector are as follows:

Power Generation

- i. Institutional Strengthening of the Electric Power Corporation
- ii. Augmenting the Afulilo Hydro-power scheme to reduce dependence on diesel generated electricity;
- iii. Overhauling diesel based power generating systems;
- iv. Advancing plans for development of the hydro-power scheme at Sili; and
- v. Assessing viability of a submarine power cable for Manono island.

Communications

- i. Strengthening the regulatory framework for the telecommunications sector
- ii. Strengthening the commercial viability of Samoa Communications Ltd as a competitive service provider
- iii. Upgrading domestic and international links to improve access, efficiency and competitiveness;
- iv. Expanding coverage of Mobile Phone areas; and
- v. Expanding internet service access

Road, Bridges and Coastal Protection Improvements including safety measures

- i. Upgrading of roads at Fagaloa, Sauano and Saletele and Lemafa pass to Taelefa
- ii. Upgrading bridges at Tuaefu, Lelata, Falevao and Saleia;
- iii. coastal protection on roads in Upolu and Savaii.
- iv. Consolidating management and use of GIS databases for assets and risk management

Marine Transport

- i. Expanding the Apia Port; and
- ii. Constructing a yacht and fishing vessel marina

Civil Aviation

- i. Extending and resurfacing the main international runway;
- ii. Enhancing long-range aircraft capacity for national airline
- iii. Improving safety standards at international and domestic airports

5.2.4 Productive Sectors

The cornerstone of the national development strategy is the use of a strong, creative and competitive private sector to take the lead in the development of the productive sectors. To further enhance development of the private sector, the Government will continue reforms in enhancing attractiveness in the corporate tax and regulatory environment and intensify efforts to increase private sector investments.

Within the productive sectors, agriculture, fisheries and tourism are envisaged to be the key critical sub-sectors

Agriculture and Fisheries

Strengthening and diversifying products both for exports and domestic consumption and processing are central to the strategic objectives of developing agriculture and fisheries. The key initiatives are in the following areas.

- i. Promoting the development and diversification of cash crops;
- ii. Improving research extension and market information;
- iii. Revitalising traditional food production;
- iv. Intensifying fisheries development through regulation to ensure safety and sustainable harvesting of resources, quality control, improved infrastructure and expanded export markets.
- v. Promoting a private forestry programme.

Sustainable Tourism Development

The promotion of sustainable tourism development is to be through the following measures:

- i. Further developing of eco-tourism;

- ii. Intensifying co-ordinated marketing efforts with private sector and neighbouring countries;
- iii. Facilitating and strengthening product development; and
- iv. Improving research and statistics for marketing, planning and development purposes.
- v. Promoting investment in new tourism infrastructure especially new hotels
- vi. Expanding operation of the national airline to main tourism markets.

5.2.5 Social Sectors and Services

The main objectives for the social sectors and services centre around efforts to improve education and health standards. Revitalisation of village institutions and economy will be vigorously pursued during the action plan period.

Education Sector Development

Improvement of educational standards is to be pursued through the following measures:

- i. Strengthening and improving the learning environment in the primary level;
- ii. Expanding and improving the quality of secondary education; and
- iii. Increasing emphasis on vocational training.
- iv. Development of a policy on non-formal education

Health Sector Development

Improvement of health standards will be achieved by:

- i. Improving facilities so that services can be carried out effectively and efficiently;
- ii. Intensifying health promotion and health prevention programs;
- iii. Further strengthening the partnership with the private sector; and
- iv. Continuing the strengthening of the capacity of the Department of Health.

Revitalisation of the Village Economy

Revitalisation of the village institutions and economy are to be pursued through:

- i. Strengthening working together with Puluus and village communities;
- ii. Encouraging greater production in agriculture;
- iii. Encouraging the establishment of more village-based industries and services to provide alternative income sources to rural communities;
- iv. Promoting small scale tourism activities; and
- v. Improving education and health services.

Social Problems

The emerging social problems of unemployment, juvenile delinquency, drug abuse and suicide are to be addressed effectively through a partnership approach involving Government and the community at large.

5.3 Sectoral Programmes and Projects

The programmes for 2001 to 2006 will be based on the Public Sector Investment Programme (PSIP) 2000/01 – 2002/03.

5.3.1 Public Administration

Ongoing Public Administration Projects 2001 - 2005

Project	Project Description
CAPITAL	
New Department of Lands Survey and Environment Building [2001-2002]	<p>To provide new offices for DLSE staff</p> <ul style="list-style-type: none"> • Site preparation • Construction of a two storey office building • Commissioning
TECHNICAL ASSISTANCE	
Treasury Institutional Strengthening Project [1996-2001]	<p>To achieve enhanced levels of economic growth on a sustainable basis</p> <ul style="list-style-type: none"> • Economic and financial management • Financial operations • Corporate management • Project management
Strengthening Capacity for Macroeconomic Analysis, Planning & Policy Formulation [1996-2001]	<p>To improve and strengthen the economic planning and policy formulation of the Treasury Department</p> <ul style="list-style-type: none"> • Macroeconomic planning • Sector planning • Project planning • Economic statistics
Management Improvement Strategy for Ministry of Agriculture, Forestry, Fisheries and Meteorological Services [2000-2003]	<ul style="list-style-type: none"> ▪ Strengthening policy development, structures and procedures ▪ Corporate management ▪ Mechanisms to focus research development and extension programmes ▪ Review of the operational structural set up ▪ Human resources development
Public Service Commission Institutional Strengthening Project [1999-2005]	<p>To strengthen the management of human resources in the public service</p> <ul style="list-style-type: none"> • Update of the legislative and regulatory framework • Location of some human resource management functions • Transfer to agencies of other human resource management functions and the development of supporting structures, guidelines, manuals and procedures • Transfer of some Government functions to the private sector and the development of supporting structures, guidelines, manuals and procedures • Development and publication of policies, guidelines and manuals on classification, counselling, retirement, retraining and redundancy, performance appraisal, performance management and the management of human resource information systems

Support to the Quarantine Regulatory Division [2000-2003]	<p>To enhance the legislative framework, co-operation mechanisms and management systems to improve capacity</p> <ul style="list-style-type: none"> • Review and draft legislations/regulations on border protection and internal quarantine as well as quality assurance of export commodities • Strengthen technical capacity as part of the process towards WTO accession
Institutional development of Public Works Department, DLSE & Samoa Airport Authority [1998-2003]	<p>To strengthen the management of infrastructure assets for improved service orientation involving public, private and community stakeholders</p> <ul style="list-style-type: none"> • To strengthen PWD restructuring and road asset management • To undertake road planning • To install road asset management equipment • To strengthen PWD information technology • To strengthen asset and information management services • To strengthen asset and information management goods • To install road transportation and safety equipment • To undertake and institutional review and strengthening of the DLSE • To improve the SAA business
Institutional Strengthening of Samoa Water Authority [1999-2003]	<p>To strengthen the institutional capacity of SWA</p> <ul style="list-style-type: none"> • Executive management strengthening • Asset management • Financial management • Human resource management and administration • Project management
Project Management of Infrastructure Asset Management Programme [1999-2003]	<p>To improve project implementation of currently implemented IAMP projects</p> <ul style="list-style-type: none"> • To undertake project preparation • Establishment of PMU and PCM consultants
Samoa Health Management [2000-2005]	<p>To strengthen the strategic goals of improving health service facilities</p> <ul style="list-style-type: none"> • Institutional strengthening • Primary health care/health promotion services • Health quality improvement

Pipeline Public Administration Projects 2001 - 2005

<u>Project</u>	<u>Project Description</u>
<u>TECHNICAL ASSISTANCE</u>	
Electric Power Corporation Institutional Strengthening Programme (2001 – 2003)	<p>To strengthen the institutional capacity of EPC</p> <ul style="list-style-type: none"> • To strengthen EPC's managerial and financial control capacity • To propose and build consensus around an acceptable action plan for EPC to meet its financial obligations in a sustainable manner • To carry out preliminary technical, social and environmental activities related to the preparation of the proposed Afulilo Augmentation Project
STEC Plantation Business Development Plan (2002 – 2004)	<p>To develop a viable business development plan for STEC</p> <ul style="list-style-type: none"> • Preparation of the TOR for the consultancy which should include a discussion of the role of the private sector and possible joint venture arrangements • Seek funding for the consultancy • Appoint a qualified consultant • Undertake the consultancy
Inland Revenue Department Institutional Strengthening Programme II (2000 – 2004)	<p>To improve the efficiency and effectiveness of the IRD, in order to maximise compliance with the revenue laws</p> <ul style="list-style-type: none"> • Corporate services - mainly internal systems and operations • Accommodation - upgrade of office facilities • Technical/legal support - interpretation and administering of laws • Computerisation of revenue management system
Immigration Division Institutional Strengthening Project [2001-2004]	<p>To improve the efficiency and effectiveness of the Immigration Division</p> <ul style="list-style-type: none"> ▪ Corporate planning, policies and legislation review ▪ Review records management ▪ Development of IT management strategy and business plan ▪ Review accommodation ▪ Technical review of procedures

5.3.2 Law and Order

Ongoing Law and Order Projects 2001 - 2005

<u>Project</u>	<u>Project Description</u>
<u>TECHNICAL ASSISTANCE</u>	
Justice Department Institutional Strengthening Programme (1999 – 2002)	To strengthen the capability of the JD management in line with Government reforms <ul style="list-style-type: none">• Computerisation of registries• Trust accounts/financial accounting• General planning• Intellectual property• Establishing the Law Reform Commission• Companies and Intellectual Property• Corporate and Management Planning• Project management

Pipeline Law and Order Projects 2001 - 2005

<u>Project</u>	<u>Project Description</u>
<u>TECHNICAL ASSISTANCE</u>	
Police Department Institutional Strengthening Programme [2001- 2005]	<ul style="list-style-type: none">• Reorganisation and training of the police force based on a medium-term master plan for the Department of Police and Prisons

5.3.3. Economic Infrastructure

Ongoing Economic Infrastructure Projects 2001 - 2005

<u>Project</u>	<u>Project Description</u>
CAPITAL	
<i>Transport</i> Road system Infrastructure [1999 – 2002]	To improve the reliability of road system assets <ul style="list-style-type: none"> • bridge replacement works • bridge design and supervision services • road rehabilitation works • road design and supervision services • road safety and pedestrian facilities works • road facilities design and supervision
Coastal Infrastructure provision (2000– 2003)	To initiate environmental and socially sustainable management of the coastal infrastructure <ul style="list-style-type: none"> • to undertake coastal infrastructure management services • to undertake coastal environmental advisory services • to undertake aerial survey and services country maps • to establish a geographic information system • to undertake coastal protection works • to undertake coastal design supervision
Airport Infrastructure (1999 – 2000)	To increase the safety and capacity of the Faleolo International Airport <ul style="list-style-type: none"> • to undertake airport paving, drainage and auxiliary works • to improve the airport terminal, tower and fire station • to install emergency fire fighting equipment
Second Development Apia Port [2000-2003]	To modernise and expand Apia Port to meet future traffic demand and improve container handling operations <ul style="list-style-type: none"> • provision of tug boat • construction of a new wharf • extension of the container terminal • repairs to the existing wharf
<i>Power</i> Electrification of Samoa Land Corporation (SLC) Vaitele subdivision (1999 – 2001)	To electrify the new reticulation system at Vaitele <ul style="list-style-type: none"> • distribution lines and related equipment • 11 transformers • installation and commissioning
Tank Farm (2000– 2001)	To establish adequate and sustainable fuel, storage facilities in Samoa for gasoline, jet fuel and diesel <ul style="list-style-type: none"> • fuel storage at Sogi • fuel storage at Faleolo Airport • fuel storage at Asau (Savaii)

<i>Water</i> Rural Water Supply (2000 – 2002)	To improve the water supply in certain districts, northwest of Upolu and south east of Savaii <ul style="list-style-type: none"> • upgrading of pipelines • construction of a new water treatment plant and the upgrading of another • repair/replacement of some 140,000 metres of pipeline • drilling of additional bore-holes • construction of buildings • reconditioning of storage tanks • provision of meters and stop taps for consumer connections
<i>Multi</i> Tuanaimato Sports Complex [1998-2018]	To establish a new sports complex as an alternative to Apia Park <ul style="list-style-type: none"> • development of development plan for the Tuanaimato Sports Complex • development of infrastructure development plans and the construction of sports facilities for a wide range of sports at the Sports complex • development of development plans for the services of the sports complex
<u>TECHNICAL ASSISTANCE</u>	
<i>Private Sector Development</i> Support for Private Sector (1995–2005)	To support private sector development <ul style="list-style-type: none"> • training • marketing and promotion • advisory services • quality management
Small Business Enterprises Centre (SBEC) (1995-2005)	To support private sector development through training and advisory services <ul style="list-style-type: none"> • training and advisory services • operations • provision of collateral
European Union (EU) Micro Projects (1999 – 2003)	To provide assistance for community development projects in education, health, tourism, agriculture, water youth and culture <ul style="list-style-type: none"> • funding for community projects in the above sectors
<i>Communications</i> Modernisation of Postal services (2000 – 2001)	To increase the efficiency and productivity of the postal services <ul style="list-style-type: none"> • modernisation of the main room procedures and equipment • installation of computer management information systems • establishment of a marketing unit • purchase of two mail vans
<i>Multi</i> Salelologa Township [1997-2007]	To develop a new township at Savaii <ul style="list-style-type: none"> • development of an initial 10 acres • undertake an environmental impact assessment • prepare an infrastructure development plan • survey land ownership of proposed land (nearly 3000 acres) • negotiate land purchase/land lease with land owners

Pipeline Economic Infrastructure Projects 2001 – 2005

Project	Project Description
<u>CAPITAL</u>	
<i>Power</i> Afulilo Augmentation (2001 – 2003)	To increase the water storage capacity of the existing Afulilo Hydro Electric Power Project and streamline the Afulilo Hydropower Scheme for maximum performance <ul style="list-style-type: none"> • raise the height of the existing Afulilo dam by 1.5m • complete the transmission line to Tanugamanono and Taelefaga • install a diesel generator at Tanugamanono • direct streams on the eastern side of the dam
Manono - Upolu Submarine Cable (2002–2003)	To provide Manono island community with 24 hours electricity power <ul style="list-style-type: none"> • undertake hydrographical study of the seabed • purchase of a 22kv cable • laying of a 22kv electric submarine cable between Manono and Upolu • connect the cable to the electrical network of Upolu and Manono
Sili Hydroelectric Power Scheme (2004–2007]	To increase the electric generating capacity in Samoa by 5.9MW (30% of the current installed electricity capacity) <ul style="list-style-type: none"> • construction of Phase 1: 1.8MW in the period 2001/2004 at an estimated cost of ST\$42.8 million, 3 years • construction of Phase 2: 1.8MW in the period 2005/2008 at an estimated cost of ST\$27.2 million, 3 years • construction of Phase 3: 2.3MW in the period 2009/2011 at an estimated cost of ST\$39.6 million, 2 years
<i>Water</i> Apia Sewerage (2002 – 2005)	To develop a sewerage system for Apia <ul style="list-style-type: none"> • construction of waste water collection systems • construction of a waste water treatment plant • construction of a waste water disposal system
Water Supply System Matatufu to Saleapaga (2001 – 2004)	To construct a new water supply scheme <ul style="list-style-type: none"> • sinking of one bore-hole • construction of storage reservoirs • construction of pipeline reticulation systems
Provision of storage tanks for SWA's Bore-holes [2003 - 2004]	To improve and strengthen the SWA water supply system <ul style="list-style-type: none"> • the project consists of the construction of storage tanks at various locations
Upgrading of Existing Water Supply to Faletagaloa and Fagaae (2000 – 2002)	To upgrade existing water supply systems and provide new water supply systems <ul style="list-style-type: none"> • drilling of new bore-holes • installation of new pump stations • installation of reservoirs and tanks • laying of pipes • project management

Provide Water supply systems for Saluafata, Lufilufi, Faleapuna, Falefa and Falevao (2001-2002)	<p>To establish water supply systems</p> <ul style="list-style-type: none"> • upgrade existing surface water supply systems and provide a bore-hole water supply system • upgrade the existing water pipes and accommodate an additional piping system as needed
Upgrading of Existing water supply systems at Lefaga and a new Water System at Faleaseela and Tanumalala (2000 – 2002)	<p>To upgrade and build new water supply systems</p> <ul style="list-style-type: none"> • upgrading of new water outtakes • contraction of reservoirs and tanks • laying pipes • project management
Upgrading of existing water supply systems from Patamea to Saleaula (2000 – 2002)	<p>To strengthen the existing supply systems from Patamea to Saleaula</p> <ul style="list-style-type: none"> • construction of a new water intake system • construction of reservoirs and tanks • laying pipes • project management
Upgrading of Saanapu and Salamumu water Supply (2001 – 2001)	<p>To upgrade the water supply system at Saanapu and Salamumu</p> <ul style="list-style-type: none"> • the project will upgrade by the water supply system at Saanapu and Salamumu to secure 24 hours water supply at these two locations
Upgrading of existing water supply from Sataua to Auala and a new water supply system from Falealupo to Neiafu (2000 – 2003)	<p>To upgrade the existing water supply system and provide new water supply systems</p> <ul style="list-style-type: none"> • undertake the drilling of new bore-holes • install new pump stations • laying of pipes • project management
Upgrading Vailele and Letogo Water Supply systems (2000 – 2001)	<p>To upgrade water supply systems</p> <ul style="list-style-type: none"> • improvement of the surface water intake at Vailele • installation of a series of storage and break pressure tanks • improvement of the existing water pipes
<i>Waste Management</i> Improvement and strengthening of Solid Waste management in Samoa (2002 – 2006)	<p>To reduce the amount of waste for disposal and treatment, and to establish control mechanisms collection programmes and disposal options</p> <ul style="list-style-type: none"> • technical advise • equipment supply • construction of waste management facilities
<i>Communication</i> Upgrading and modernising of Broadcasting services [2002-2004]	<p>To upgrade and modernise the broadcasting services</p> <ul style="list-style-type: none"> • undertake a feasibility study • undertake the installation of broadcasting equipment • commissioning • upgrade facilities
Inter-Samoa IT link	<ul style="list-style-type: none"> • upgrading of the microwave telecommunications link between American Samoa and Samoa from 256,000 binary digits/second to (E1) 2,000,000 binary digits/second • establishing facilities at NUS and the Health Department to allow use of the American Samoa-Samoa link primarily for delivery educational and health services

5.3.4 Productive Sectors

Ongoing Productive Sector Projects 2001 – 2005

<u>Project</u>	<u>Project Description</u>
<u>TECHNICAL ASSISTANCE</u>	
Forestry Programme [1998-2001]	<p>To ensure sustainable and manageable operations of the forests in Samoa</p> <ul style="list-style-type: none"> • training of village communities on the importance of good forestry management and environmental aspects • establish demonstration plots to introduce planting systems • develop system to minimise damage during logging and good operational management
Fruit Tree Development [1999-2002]	<p>To develop and diversify fruit growing in Samoa (citrus, mango, rambutan and other exotic fruits)</p> <ul style="list-style-type: none"> • this is Phase 3 of the project (originally executed by FAO). The project consists of fruit trees development for private sector orchard investments, demonstration plots, increase of nutritional intake of households and assisting private sector to set up orchards
Samoa Fisheries Extension [1999-2003]	<p>To make significant contribution to the sustainability of Samoa's inshore and offshore marine resources and to continue development of the nation's village-based and commercial fisheries</p> <ul style="list-style-type: none"> • institutional strengthening • fisheries management • fisheries extension and technical support • fisheries related development • project management
Tourism Development [1995-2003]	<p>To support and assist with the tourism development in Samoa</p> <ul style="list-style-type: none"> • planning and development projects • marketing and promotion • capacity building • tourism research • quality management

Pipeline Productive Sector Projects 2001 – 2005

<u>Project</u>	<u>Project Description</u>
<u>CAPITAL</u>	
High Temp Forced Air Treatment Plant [2001-2003]	<p>To provide facilities for the export of fruits and vegetables under quarantine conditions</p> <ul style="list-style-type: none"> install machinery for high temperature treatment of fruits and vegetables for the purpose of eradicating fruit fly infestation
Establishment of a Marina for fishing vessels [2001-2003]	<p>To provide sheltered mooring for an increasing fleet of fishing vessels</p> <ul style="list-style-type: none"> there is a need to prepare viable and cyclone proof mooring facilities for fishing vessels which would include a discussion of the role of the private sector
Establishment of an Abattoir [2002-2004]	<p>To develop an abattoir with facilities for hygienic marketing of beef, cattle and pigs and hand over of the project to the private sector after two years of operation</p> <ul style="list-style-type: none"> to build a slaughter house and develop a marketing system locally and abroad
Development of Vaiala [2001-2003]	<p>To develop Vaiala into an attractive tourist recreation area with international conference facilities</p> <ul style="list-style-type: none"> after clarification of land issues, there is a need to prepare a viable development plan for Vaiala which would include the role of the private sector. A possible project implementation to be based on a viable development plan.
Establishment of a Marina for Yachts and Game Fishing [2001-2002]	<p>To provide a sheltered mooring for yachts</p> <ul style="list-style-type: none"> there is a need to prepare viable and cyclone proof mooring facilities for yachts which would include a discussion of the role of the private sector. A possible project implementation to be based on a viable development plan.
<u>TECHNICAL ASSISTANCE</u>	
Development of Overseas Tourism Marketing Strategy [2000-2001]	<p>To evaluate Samoa tourism marketing efforts in the different source markets and prepare a strategy for the future</p> <ul style="list-style-type: none"> preparation of consultancy TOR selection of consultant preparation of a strategic marketing plan
Special Programme for Food Security [2000-2003]	<p>To ensure low cost food accessibility to rural communities at all times (taro, bananas, cocoa, kava, poultry, aqua-culture and agro-forestry)</p> <ul style="list-style-type: none"> establishment of simple demonstration plots, utilise local resource which are easily maintained by the rural communities such as water control, intensification of food crops, diversification of food crops, supervision, monitoring and evaluation of the programme.

Monitoring Sustainable Tourism Development in Samoa [2000-2002]	<p>To develop a practical system for monitoring sustainable tourism development</p> <ul style="list-style-type: none"> • to prepare the consultancy TOR • selection of consultant • identify sustainable tourism development indicators • develop indicators methods • training and evaluation of indicators • assess indicator initiatives
Tourism Sector Plan [2000-2001]	<p>To prepare a strategic and sustainable tourism plan for the next three years</p> <ul style="list-style-type: none"> • preparation of consultancy TOR • selection of consultant • preparation of a Tourism Sector Plan

5.3.5 Social Sectors and Services

Ongoing Social Sector and Services Projects 2001 - 2005

<u>Project</u>	<u>Project Description</u>
TECHNICAL ASSISTANCE	
In-country Training Programme [1999-2005]	<p>To provide men and women from the public and private sectors (NGOs inclusive) quality short term training which is relevant and timely</p> <ul style="list-style-type: none"> • training needs assessment • delivery of training based on work plan
Scholarship Scheme [2000-2005]	<p>To provide men and women from the public and private sector (NGOs inclusive) quality short and long term training for the development of human resources abroad</p> <ul style="list-style-type: none"> • long term attachments at institutions abroad • short term attachments in NZ institutions
Institutional Strengthening of Education Department [1999-2004]	<p>To review and strengthen the Education Dept</p> <ul style="list-style-type: none"> • development of a corporate plan for ED • review of the organisational structures and TOR for individual units • provide training to senior and middle management on project development management and related areas • establish clear career paths and performance monitoring systems • provide increase of professional opportunities and upgrading incentives
Samoa Secondary Education Curriculum Materials [1998-2003]	<p>To develop a comprehensive single stream and integrated curriculum for Year 9-13 years</p> <ul style="list-style-type: none"> • development of single stream curriculum framework • development and publication of subject curriculum statements for Year 9-13 • in-service training of subject teachers • provision of in-service training to introduce the single stream curriculum and teaching materials • transfer of skills and knowledge to ED staff on materials production
Augmenting Institutions for General Attainment [1999-2002]	<p>To focus on improvement of basic education</p> <ul style="list-style-type: none"> • the use of Samoan language as a medium of instruction in primary schools and establishment of a bilingual methodology • establishment of a bilingual methodology • assessment of special needs education • establish a National Training Authority • review existing diagnostic literacy tools now in use and develop remedial measures • early childhood education development

National Training Authority [2001-2002]	<p>To establish a National Training Authority, that will</p> <ul style="list-style-type: none"> • have the professional and technical capacity to assess labour market trends and conditions, • provide policy and planning to facilitate orderly development of the sector • be the responsible agency for coordinating preparation of the Sectoral Plan for Post-Secondary Education and Training.
Primary Education Materials Project [2000-2004]	<p>To develop curriculum materials for Years 1-3</p> <ul style="list-style-type: none"> ▪ development and publication of subject curriculum for Years 1-3 ▪ provision of in-service training ▪ materials production
Assistance to Polytechnic [2000-2003]	<p>To upgrade facilities and improve staff development</p> <ul style="list-style-type: none"> ▪ upgraded facilities for courses ▪ staff attachments ▪ establishment of competency-based training
Strengthening utilisation of Quality Reproductive Health Services [1998-2001]	<p>To develop and improve the nursing at all servicing delivery ports for reproductive health and family planning services</p> <ul style="list-style-type: none"> • training of nurses • improvement of utilisation of quality integrated reproductive health/family planning and sexual health services • capacity building of nursing school as the national reproductive health training institution
Healthy Settings [2000-2001]	<p>To build healthy communities and populations</p> <ul style="list-style-type: none"> • greater awareness generated of health promotion activities • strengthen policy and legislation to ensure safe water and food supplies • improved technical capacities of health inspectorate
Child health [2000-2001]	<p>To improve child health</p> <ul style="list-style-type: none"> • human resource development in clinical and public health nutrition • enhanced public awareness of healthy and oral health
Non-communicable diseases [2000-2001]	<p>To improve capacity in dentistry and oral health</p> <ul style="list-style-type: none"> • training of dental officers • community oral health promotion
Health Sector Reform [2000-2001]	<p>To improve health service management capacity</p> <ul style="list-style-type: none"> ▪ technical and administrative support to project management ▪ strengthened community based nursing services ▪ improved capacity to manage pharmaceuticals ▪ supplies of drugs and vaccines

Human Resource Development in Health [2000-2001]	<p>To improve the skills of national workforce</p> <ul style="list-style-type: none"> • medical staff training in appropriate medical services • enhanced capacity to provide local training • post graduate training for health professionals
Health Service Quality Improvement [2000-2005]	<p>To improve the quality of health care service to the public</p> <ul style="list-style-type: none"> • upgrading of human resource planning information and research • improvement of hospital management • strengthen the integrated community health service • development of non communicable diseases programme • project management
Medical experts [2000-2010]	<p>To improve the efficiency and effectiveness at the hospitals through medical consultants</p> <ul style="list-style-type: none"> • training of Samoan health professionals on diagnosis and treatment of patients • treatment of patients in Samoa by visiting specialists
Medical treatment scheme [2000-2005]	<p>To assist in the treatment of patients in NZ</p> <ul style="list-style-type: none"> • assist Samoans in the treatment of mainly cardiac complaints in NZ
Child health care [1998-2004]	<p>To improve, promote and protect the health development of the Samoa children</p> <ul style="list-style-type: none"> • to strengthen national child health policies and policy formulation capacity • to strengthen the delivery of primary health care services to children with emphasis on delivery to “at risk” families • to strengthen child and family focussed health promotion programmes with an emphasis on delivery in setting such as homes, villages and schools • to strengthen health protection and injury prevention initiatives for children • project management
Health Sector Management [2000-2005]	<p>To strengthen the capacity of the Department of Health to</p> <ul style="list-style-type: none"> • develop and implement appropriate health policies, • develop and implement legislation and regulation, • improve the functional and technical quality of health facilities, within the health sector reform strategy.
Market appraisal for livelihood opportunities [1998-2002]	<p>To conduct a labour market demand survey to determine skills gaps required for employment in both formal and non-formal sectors; To develop employment policy and improve employment services</p> <ul style="list-style-type: none"> • creation of labour market database • improve capacity for database analysis • development of policy • skills training in preparation of guidance materials on career counselling, self employment and enhanced livelihood • improve employment registration services

Policy and Programme Development for Youth [2000-2001]	<p>To gather a comprehensive profile on the current status of youths in Samoa to</p> <ul style="list-style-type: none"> • include all dimensions of youth development physically, economically, socially, spiritually and mentally, • develop an appropriate policy framework and establish a national network for youth service providers • identify implementing strategies and mechanisms and orderly of priorities for project identification • develop monitoring mechanisms and indicators for future development
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Pipeline Social Sector and Services Projects 2001 – 2005

<u>Project</u>	<u>Project Description</u>
<u>CAPITAL</u>	
Education Sector Infrastructure Development [2000-2005]	To improve the education infrastructure <ul style="list-style-type: none"> • review of existing education infrastructure • preparation of an implementation plan • implementation of education infrastructure projects
<u>TECHNICAL ASSISTANCE</u>	
Health Information Systems [2001-2004]	To complete the Health Information System project with a Phase 2 <ul style="list-style-type: none"> • supply of equipment which was not included in the original project • training staff on computer software • general upgrading and improvement of the system
Population Census [2001-2002]	To carry out a complete head count of the population of Samoa <ul style="list-style-type: none"> • updating of maps and listing of households • design of questionnaire • pre-testing of the questionnaire • processing of data • selection of supervisors and enumerators • training of supervisors and enumerators • fieldwork • conduct quality control • collection of census forms • editing • release of preliminary results • data entry • processing of data • census reports

5.4 Costing of Programmes and Projects

For the 2001 - 2005 period it is envisaged that the total costs for programmes and projects will be ST\$1075.59 million (in 2000 prices) or an annual average public sector investment programme of ST\$215.1 million.

On a sectoral basis the investment programme will be as follows:

	Ongoing ST\$m	Pipeline ST\$m	Total ST\$m
Public Administration	72.6	8.5	81.1
Law and Order	0.9	8.5	9.4
Economic Infrastructure	581.7	218.0	799.7
Productive Sectors	7.2	39.1	46.3
Social Sectors and Services	121.99	17.1	139.09
TOTAL	784.39	291.2	1075.59

On the basis of capital and technical assistance projects, the breakdown is as follows:

	ST\$ million		
	Ongoing	Pipeline	Total
CAPITAL			
Public Administration	1.1	-	1.1
Law and Order	-	-	-
Economic Infrastructure	556.7	218.0	774.7
Productive Sector	-	36.8	36.8
Social Sector and Services	-	15.0	15.0
	557.8 <i>51.9%</i>	269.8 <i>25.1%</i>	827.6 <i>76.9%</i>
TECHNICAL ASSISTANCE			
Public Administration	71.5	8.5	80.0
Law and Order	0.9	8.5	9.4
Economic Infrastructure	25.0	-	25.0
Productive Sector	7.2	2.3	9.5
Social Sector and Services	121.9	2.1	124.09
	226.59 <i>21.1%</i>	21.4 <i>1.9%</i>	247.99 <i>23.1%</i>

Costings for individual ongoing and pipeline projects for the Programme of Action 2001-2005 are detailed in Appendix I.

5.5 Budgeting and Cashflow Requirements of Action Plan By Sector and Programme

The funding of the public sector investment plan for 2001 - 2005 will be guided by the following principles.

- (i) All technical assistance programmes to be funded from a combination of local budgeting and external grant funding
- (ii) Infrastructural programmes with FIRR less than 10 percent to be funded mainly from external grants and external soft-term loans
- (iii) Infrastructural programmes with FIRR in the range of 10 percent to 15 percent to be financed mainly from soft-term loans.
- (iv) Infrastructural programmes with FIRR in excess of 20 percent to be financed from export credits and other commercial loans.

On a sectoral basis, the funding plans are envisaged as follows:

	Ongoing ST\$m	Pipeline ST\$m	Total ST\$m
<u>Public Administration</u>			
• Local Funding	13.5	0.5	14.0
• External Grant	46.8	8.0	54.8
• External Loans	12.3	-	12.3
<u>Law and Order</u>			
• Local Funding	0.2	-	0.2
• External Grant	0.7	8.5	9.2
• External Loans	-	-	-
<u>Economic Infrastructure</u>			
• Local Funding	118.5	7.0	125.5
• External Grant	133.0	145.5	278.5
• External Loans	330.2	65.5	395.7
<u>Productive Sectors</u>			
• Local Funding	2.0	0.4	2.4
• External Grant	5.2	13.7	18.9
• External Loans	-	25.0	25.0
<u>Social Sectors and Services</u>			
• Local Funding	14.9	3.6	18.5
• External Grant	91.09	1.5	92.59
• External Loans	16.0	12.0	28.0
TOTAL	784.39	291.2	1075.59

For the 2001 - 2005 period the funding of the total cost of programmes is envisaged to be as follows:

	ST\$million	%
Total Cost	1075.59	100
Local Funding	160.6	14.9
External Loans	461.0	42.9
External Grants	453.99	42.2
Total Funding	1075.59	100

Budgeting for individual ongoing and pipeline projects for the Programme of Action 2001-2005 are detailed in Appendix I.

PART IV : PROGRAMME OF ACTION 2006 - 2010

INTRODUCTION

The programme of action for the period 2006 to 2010 will be based on broad investment parameters linked to the most likely outcomes of the development agenda, strategies and PSIP for the period 2001 to 2005.

6.1 Vision

“Samoa to become a competitive economy that encompasses cultural and traditional values with adequate education and health standards for all.”

Samoa’s vision of the second half will be a nation characterised by

- an outward looking society positioned to make the best of the benefits from globalisation whilst retaining its distinctive cultural values.
- A thriving economy generating employment opportunities to fully absorb the increasing number of school leavers entering the working force.

6.2 Expected Outcomes Of The First Half Of The Decade

The expected outcomes of the first half of the decade are as follows.

- Economy growing by at least 4 percent p.a. in real terms to about ST\$760million (in 1994 prices) by end of 2005.
- Population growth of 1 percent p.a. with an expected population of about 177,000 by end 2005.
- The private sector has grown significantly in the service industry underpinned by a strong and robust development in tourism and information technology.
- The relative size of the public sector has been progressively reduced as an increasing portion of services are outsourced to the private sector.
- Best practice for good governance and public accountability is widely promoted and monitored by civil society and media.
- Substantial progress made to prepare Samoa for the trade environment the Pacific Free Trade Area and the World Trade Organisation.
- Level of local funding sources to reach 20 percent of total investment

6.3 Strategies and Priorities

The sectoral objectives and policies will continue to be the same as those set for the 2000-2005 period except for increased emphasis in the following areas of social harmony and law and order.

6.4 Sectoral Programmes and Projects

The specific programmes and projects for the period 2006 – 2010 will be determined primarily by a mid term review of the Programme of Action to be undertaken by Government at end 2004.

The review will take into account the status of funding negotiations with Samoa's development partners and the implementation status of programmes and projects, which have been ongoing, or new ones for which funding have been approved in the first half of the decade. The review is also intended to coincide with the publication of the national Statement of Economic Strategy for the period 2005 –2006 and of the Public Sector Investment Programme for the period 2004/05 – 2006/07.

Pending that review the following projects are expected to feature in the PSIP for 2004/05 – 2006/07 and in the programme of action for the second half of the decade.

Project	Project Description
PUBLIC ADMINISTRATION <i>Capital</i> Construction new HQ for MAFFM <i>Technical Assistance</i> Preparation for Pacific Free Trade arrangement	To improve the work conditions at MAFFM <ul style="list-style-type: none"> ▪ To design and construct new premises for MAFFM Preparation of Government departments and private enterprises on the requirements of the Pacific Free Trade Area arrangements to ensure Samoa maximises benefits from the trade arrangements.
LAW & ORDER <i>Capital</i> Police Department Training Complex Upgrading of prisons ECONOMIC INFRASTRUCTURE <i>Capital</i> Upgrading and overhauling of the EPC diesel plants Upgrading of Faleolo Airport facilities for passengers and cargo Upgrading of the Mulifanua and Salelologa vehicular ferry facilities	Construction of training facilities for Police cadets Upgrading of facilities and tightening of security at the Tafaigata and Tuasivi prisons Rationalising maintenance schedules and spare parts pool and purchasing of additional diesel generators Expansion of Faleolo Airport facilities to cater for increase in passengers and cargo Upgrading of terminal facilities and acquisition of an additional vehicular ferry to cater for increase in inter-island passengers and cargo

<p><i>Technical Assistance</i></p> <p>Development of domestic communications for cellular and land based phone systems</p>	<p>Expansion of national coverage by cellular and land-based phone systems on both Savaii and Upolu</p>
<p>Upgrading of the international satellite system</p>	<p>Upgrading of earth satellite to cater for increased data transmission demand</p>
<p>Development of IT Park</p>	<p>Development of a centre with all the relevant supporting infrastructure for private firms to develop software and undertake data processing for overseas firms.</p>
<p>Development of an international fiberoptics cable link</p>	<p>Development of a link to one of the trans Pacific fiberoptics cables to enhance capacity of the IT Park</p>
<p>Tank Farm (Phase II)</p>	<p>Construction of additional storage facilities for an adequate and sustainable supply of fuel</p>
<p>Hotel Development</p>	<p>Development of a quality room hotel</p>
<p>PRODUCTIVE SECTOR</p> <p><i>Capital</i></p> <p>Development of the commercial fisheries wharf at Asau</p>	<p>Upgrading the Asau wharf by widening the channel and mooring facilities to facilitate servicing of fishing vessels</p>
<p>Construction of the Development Bank of Samoa complex</p>	<p>Construction of a commercial building for the Development Bank of Samoa which will also provide space for supporting services for farmers and other private businesses.</p>
<p><i>Technical Assistance</i></p> <p>Credit line for development of micro-enterprises</p>	<p>Establishing of a national credit facility through the Development Bank of Samoa</p>
<p>Venture capital fund for development of tourist facilities</p>	<p>Provision of seed funding to support financing of key international hotel facilities to enhance the capacity of the local tourist industry to service growth in tourism</p>
<p>SOCIAL SECTORS & SERVICES</p> <p><i>Capital</i></p> <p>Expansion of NUS facilities</p>	<p>Expansion and upgrading of current facilities to cater for increasing demand</p>
<p>Upgrading of Polytechnic facilities</p>	<p>Upgrading of classrooms and teaching materials</p>
<p>Public Health Centre</p>	<p>Upgrading health department facilities</p>

6.5 Costing and Budgeting for Pipeline Programmes

In summary, the costings and funding plans envisaged for programme of action for 2006–2010 are as follows:

	Total Cost	External Grants	External Loans	Local Funding
	ST\$m	ST\$m	ST\$m	ST\$m
Public Administration	7.0	5.5	-	1.5
Law & Order	80.0	55.0	-	25.0
Economic Infrastructure	395.0	146.0	172.0	77.0
Productive Sectors	140.0	19.0	85.0	36.0
Social Sectors & Services	160.0	137.0	5.0	18.0
TOTAL	782.0	362.5	262.0	157.5

In terms of capital and technical assistance projects, the breakdown is as follows:

	Capital	Technical Assistance	TOTAL
Public Administration	2.0	5.0	7.0
Law and Order	80.0	-	80.0
Economic Infrastructure	85.0	310.0	395.0
Productive Sector	80.0	60.0	150.0
Social Sector and Services	160.0	-	110.0
	407.0	375.0	782.0

Costings and budgeting of individual pipeline projects on a sectoral basis for the Programme of Action 2006-2010 are detailed in Appendix II.

PART V: ANNEXES AND ATTACHMENTS

- I. COSTING AND BUDGETING : 2001-2005 PROGRAMME OF ACTION**
- II. COSTING AND BUDGETING : 2006-2010 PROGRAMME OF ACTION**
- III. DOCUMENTS CONSULTED**
- IV. ACRONYMS**

I. COSTING AND BUDGETING : 2001-2005 PROGRAMME OF ACTION

1. PUBLIC ADMINISTRATION

Ongoing Public Administration Projects 2001 – 2005

	<u>Duration</u> <u>[years]</u>	<u>Total Cost</u> <u>ST\$m</u>	<u>External</u> <u>Grants</u>	<u>External</u> <u>Loans</u>	<u>Local</u> <u>Funding</u>
<u>CAPITAL</u>					
▪ New DLSE Building [2000-2002]	1	1.1	1.1	-	-
<u>TECHNICAL ASSISTANCE</u>					
TISP [1996-2001]	5.5	15.6	12.0	-	3.6
▪ Strengthening Capacity for Macroeconomic Analysis, Planning & Policy Formulation [1996-2001]	5	9.5	8.0	-	1.5
▪ Management Improvement Strategy for MAFFM [2000-2003]	3	3.0	2.2	-	0.8
▪ PSCISP [1999-2005]	5	11.0	10.0	-	1.0
▪ Support for the Quarantine Regulatory Division [2000-2003]	3	3.5	3.5	-	-
▪ Institutional development of PWD, DLSE & SAA [1998-2003]	5	9.2	4.6	1.4	3.2
▪ SWA ISP [1999-2003]	4	3.4	3.4	-	-
▪ Project Management of IAMP [1999-2003]	3	1.3	-	0.9	0.4
▪ Samoa Health Management [2000-2005]	5	15.0	2.0	10.0	3.0
TOTAL COSTS		72.6	46.8	12.3	13.5

Pipeline Public Administration Projects 2001 – 2005

	<u>Duration</u> <u>(years)</u>	<u>Total Cost</u> <u>ST\$m</u>	<u>External</u> <u>Grants</u>	<u>External</u> <u>Loans</u>	<u>Local</u> <u>Funding</u>
<u>TECHNICAL ASSISTANCE</u>					
▪ EPC ISP (2001–2003)	2	0.5	0.5	-	-
▪ STEC Plantation Business Development Plan (2002–2004)	1	0.5	0.5	-	-
▪ IRD ISP II (2001 – 2004)	3	3.5	3.0	-	0.5
▪ Immigration Division ISP [2001-2004]	4	4.0	4.0	-	-
TOTAL COSTS		8.5	8.0	-	0.5

2. LAW AND ORDER

Ongoing Law and Order Projects 2001 – 2005

	<u>Duration</u> <u>(years)</u>	<u>Total Cost</u> <u>ST\$m</u>	<u>External</u> <u>Grants</u>	<u>External</u> <u>Loans</u>	<u>Local</u> <u>Funding</u>
TECHNICAL ASSISTANCE					
▪ Justice Department ISP (1999 – 2002)	3	0.9	0.7	-	0.2
TOTAL COSTS		0.9	0.7	-	0.2

Pipeline Law and Order Projects 2001 – 2005

	<u>Duration</u> <u>(years)</u>	<u>Total Cost</u> <u>ST\$m</u>	<u>External</u> <u>Grants</u>	<u>External</u> <u>Loans</u>	<u>Local</u> <u>Funding</u>
TECHNICAL ASSISTANCE					
▪ Police Department ISP	5	8.5	8.5	-	-
TOTAL COSTS		8.5	8.5	-	-

3. ECONOMIC INFRASTRUCTURE
Ongoing Economic Infrastructure Projects 2001 – 2005

	<u>Duration (years)</u>	<u>Total Cost ST\$m</u>	<u>External Grants</u>	<u>External Loans</u>	<u>Local Funding</u>
CAPITAL					
<i>Transport</i>					
▪ Road system Infrastructure [1999 – 2002]	3	13.9	-	6.3	7.6
▪ Coastal Infrastructure provision (1999 – 2001)	2	6.9	-	3.5	3.4
▪ Airport Infrastructure (1999 – 2000)	1	22.5	-	15.6	6.9
▪ Second Development Apia Port [2000-2003]	3	53.0	53.0	-	-
<i>Power</i>					
▪ Electrification of SLC Vaitele subdivision (1999 – 2001)	2	2.8	-	-	2.8
▪ Tank Farm (1998 – 2001)	2	7.6	-	4.8	2.8
<i>Water</i>					
▪ Rural Water Supply (2000 – 2002)	2	50.0	50.0	-	-
<i>Multi</i>					
▪ Tuanaimito Sports Complex [1998-2018]	20	400.0	25.0	300.0	75.0
TECHNICAL ASSISTANCE					
<i>Private Sector Development</i>					
▪ Support for Private Sector (1995 – 2001)	6	0.8	0.8	-	-
▪ SBEC (1995 – 2005)	8	1.0	1.0	-	-
▪ EU Micro Projects (1999 – 2003)	4	3.0	3.0	-	-
<i>Communications</i>					
▪ Modernisation of Postal services (2000 – 2001)	1	0.2	0.2	-	-
<i>Multi</i>					
▪ Salelologa Township [1997-2007]	10	20.0	-	-	20.0
TOTAL COSTS		581.7	133.0	330.2	118.5

Pipeline Economic Infrastructure Projects 2001 – 2005

	<u>Duration (years)</u>	<u>Total Cost ST\$m</u>	<u>External Grants</u>	<u>External Loans</u>	<u>Local Funding</u>
<u>CAPITAL</u>					
<i>Power</i>					
▪ Afulilo Augmentation (2001 – 2003)	2	15.5	-	15.5	-
▪ Manono - Upolu Submarine Cable (2002–2003)	2	1.1	-	1.0	0.1
▪ Sili Hydroelectric Power Scheme (2004-2007)	10	109.6	109.6	-	-
<i>Water</i>					
▪ Apia Sewerage (2002 – 2005)	3	54.0	-	49.0	5.0
▪ Water Supply System Matatufu to Saleapaga (2001 – 2004)	3	1.8	1.8	-	-
▪ Provision of storage tanks for SWA's Bore – holes (2003 - 2004)	1	0.6	0.6	-	-
▪ Upgrading of Existing Water Supply to Faletagaloa and Fagae (2000– 2002)	2	4.6	4.6	-	-
▪ Provide Water supply systems for Saluafata, Lufilufi, Faleapuna, Falefa and Falevao (2001-2002)	1	1.1	1.1	-	-
▪ Upgrading of Existing water supply systems at Lefaga and a new Water System at Faleaseela and Tanumalala (2000 – 2002)	2	1.6	1.6	-	-
▪ Upgrading of existing water supply systems from Patamea to Saleaula (2000 – 2002)	2	4.5	4.5	-	-

▪ Upgrading of Saanapu and Salamumu water Supply (2001 – 2001)	<i>1 month</i>	1.3	1.3	-	-
▪ Upgrading of existing water supply from Sataua to Auala and a new water supply system from Falealupo to Neiafu (2000 – 2003)	3	2.9	2.9	-	-
▪ Upgrading Vailele and Letogo Water Supply systems (2000 – 2001)	<i>1</i>	1.0	1.0	-	-
<i>Waste Management</i> ▪ Improvement and strengthening of Solid Waste management in Samoa [2001-2004]	3	15.7	15.0	-	0.7
<i>Communication</i> ▪ Upgrading and modernising of Broadcasting services [2000-2001] ▪ Inter-Samoa IT link	<i>1</i>	1.7 1.0	1.5 -	- -	0.2 1.0
TOTAL COSTS		218.0	145.5	65.5	7.0

4. PRODUCTIVE SECTOR

Ongoing Productive Sectors Projects 2001 – 2005

	<u>Duration</u> <u>(years)</u>	<u>Total Cost</u> <u>ST\$m</u>	<u>External</u> <u>Grants</u>	<u>External</u> <u>Loans</u>	<u>Local</u> <u>Funding</u>
TECHNICAL ASSISTANCE					
▪ Forestry Programme [1998-2001]	3	1.5	1.5	-	-
▪ Fruit Tree Development [1999-2002]	3	0.9	-	-	0.9
▪ Samoa Fisheries Extension Project [1999-2003]	4	4.3	3.2	-	1.1
▪ Tourism Development [1995-2001]	6	1.7	1.7	-	-
TOTAL COSTS		7.2	5.2	-	2.0

Pipeline Productive Sectors Projects 2001 – 2005

	<u>Duration</u> <u>(years)</u>	<u>Total Cost</u> <u>ST\$m</u>	<u>External</u> <u>Grants</u>	<u>External</u> <u>Loans</u>	<u>Local</u> <u>Funding</u>
<u>CAPITAL</u>					
▪ High Temp Forced Air [2001-2003]	2	2.0	1.6	-	0.4
▪ Establishment of a Marina for fishing vessels [2001-2003]	2	3.2	3.2	-	-
▪ Establishment of an Abbatoir [2002-2004]		1.6	1.6	-	-
▪ Development of Vaiala [2001-2003]	2	20.0	-	20.0	-
▪ Establishment of a Marina for yachts and Game Fishing [2001-2002]	1	10.0	5.0	5.0	-
<u>TECHNICAL ASSISTANCE</u>					
▪ Development of Overseas Tourism Marketing Strategy [2000-2001]	1	0.4	0.4	-	-
▪ Special Programme for Food Security [2000-2003]	3	1.2	1.2	-	-
▪ Monitoring Sustainable Tourism Development in Samoa [2000-2002]	2	0.5	0.5	-	-
▪ Tourism Sector Plan [2000-2001]	1	0.2	0.2	-	-
TOTAL COSTS		39.1	13.7	25.0	0.4

5. SOCIAL SECTOR AND SERVICES

Ongoing Social Sector and Services Projects 2001 – 2005

	<i>Duration</i>	Total Cost	<u>External</u>	<u>External</u>	<u>Local</u>
	<i>(years)</i>	ST\$m	<u>Grants</u>	<u>Loans</u>	<u>Funding</u>
TECHNICAL ASSISTANCE					
▪ In-country Training Programme [1999-2005]	5	6.5	6.5	-	-
▪ Scholarship Scheme [2000-2005]	5	41.5	31.5	-	10.0
▪ Institutional Strengthening of Education Dept. [1999-2004]	5	10.0	10.0	-	-
▪ Samoa Secondary Education Curriculum Materials [1998-2002]	4	3.0	3.0	-	-
▪ Augmenting Institutions for General Attainment (AIGA) [1999-2002]	3	1.4	1.4	-	-
▪ National Training Authority (NTA) [2001-2002]	3	0.5	0.5	-	-
▪ Primary education materials project [2000-2003]	3	3.4	3.4	-	-
▪ Assistance to Polytechnic [2000-2003]	3	3.1	3.1	-	-
▪ Strengthening utilisation of Quality Reproductive Health Services [1998-2001]	3	1.4	1.4	-	-
▪ Healthy Settings [2000-2001]	1	0.2	0.2	-	-
▪ Child Health [2000-2001]	1	0.22	0.22	-	-
▪ Non-communicable diseases	1	0.67	0.67	-	-
▪ Health Sector Reform	1	1.32	1.32	-	-
▪ HRD Health [2000-2001]	1	2.98	2.98	-	-

▪ Health Service Quality Improvement [2000-2003]	3	11.4	11.4	-	-
▪ Medical experts [2000-2010]	10	1.4	1.4	-	-
▪ Medical treatment scheme [2000-2005]	15	13.5	9.0	-	4.5
▪ Child health care [1999-2004]	4	2.5	2.3	-	0.2
▪ Health Sector Management [2000-2005]	5	16.0	-	16.0	-
▪ Market appraisal for livelihood opportunities [1998-2002]	4	0.8	0.6	-	0.2
▪ Policy and programme development for youth [2000-2002]	3	0.2	0.2	-	-
TOTAL COSTS		121.99	91.09	16.0	14.9

Pipeline Social Services and Sectors Projects 2001 – 2005

	<u>Duration</u>	<u>Total Cost</u>	<u>External</u>	<u>External</u>	<u>Local</u>
	<u>(years)</u>	<u>ST\$m</u>	<u>Grants</u>	<u>Loans</u>	<u>Funding</u>
<u>CAPITAL</u>					
▪ Education Sector Infrastructure Development [2000-2005]	5	15.0	-	12.0	3.0
<u>TECHNICAL ASSISTANCE</u>					
▪ Health IS [2001-2004]	3	1.5	1.0	-	0.5
▪ Population Census [2001-2002]	2	0.6	0.5	-	0.1
TOTAL COSTS		17.1	1.5	12.0	3.6

II. COSTING AND BUDGETING : 2006-2010 PROGRAMME OF ACTION

<u>Project</u>	<u>Duration</u>	<u>Total Cost</u> ST\$m	<u>External Grants</u> ST\$m	<u>External Loans</u> ST\$m	<u>Local Funding</u> ST\$m
PUBLIC ADMINISTRATION					
<i>Capital</i>					
▪ Construction of new HQ for MAFFM [2000-2003]	3	2.0	1.0	-	1.0
<i>Technical Assistance</i>					
▪ Preparation for Pacific Free Trade arrangement	2	5.0	4.5	-	0.5
LAW & ORDER					
<i>Capital</i>					
▪ Police Department Training Complex	3	50.0	35.0	-	15.0
▪ Upgrading of prisons	3	30.0	20.0	-	10.0
ECONOMIC INFRASTRUCTURE					
<i>Capital</i>					
▪ Upgrading and overhauling of the EPC diesel plants	3	50.0	10.0	30.0	10.0
▪ Upgrading of Faleolo Airport facilities for passengers and cargo	1	15.0	10.0	-	5.0
▪ Upgrading of the Mulifanua and Salelologa vehicular ferry facilities	2	20.0	18.0	-	2.0
<i>Technical Assistance</i>					
▪ Development of domestic communications for cellular and land based phone systems	3	30.0	10.0	15.0	5.0
▪ Upgrading of the international satellite system	2	40.0	5.0	30.0	5.0
▪ Development of IT Park	5	30.0	8.0	20.0	2.0
▪ Development of an international fiberoptics cable link	5	100.0	15.0	70.0	15.0
▪ Tank Farm (Phase II)	2	10.0	-	7.0	3.0
▪ Hotel Development	2	100.0	70.0	-	30.0

PRODUCTIVE SECTOR					
<i>Capital</i>					
▪ Development of the commercial fisheries wharf at Asau	4	50.0	-	40.0	10.0
▪ Construction of the Development Bank of Samoa complex	2	30.0	-	15.0	15.0
<i>Technical Assistance</i>					
▪ Credit line for development of micro-enterprises	2	10.0	9.0	-	1.0
▪ Venture capital fund for development of tourist facilities	3	50.0	10.0	30.0	10.0
SOCIAL SECTORS & SERVICES					
<i>Capital</i>					
▪ Expansion of NUS facilities	2	30.0	27.0	-	3.0
▪ Upgrading of Polytechnic facilities	5	80.0	65.0	5.0	10.0
▪ Public Health Centre	2	50.0	45.0	-	5.0

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IV. ACRONYMS

ADB	Asian Development Bank
AIGA	Augmenting Institutions for General Agreement
DLSE	Department of Lands, Survey & Environment
ED	Education Department
EIA	Environment Impact Assessment
EPC	Electric Power Corporation
EU	European Union
FAO	Food and Agriculture Organisation
FEMM	Forum Economic Ministers Meeting
FIRR	Financial Internal Rate of Return
GDP	Gross Domestic Product
IAMP	Infrastructure Asset Management Project
IRD	Inland Revenue Department
ISP	Institutional Strengthening Project
IT	Information Technology
JD	Justice Department
LDC	Least Developed Countries
MAFFM	Ministry of Agriculture, Forest, Fisheries and Meteorological Services
MW	Megawatt
NEMS	National Environment Management Plans
NFA	Net Foreign Assets
NGO	Non-Governmental Organisation
NTA	National Training Authority
NUS	National University of Samoa
ODA	Official Development Assistance
PMU	Project Monitoring Unit
PSCISP	Public Service Commission Institutional Strengthening Project
PSIP	Public Sector Investment Programme
PWD	Public Works Department
SAA	Samoa Airport Authority
ST	Samoa Tala (dollar)
SBEC	Small Business Enterprise Centre
SES	Statement of Economic Strategy
SLC	Samoa Land Corporation
SOE	State Owned Enterprises
SPREP	South Pacific Regional Environment Programme
STEC	Samoa Trust Estates Corporation
SWA	Samoa Water Authority
TISP	Treasury Institutional Strengthening Project
TOR	Terms of Reference
VAGST	Value Added Goods and Services Tax
WTO	World Trade Organisation