

**STRATEGY FOR THE DEVELOPMENT OF
SAMOA**

2008–2012

**ENSURING SUSTAINABLE ECONOMIC AND
SOCIAL PROGRESS**

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MAP OF SAMOA



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BASIC INFORMATION ON SAMOA

Government: Parliamentary democracy with a unicameral legislative assembly consisting of 49 members, 47 of who are *matai* (chiefly titleholders) elected by citizens aged 21 years and over, and 2 of whom represent the part- and non-Samoan population. The Prime Minister selects 12 other parliamentarians to form a Cabinet. General elections are held every five years. The Human Rights Protection Party has been in power for an uninterrupted 23 years. The 1990 Village Fono Act gives village councils authority over village law and order, health and social issues.

Constitution: Established in 1960, blends traditional and democratic institutions and processes and recognizes the separation of powers (legislature, judiciary and executive).

Legal system: Samoa has a Westminster legal system based on the English legal system as adopted by many of the Commonwealth countries. It is also a Parliamentary democracy where its Parliament is elected through universal suffrage every five years and a Prime Minister and Cabinet manage the day to day affairs of the country.

Official languages: Samoan and English.

Judiciary: Samoa's court system consists of two District courts and a Supreme Court manned by five local judges, and an Appeal Court that sits once a year and is overseen by overseas judges. There is a separate Land and Titles Court that deals with matters relating to customary land ownership and 'matai' (chief) titles.

Land area: 2,820 km² on the two main islands of Upolu and Savai'i and seven small islands; 43% arable land.

Exclusive Economic Zone: smallest in the Pacific at 98,500 km².

Population (2006): 180,741; 76% in Upolu; 21% in the urban area of the capital city, Apia.

Population growth rate: 0.3–0.9% per annum over 1971–2007.

Net migration rate: 1.6–2.2% per annum.

Gross Domestic Product (2006): SAT\$1,248.7 million; US\$455.7 million.

GDP composition (2006): primary sector 11.4%; secondary sector 26.6%; tertiary sector 62.1%.

GDP per capita (2006): SAT\$6,969; US\$2,543.

Remittances (1990–2003 average): about 20% of GDP.

Human Development Index (2004): 0.778, placing Samoa 75th out of 177 countries, in the medium human development group.



MESSAGE FROM THE MINISTER OF FINANCE

In line with the requirements of the Public Finance Management Act 2001, it is a great pleasure for me to present the *Strategy for the Development of Samoa (SDS), 2008–2012: Ensuring Sustainable Economic and Social Progress*. SDS presents Samoa's development vision, its medium-term national development goals, and the strategies that will be implemented during the four financial years 2008/09–2011/12 to achieve these goals. In comparison with previous SDS documents, the planning period has been extended by one year and aligned with the financial year to facilitate the improvement of linkages between SDS, the corporate plans of government agencies and the annual budgetary process.

Samoa's development vision expresses the aspirations of the Samoan people and the ultimate aims of the development strategies that will be implemented during the SDS period. The Vision is:

“Improved Quality of Life for All”

Achieving the national vision will result in the attainment of Samoa's Millennium Development Goals (MDGs) and targets.

The SDS has been formulated by the Economic Policy and Planning Division of the Ministry of Finance on the basis of an extensive consultative process involving government agencies, the private sector, civil society organisations, church leaders and community groups.

The views expressed at the consultation meetings informed the formulation of the national development goals and strategies for achieving them. These goals and strategies are organized into three priority areas: Priority Area 1: Economic Policies; Priority Area 2: Social Policies; and Priority Area 3: Public Sector Management and Environmental Sustainability.

Strategies under Priority Area 1 are aimed at achieving: (1) sustained macroeconomic stability; and (2) private sector led economic growth and employment creation. Strategies under Priority Area 2 are aimed at achieving: (1) improved education standards; (2) improved health standards; and (3) community development: social harmony. Strategies under Priority Area 3 are aimed at achieving: (1) improved governance; and (2) environmental sustainability and disaster risk reduction.

A preliminary draft of the SDS was prepared by 15 December 2007, circulated to the Government Ministries and Corporations for their comments, and subsequently revised before it was given to Cabinet for their consideration and endorsement.

A review of SDS 2005–2007 is included in this document and demonstrated that Samoa continued to make economic and social progress during the plan period. The challenge for the next four years is to consolidate the gains that have been made and to make further progress in improving the quality of life for all Samoans, even if it were to confront external economic shocks and natural disasters as has been the experience in the past. It is the Government's hope that the implementation of the strategies presented in SDS 2008–2012 will contribute to the achievement of the national vision.

I commend this document to every Samoan, and all our development partners.

(Hon. Niko Lee Hang)
MINISTER OF FINANCE

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ACRONYMS

ADB	-	Asian Development Bank
AGO		Attorney General's Office
ATS		Air Traffic Services
AO		Audit Office
AusAID		Australian Agency for International Development
CBS	-	Central Bank of Samoa
CEDAW	-	Convention on the Elimination of Discrimination Against Women
CRC	-	Convention on the Rights of the Child
CSOs	-	Civil Society Organisations
EC	-	European Commission
ECE	-	Early Childhood Education
EFA	-	Education for All
EIA	-	Environment Impact Assessment
EPA		Economic Partnership Agreement
EPC	-	Electric Power Corporation
EPPD		Economic Policy and Planning Division
EU	-	European Union
FTA	-	Free Trade Agreement
GDP	-	Gross Domestic Product
HDI		Human Development Index
IAMP		Infrastructure Asset Management Project
ICT	-	Information, Communication and Technology
ISP	-	Institutional Strengthening Project
JICA	-	Japanese International Cooperation Agency
LDC		Least Developed Country
LLC	-	Land Leasing Committee
LTA		Land Transport Authority
MAF		Ministry of Agriculture and Fisheries
MCJA		Ministry of Courts and Justice Administration
MCIL	-	Ministry of Commerce, Industry and Labour
MDGs	-	Millennium Development Goals
MESC	-	Ministry of Education, Sports and Culture
METI		Matuaileoo Environmental Trust Incorporated
MFAT	-	Ministry of Foreign Affairs and Trade
MNRE	-	Ministry of Natural Resources and Environment
MOF	-	Ministry of Finance
MOH	-	Ministry of Health
MPMC		Ministry of Prime Minister and Cabinet
MOR	-	Ministry of Revenue
MWCSD	-	Ministry of Women, Community and Social Development
MWTI		Ministry of Works, Transport and Infrastructure
NCD	-	Non-Communicable Diseases
NCPF		National Curriculum Policy Framework
NGOs	-	Non-Government Organisations
NUS	-	National University of Samoa
NWRMS		National Water Resources Management Strategy
NZAID		New Zealand Agency for International Development
PACER		Pacific Agreement on Closer Economic Relations
PASP	-	Public Administration Sector Plan
PICTA		Pacific Island Countries' Trade Agreement
POPs		Persistent Organic Pollutants
PPSA		Personal Property Securities Act
PUMA	-	Planning and Urban Management Agency
SAA		Samoa Airport Authority
SAME	-	Samoa Association of Manufacturers and Exporters
SASNOC	-	Samoa Association of Sports and National Olympic Committee
SBC		Samoa Broadcasting Corporation
SBDP	-	Small Business Development Project

SBEC	-	Small Business Enterprise Centre
SDS	-	Strategy for the Development of Samoa
SIA	-	Social Impact Assessment
SLC	-	Samoa Land Corporation
SNE	-	Special Needs Education
SOEs	-	State Owned Enterprises
SOFA	-	Samoa Organic Farming Association
SPELL	-	Samoa Primary Education Literacy Level
SPG	-	South Pacific Games
SRO	-	School Review Officers
SSC	-	Samoa Shipping Corporation
SSDP	-	Samoa Sanitation and Drainage Project
SSFA	-	Samoa Sports Facilities Authority
SSS	-	Samoa Shipping Services
SBS	-	Samoa Bureau of Statistics
STA	-	Samoa Tourism Authority
STEC	-	Samoa Trust Estates Corporation
SWA	-	Samoa Water Authority
TCIDB	-	Trade, Commerce and Industry Development Board
TTM	-	Tupua Tamasese Meaole
VAGST	-	Value Added Goods and Services Tax
WIBDI	-	Women in Business Development Institute
WIBF	-	Women in Business Foundation
WTO	-	World Trade Organisation
WSSP	-	Water Sector Support Programme

**SECTION 1: A REVIEW OF IMPLEMENTATION AND
OUTCOMES OF STRATEGY FOR THE DEVELOPMENT OF
SAMOA, 2005–2007: ENHANCING PEOPLE’S CHOICES**

This section summarises Samoa's economic and social development performance since the early 1980s and then reviews the implementation and impact of SDS 2005–2007 development strategies.

1.1 Overview of Economic and Social Development, 1980–2005

Samoa's progress in human development since the early 1980s is summarised by the continually improving Human Development Index (HDI) from 0.709 in 1985 to 0.785 in 2005 which is reflected in increased life expectancy (to 70.8 years), a rising adult literacy rate (to 98.6%), increased enrolment in primary, secondary and tertiary schools, and a growth in average incomes (Gross Domestic Product per capita of US\$6,170 in 2005)¹. Samoa also is well advanced in achieving the eight Millennium Development Goals (MDGs). The reported incidence of poverty has fallen faster than the targeted rate; universal primary education is achievable; gender disparity in primary and secondary education has been eliminated; and child mortality has been reduced (Table 1.1). Less progress has been made in achieving the MDG of environmental sustainability, other than in regard to increasing access to safe water and sanitation.

Samoa's economic and social progress can be attributed to the combined impact of several factors. First, economic growth has been high by regional standards, with the trend rate of growth in real Gross Domestic Product (GDP) accelerating from under 2% in the 1970s and 1980s to 4.2% per annum in 1994–2006.² Second, remittances from Samoans abroad have been a crucial source of foreign exchange and have allowed families to increase expenditure on consumption, housing, small business formation and education. Private remittances averaged 20% of GDP in 1990–2003.³ A third factor underpinning human development progress has been the maintenance of relatively high levels of public expenditure on education (4.5% of GDP in 2002–2005) and health (4.1% of GDP in 2004), with support from substantial aid inflows. Finally, subsistence economic activity, although diminishing, has continued to make a significant contribution to food security and meeting shelter needs.

While there has been a general rise in the level of human development, there have been concerns over inequality of income distribution, hardship amongst vulnerable groups, a lack of formal employment and income-generating opportunities (especially for school leavers), limitations in access to quality education, the prevalence of non-communicable diseases, and emerging social problems.

Growth of the formal, largely urban-based economy commonly is associated with increased inequality of income distribution. In 2002, a Gini coefficient of 0.43 placed Samoa's income inequality on a par with other medium human development countries like Iran and Thailand. At the national level, the richest 10% of households earned 31% of total income, while the poorest 10% of households earned 1.8% of total income. There was little variation between the regions in the extent of inequality, but average levels of income and expenditure varied between regions, with North West Upolu the poorest region.

¹ United Nations Development Programme. 2007. *Human Development Report 2007/2008. Fighting Climate Change: Human Solidarity in a Changing World*. New York: UNDP, p.245.

² Ministry of Finance database.

³ International Monetary Fund. 2005. *Samoa. Selected Issues and Statistical Appendix*. Washington, DC: IMF Country Report No. 05/221, p.4.

Table 1.1: Progress toward the Millennium Development Goals and Targets

<p>Goal 1: Eradicate Extreme Poverty and Hunger Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day.</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.</p>	<p>15.0% of the population in 1997; 5.5% in 2002.</p> <p>17.0% of children under 5 reported to suffer from malnutrition in 1997.</p>
<p>Goal 2: Achieve Universal Primary Education Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.</p>	<p>80.0% of children commencing Grade 1 reach Grade 5 (2000) compared with 86.0% in 1995.</p>
<p>Goal 3: Promote Gender Equality and Empower Women Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.</p>	<p>Net secondary enrolment in 2001 was 67.2% for females and 59.7% for males. The combined gross enrolment ratio for primary, secondary and tertiary schools was 76% for females and 72% for males in 2004.</p>
<p>Goal 4: Reduce Child Mortality Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate.</p>	<p>The infant mortality rate has fallen from 37 per 1,000 live births in 1981 to 25 in 1991 and 17 in 2001. The under-5 mortality rate was 13.7 in 2002.</p>
<p>Goal 5: Improve Maternal Health Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.</p>	<p>The maternal mortality ratio was 19.6 per 100,000 live births in 2002.</p>
<p>Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS.</p> <p>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.</p>	<p>Tuberculosis: Prevalence and death rates (per 100,000 people) respectively 42 and 5 in 2000 and 44 and 5 in 2002.</p>
<p>Goal 7: Ensure Environmental Sustainability Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.</p> <p>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.</p>	<p>Nationally protected areas 4.0% of total land area in 1997 and 4.1% in 2003.</p> <p>The proportion without access to safe and reliable supply of potable water was reduced from 63% in 2003 to 21% in 2007. The proportion without access to improved sanitation fell from 42% in 2003 to 33% in 2007.</p>

Sources: (i) Abbott, D. and Pollard, S. 2004. *Hardship and Poverty in the Pacific*. Manila: Asian Development Bank; (ii) the Samoa Statistical Services Division website developed by the Secretariat of the Pacific Community (SPC) as part of its Pacific Regional Information System (PRISM) programmed; (iii) United Nations Development Programmed. 2006. *Human Development Report 2006. Beyond Scarcity: Power, Poverty and the Global Water Crisis*. New York: UNDP; (iv) Center for Samoan Studies. 2006. *Samoa Human Development Report 2006: Figures from WASSP, Ministry of Finance, Sustainable Livelihoods in a Changing Samoa*. Apia: National University of Samoa; (v) United Nations Statistics Division (UNSD). Millennium Indicator Database (2003) (<http://millenniumindicators.un.org>); (vi) Ministry of Health. *Statistical Bulletin 2002 – Review 1999–2002*; (vii) World Bank. *The Little Green Data Book 2004*.

There is no official figure for the incidence of poverty in Samoa.⁴ However, participatory poverty assessments confirm that a significant number of households experience hardship arising from “poverty of opportunity” that is manifested in three ways: (i) a lack of access to basic services; (ii) a lack of adequate resources to meet basic household needs and customary obligations to the family, village community and church (these obligations absorbed 10% of household income in 2002); and (iii) a lack of opportunities to participate fully in the socioeconomic life of the community. The groups identified as most vulnerable to hardship include landless individuals and families, the unemployed (especially unskilled youth who are found mainly in new settlements nearby to Apia such as Vaitele-fou), single income households, isolated rural households—although they may have more land to farm for subsistence—and families with many children.⁵ Elderly persons without family support and the disabled are also vulnerable.

Open unemployment rose between the 1991 and 2001 censuses from 1.5% to 4.4% of the male workforce and from 3.2% to 6.2% of the female workforce. Also, there is likely to have been an increase in underemployment, with labour absorbed into the subsistence sector and working fewer hours at lower levels of productivity than desired. Generating private sector led growth in output and employment therefore is a major development challenge, which must be met to raise living standards and reduce hardship.

In the education sector, dropout rates generally improved between 1995 and 2005, but remained high between years 1 and 2 (about 7%), years 8 and 9 (10%) and years 12 and 13 (39%). It also has been reported that results declined over a recent five-year period for the Samoa Primary Education Literacy Level (SPELL) tests, the Year 8 National Examination, the Year 12 Samoa School Certificate Examination and the regional year 13 Pacific Secondary Certificate Examination.

The health status of the population is relatively good, but non-communicable diseases have increased since the late 1970s, with cardiovascular diseases now the number one cause of death. Rates of hypertension, diabetes, hyperlipidaemia and obesity are all comparatively high. The number of suicide attempts has fallen from the historic highs of the late 1970s and early 1980s, but remains a concern.

Over the last decade, these basic economic and social development challenges have been addressed by successive national development strategies, most recently by *SDS 2005–2007: Enhancing People’s Choices*.

1.2 Review of SDS 2005–2007

SDS 2005–2007 identified six **Key Strategic Outcomes/Goals** that would collectively contribute to the achievement of the vision of an “*Improved Quality of Life for All*”: strengthening the private sector; agriculture development; tourism development; community development; education development; and health development. This section reviews the progress to date in achieving these outcomes and goals by examining the implementation of a wide range of policies, strategies, programs and projects. The assessments presented are based on available socio-economic data and the questionnaire responses received from the line government agencies.

Private Sector Development

SDS 2005–2007 placed greater emphasis on the importance of developing the private sector to stimulate investment, create employment opportunities, provide goods and services and generate a solid source of government revenue.

The provision of an **enabling environment** for private sector development required: (1) accommodating fiscal and monetary policies aimed at ensuring macroeconomic stability; (2) efficient and effective provision of infrastructure and utilities services; (3) efficient and effective public administration; and (4) continued trade liberalisation.

In general, **macroeconomic stability** was achieved, with growth exceeding the target rate of 3.0–4.0% per annum in 2005 and 2007, the overall budget balance well within the target range of 3.5% of GDP,

⁴ It has been estimated on the basis of 2002 household survey data that 7.6% of the population lives below a food poverty line of SAT\$24.68 per capita per week and that 20.3% lives below a basic needs poverty line of SAT\$37.49 per capita per week (Abbott, D. and Pollard, S. 2004. *Hardship and Poverty in the Pacific*. Manila: Asian Development Bank, p.125).

⁵ Center for Samoan Studies. 2006. *Samoa Human Development Report 2006: Sustainable Livelihoods in a Changing Samoa*. Apia: National University of Samoa, p.30.

and foreign reserves providing import cover in the target range of 4.0-6.0 months and underpinning exchange rate stability (Table 1). Some decline in import cover was evident during the SDS period, and was unavoidable given the high levels of capital investment commitments for the 2007 South Pacific Games and other key developments in priority areas such as education and health. However, the average annual inflation rate moved higher in 2005–2007, exceeding the targeted maximum of 3.0% in 2006 and 2007. This largely reflected the impact of higher import prices especially for food and oil (petrol prices increased from SAT\$1.73 per litre in 2004 to SAT\$2.33 in 2006 and SAT\$2.40 in 2007). Strong economic growth in New Zealand and Australia, the two main sources of imports for Samoa, pushed up inflation as well as the currencies of those two countries, thereby driving up imported inflation in Samoa.

Selected Macroeconomic Indicators	2003	2004	2005	2006	2007
Real Gross Domestic Product (%)	3.1	3.4	5.2	2.6	5.2 (est.)
Inflation (Consumer Price Index, %)	0.1	16.3	1.8	3.8	6.0 (October)
Current Budget Balance as a percentage of GDP	2.3	4.3	2.8	3.4	4.7
Overall Budget Balance (fiscal year ending June)	-0.9	0.3	-0.4	-1.4	1.2
Import Cover (months)	6.0	5.6	5.1	4.0	4.2 (Oct)
Nominal Effective Exchange Rate	96.29	97.28	97.37	97.86	n.a.
Real Effective Exchange Rate	105.60	120.60	119.85	117.32	n.a.

Better provision of **utility services and infrastructure** has been vigorously pursued in each of the key sectors – electricity, water, telecommunications, and transport.

The Electric Power Corporation (EPC) continued maintenance at the intake and head pond structures for run-of-river hydro power schemes to ensure maximum stream inflows for power generation (increasing kilowatt hour per litre ratio). The trialling of bio fuels (coconut oil) to supplement diesel-generated **electricity** was pursued. EPC also sourced the supplying of Manono from the Upolu (2003) grid, while Apolima (2006) was fitted with photovoltaic power supply. However, the proposed Savai'i hydropower project utilising the water resources of Sili river basin has been postponed indefinitely because of unresolved land issues. EPC also identified changes needed in the EPC Act to encourage private power generation and the possibility of partnership with the private sector to carry out non-core functions.

Strategies have been successfully implemented to achieve **water** sector goals, which include increased access to metered and treated water. Access to water supplied by the Samoa Water Authority (SWA) has reached 88% of the total population and access to treated and metered water has reached 27%. The Water Sector Support Program (WASSP) funded by the European Union (EU) has been formulated to ensure a sector-wide and integrated approach to water management and services provision. A National Water Resources Management Strategy (NWRMS) has been developed and endorsed for implementation by the Water Sector Steering Committee (WSSC); new water resources legislation is being drafted; and a Water Resources Division within the Ministry of Natural Resources, Environment and Meteorology (MNRE) now acts as the focal point for sustainable water resources management, including hydrological data collection. MNRE, SWA and MWTI are closely involved in sanitation, drainage and wastewater projects to ensure they produce substantial environmental and public health benefits. Given these changes, SWA is now focusing on the distribution of quality water, whereas MNRE concentrates on water resource management. Improving drainage, wastewater treatment and sewerage disposal will be achieved through the Samoa Sanitation and Drainage Project (SSDP), which includes the installation of a wastewater treatment plant for the CBS area and special need areas, such as the hospital, Malifa compound and Fugalei market. The Apia drainage system under the SSDP will be operative in 2008, with the first construction phase concentrated on the Fugalei area. Furthermore, WASSP has completed the assessment for improvement of schools, district hospitals sanitation facilities and septic tanks in rural areas.

Telecommunications has improved considerably during the SDS period. Total tele-density has reached 56 phones per 100 people, more than double the anticipated rate. Competition in the cellular

mobile telephone service has forced down prices. International telephone costs have dropped by more than 50% since the launching of Digicel (Samoa) Ltd. However, the standard local rates have increased to reflect the actual cost of the domestic service. Digicel also started their GSM mobile service in October 31 2006 and SamoaTel launched their mobile service on 6 January 2007. These developments and the corresponding competition have assisted in expanding the coverage. Competition for the internet market has continued, and wireless broadband and ADSL technologies are now widely used in Apia and business areas. In terms of fixed telephone line licenses, the SamoaTel sole license will expire in 2009 and the market will be opened to other operators. The regulatory framework has been established with the assistance of MCIT through the setting up of the Office of the Regulator.

The National Information, Communication and Technology (ICT) policy was launched in March 2005. Projects within this policy framework have begun, with the rural connectivity project or “Fesootai Centres” launched in September 2006 and eleven tele-centres already commissioned.

Transportation infrastructure has improved in the period of the SDS. **Roads** in some parts of the country have been enhanced, including the resealing of the road from Faleolo to Apia and the redesigning of a 4-lane road from Vaitele to Malifa, with construction set to commence by the end of 2007. The budget provisions for the sealing and resealing of new roads were SAT\$4.5 million (2004/05), SAT\$5.45 million (2005/2006) and SAT\$7.8 million (2006/2007).

International **air transport** services have improved, with airfares being lowered through the introduction of Polynesian Blue services between Australia, New Zealand and Samoa from December 2005. Polynesian Airlines has rationalized services with the cessation of its operations from unprofitable routes such as Niue, Tonga and the domestic route to Savai'i. Aviation meteorology in support of air transport and air space has been improved because Air Traffic Services (ATS) are now able to obtain all the necessary up to date weather information from Fiji, Auckland and Honolulu via the internet. ATS personnel have also undertaken training in weather reporting observation and forecasting as part of specialised air traffic control training.

Efficient and Effective Public Administration has been promoted by the completion and adoption of service charters by most of the Ministries and Corporations, who have encouraged customer feedback as a means of monitoring performance.

Six sector plans have been completed some inclusive of a Medium Term Expenditure framework — Public Administration, Education, Health, Tourism, Law and Justice and Water — and nine are still to be completed. The Ministry of Finance has produced five sector issues papers to assist the formulation and coordination of sector planning in the Commerce, Agriculture, Water, Public Administration and Tourism sectors.

Each Ministry has its own medium-term corporate plan and annual management plan to guide operations, with each plan identifying specific outputs and performance measures.

Government continued to pursue trade liberalization through **Free Trade Agreements** (FTAs). Ratification of the Pacific Island Countries Trade Agreement (PICTA) was effective from April 2003, and a PICTA Rules of Origin Regulation entered into force in Samoa on 25 July 2006. Samoa consequently will apply preferential duty rates to PICTA members as of 2008. Negotiations and work on Samoa's application for accession to WTO continued through the WTO Working Party, a WTO National Working Committee and relevant line ministries. Samoa has been invited to accede to WTO and is expected to do so formally in 2007–2008. Samoa has also continued negotiations with the European Union (EU) for an Economic Partnership Agreement (EPA), indicating a desire to negotiate an FTA in goods with the EU.

Samoa's involvement in these trade agreements will ensure that local enterprises will be more open to global competition. Consequently, the Government has established a National Trade Facilitation Committee as a mechanism for ongoing dialogue between Government and business on the implications of implementing the trade agreements, with a view to ensuring that businesses benefit from the agreements. A donor-supported diagnostic trade integration study began in late 2007 and will assess the local impact of the implementation of trade agreements. Assistance for domestic businesses has been available under the Structural Adjustment Facility, but this has been little used. Efforts are under way to streamline and operationalise a common fund (Private Sector Support Facility) to assist small to medium enterprises. The Trade, Commerce and Industry Development Board (TCIDB) was re-established in September 2006 to act as the formal mechanism for dialogue between relevant Government Ministries and the private sector on issues affecting the development of the business community in Samoa.

The close cooperation between MFAT, MCIL, SAME and the Chamber of Commerce had been maintained through membership of the WTO National Working Committee and the National Trade Facilitation Committee. Furthermore, the Commonwealth Secretariat Legislative Review Project involved these organizations, as well as other Ministries.

Promoting Investment has been vigorously pursued. Examples include exploring business licensing and registration via the internet, the reviewing of tax and tariffs, rationalizing of port fees and other charges, as well as simplifying documentation for exports and imports. The offering of selective incentives and providing credit for small businesses as a means to enhancing market access have also been implemented. Other areas examined include the provision of suitable land for development. The agenda for implementing the privatization/corporatisation programme is slow but progressing.

MCIL has developed two related, user-friendly databases – the foreign investment register and the business database – that should be available to all stakeholders in FY2008. Samoa Ports Authority (SPA) has created an operational structure that meets community and industry needs in a profitable and efficient manner. The adoption of the computerised ASYCUDA system has simplified customs procedures, and port charges for cruise ships have been reduced to encourage more frequent visits to Samoa. Selective incentives have been provided to support hotel, motel and beach resort development and manufacturing for the export scheme, and the Private Sector Support Facility (PSSF) provides assistance. Duty concessions offered to encourage tourism and export development have been consolidated under the Customs Amendment Act 2007. The Small Business Enterprise Centre (SBEC) has continued the provision of training for businesses, where eligible businesses may be considered for a loan under the guarantee scheme for small and medium size projects to the maximum amount of \$20,000.00 tala from local commercial banks.

Market access and research have been promoted through negotiations on the trade agreements mentioned above, a preferential arrangement under the China outreach programme for Pacific LDCs (signed in April 2006), and market studies were conducted by MFAT/MCIL in 2005 and 2006 to identify export opportunities in American Samoa and the Fiji Islands. Samoa also undertook consultations in 2005/2006 with New Zealand and Australia for better market access under the Pacific Agreement on Closer Economic Relations (PACER). Additionally, increased use of ICT to distribute market information has been made.

Tax and Tariff reviews have continued with Samoa Customs completing the final stage for the implementation of the customs harmonized tariff version 2007, including 2002 amendments. This will come into force on the 1st June 2008 and ensures compliance with WTO requirements. In response to a request from the private sector, the Trade Commerce and Industry Development Board conducted a review to address existing anomalies in the current tariff structure. Cabinet has approved the review's recommendations below, which will be effective in the 2008/09 financial year.

Sector	Current Duty	Recommended Duty/Action
Fisheries: Fishing gears, baits and safety equipment	8%	0
Agriculture: Animal feed, value adding agriculture processing	8%	0
Handicrafts: Tools	8%	0
Manufacturing: Garment and textiles	8%	0
Private sector scheme		To simplify existing procedures and processes

VAGST was increased from 12.5% to 15% on 1 October 2006, while the highest income and corporate tax rate was reduced from 29.0% to 27.0%. The threshold for tax free income was raised from SAT\$10,000 to SAT\$12,000 and the subsequent income tax brackets adjusted. Efforts have been made to improve compliance with VAGST and to improve the efficiency of the VAGST refund process.

More generally, an Institutional Strengthening Program for the Inland Revenue Division of the Ministry of Revenue has been approved by Government for future implementation.

On the issue of providing **land for development**, Samoa Trust Estates Corporation (STEC), Samoa Land Corporation (SLC) and the Land Board have made or continue to make provisions for leasing land for major developments. A task force was appointed by Cabinet in November 2006 in lieu of establishing a land leasing committee. The task force consists of ten members representing the community, churches and concerned ministries (MOF, AGO, MJCA, MNRE and MWCSO) and has drawn on results from a broad review of the economic use of customary land, which recommended a series of changes in the legal framework, as well as improvements in the current administrative process by which lease applications are processed by MNRE and MJCA. Work of the task force is ongoing through 2007.

Implementation of the **privatisation program** has continued. Scoping studies for the privatization of Samoa Shipping Services, Agriculture Stores and Samoa Broadcasting Corporation were updated in December 2006. Privatisation of SBC was approved by Cabinet in April 2007. Privatisations of Samoa Shipping Services and Agriculture Stores are currently on hold. A Unit Trust to facilitate the sale of government shares to the general public is yet to be established, but draft legislation was prepared in 2007. The Office of the Regulator that was established for telecommunications in 2006 is also involved in the regulation of the broadcasting industry. The Cabinet has approved the extension of regulatory services by the existing Regulator to sectors other than communications.

Agriculture Development

The overall goal for the agriculture sector in SDS 2005-2007 was accelerated agricultural growth. Agricultural production rose 15.5% in 2005 as the sector recovered from the effects of cyclone Heta, but output fell by 6.6% in 2006, making a negative contribution to growth and leaving agriculture's share of GDP at 6.7%. The fluctuation in the sector is largely attributed to unpredictable commodity prices and variations of supply caused by changing weather conditions. Fisheries output continued the decline that began in 2002 when harvestable fish stocks dropped, falling by 8.1% in 2005 and 0.4% in 2006. However, there were signs of a recovery in early 2007.

Strategies to enhance agricultural growth during SDS 2005-2007 fall into three main categories: (1) enhancing food security; (2) promoting commercial investment in crop production, fisheries, forestry and livestock development; and (3) strengthening the Ministry of Agriculture and Fisheries (MAF). The main activities and achievements are summarised as follows.

MAF continues to focus on several areas to **enhance food security**. Increased production of root crops is supported by supplying high quality planting materials from the ministry's nurseries to growers on request. Revitalising traditional crops is supported through the development and promotion of coconut virgin oil and organic farming. Staff development has concentrated on ensuring outsourced quality extension services are provided to the farming community; the availability of farming information to all has been developed through the active use of radio and television; and competitions between village farmer groups are conducted to encourage people to utilise their land for personal benefit. Since its formation in 2005, the Samoa Crops Cooperative Association has been actively raising the concerns of farmers and exporters.

MAF and the Ministry of Natural Resources, Environment and Meteorology (MNRE) have worked together to monitor and manage the marine environment in the interests of better conservation and sustainability of fisheries resources. The village communities' capacity for management of fisheries resources has been strengthened through workshops, training and consultation, so that these communities are engaged effectively in the application of by-laws, implementation of management plans and the creation and management of fisheries reserves. Sixty four (64) villages owned fisheries reserves were established and 80 villages have formulated village fisheries by-laws. In addition, integrated fish farming systems, lagoon bivalve nurseries and farming of tilapia, freshwater prawns, eels and crabs have been developed. Suitable coastal areas and land that are appropriate for aquaculture have been identified; and technical advice has been provided through the development and dissemination of information sheets on aquaculture farming, fish management and fisheries regulations. Community fish farming competitions have been supported.

MAF has worked closely with industry associations to encourage **commercial investment** in agriculture, forestry and tuna long line fishing. Increased **crop production** has been supported through the development of new high value-added crops (e.g. vanilla, black pepper, pineapples), strengthening

of nurseries to support diversification, and provision of advisory services in conjunction with crop-based farmer groups. Comprehensive information packages have been prepared and distributed to assist farmers to make the best decisions on what to grow, what market to target, and what quarantine requirements apply. Products of the high-temperature forced-air facility (HTFA) have been certified as meeting standards established by the New Zealand Ministry of Agriculture and Forestry, thus providing a basis for agricultural export growth. **Livestock production** has been supported through the sale of weaners to cattle farmers, but the breeding herd is ageing and needs revitalising. The integration of sheep into traditional farming systems has been supported through the development of two demonstration sites established in Savai'i. However, the long-awaited establishment of the abattoir has been delayed due to funding constraints. A meat processing training centre was set up in 2006 and could provide regional training on a user cost basis.

A plan for a sustainably harvested **forestry industry** has been developed and enforced to control the exploitation of indigenous forests. Four forestry nurseries have been established in Upolu and Savai'i to encourage community forestry planting. The Australian Centre for International Agricultural Research has approved a project on improving value and marketability of coconut wood; and a proposal has been submitted to JICA for technical assistance in quality furniture making.

Through Japan's grant aid program, the **fisheries** wharf has been extended to provide more berthing space, the fisheries market and offices have been renovated and a fuel depot has been installed on the fisheries wharf. Three ice making machines have been installed on Savai'i and negotiations have begun with the European Union to secure new markets.

Strengthening of MAF continued under a comprehensive AusAID-supported Institutional Strengthening Program 2001-2006. A management advisory committee has been established and meets regularly to ensure good governance and the implementation of agricultural development strategies.

Tourism Development

Significant growth has occurred in tourism, with visitor numbers increasing by 7.5% in 2005 and 20.4% in 2006; and a further increase in the first nine months of 2007 of 11.2% over the same period in 2006. Visiting friends and relatives (VFR) accounted for 51.0% of total visitation in 2006, while holiday makers accounted for 42.0%. Foreign exchange earnings from tourism rose by 7.6% in 2005 and by 19.8% in 2006, reaching \$248.9 million.

Tourism development strategies concentrated on: (1) **refocusing the marketing strategy**; (2) developing infrastructure; and (3) developing human resources. In the first area, some progress was made in promoting Samoa as a tourist destination through the website of the Samoa Tourism Authority (STA), participation in trade fairs and advertising campaigns; but there is still a need to define and brand the tourism product. To achieve this branding, STA and the tourism industry established a Tourism Marketing Taskforce in early 2007.

Major progress was made in **infrastructure development**. Most importantly, the SDS strategy of enhancing international air transport was implemented successfully, as noted above. Room capacity increased from 992 in 2004 to 1,173 in 2006; and in 2005 accommodation standards were established that will form the basis of accreditation of all accommodation properties. The Ministry of Commerce Industry and Labour (MCIL) in close collaboration with the Ministry of Revenue (MOR), Attorney General and Ministry of Finance have engaged in designing appropriate regulations for the administration of hotels, motels and beach resorts as mandated under the Ministry of Revenue's Customs Amendment Act 2007. This scheme provides duty free relief on all building and plant materials required in the development of a hotel, motel and beach resort. Further support for private sector tourism development is potentially provided through the Private Sector Support Facility Economy, a contestable fund. STA is currently working together with the Planning and Urban Management Agency (PUMA) to provide environmental impact assessments where necessary. Utility services to support tourism investment continue to be provided by EPC and SamoaTel.

Human resource development has been pursued through several channels, including the formulation of a new diploma in tourism and hospitality now available at the Institute of Technology at the National University of Samoa. The Australia Pacific Technical College (a regional initiative funded by the Government of Australia) in partnership with NUS commenced offering Australian standard trade qualification programmes, including tourism and hospitality, in late 2007. STA provides continuous training through its Human Resource Division, conducted public awareness campaigns through the

media, and has participated in the work of the national beautification committee. To strengthen planning and marketing capacity, STA has recruited skilled senior and middle management personnel.

Community Development

As noted in the review of **agricultural development**, MAF and MWCSO both engaged in a range of activities to improve food security, and information dissemination were facilitated by a collaborative working relationship between these ministries and telecommunications and postal services to encourage use of the Fesootai Centres to deliver agricultural information around Samoa. Involvement in encouraging village agriculture production through the maintenance of access roads, Future Farmers of Samoa project and Aiga ma Nuu Manuia program were undertaken, as well as the provision of technical expertise to GEF – Small Grants Scheme village projects in organic production were undertaken.

Support for **small-scale business** operations in the communities has been provided through the Small Business Enterprise Centre (SBEC), Women in Business Development (WIBDI) and Matuaileo Environmental Trust Incorporated (METI). These organizations have provided technical advice, training, counselling and credit access through micro-credit facilities. Almost 3,000 micro and small business operators have undergone training, and 1,000 eligible businesses benefited from the credit programs. The services provided have a national coverage with field visits around the two islands on a weekly basis. This will continue in view of the existing credit portfolio to ensure that the projects are self sustaining. Furthermore, training programs have been held on a regular basis and will continue as part of the programmes awareness campaign, which includes bank representatives presenting how banks may provide access to credit. Government continued to support community development by providing budgetary support to the 3 main utility service providers for the fulfilment of Community Service Obligations.

To maintain **social coherence and harmony** in the community, the Government, Non Government Organisations (NGOs), Village Councils and Churches have important roles to undertake. Government via its court system requires close coordination with the Village Council, the paramount authority in a village which is empowered by the Village Fono Act. This Act was reviewed by a Cabinet-appointed commission in order to improve this coordination, and the commission's findings will be presented for Parliamentary and public discussion. Where a village council is non-existent (the villages of Vaitele and Vailele Uta), churches have been encouraged to increase their involvement in the community. The Ministry for Women Community and Social Development (MWCSO) had regular consultations with relevant law enforcement authorities to strengthen law and order within the communities, and conducted awareness and training programs on traditional skills and knowledge in collaboration with NGOs, churches and community leaders. An integrated youth development or TALAVOU programme was launched and implementation begun. This programme aims at strengthening youth self esteem, youth employment opportunities and youth involvement in the development of their families and communities as a means of promoting social coherence and harmony. Other social measures undertaken by MWCSO to promote social coherence and harmony in the communities include the promotion of effective communication skills within the family, enhance economic development skills, strengthen traditional social structures to effectively address social issues impacting on families and communities – village leaders, women, churches and NGOs and the promotion of partnership with stakeholders.

Education Development

The goal for education development is: Improved Student Learning Outcomes with Specific Emphasis on Raising Numeracy and Literacy Levels. To achieve this goal, SDS 2005-2007 strategies were concentrated in 7 areas: (1) strengthening community support in education; (2) improving teacher quality; (3) improving curricula and assessment practices; (4) improving teaching materials; (5) improving school facilities and equipment; (6) strengthening the Ministry of Education; and (7) developing sport.

Community support for education has been built through a January 2007 national conference on partnerships for literacy, implementation of the school improvement model and formulation of new strategies for enforcing education legislation. **Teacher quality** has been improved through continuing preservice and in-service training, institutionalization of a revised performance management system for teachers and formulation of a National Teacher Development Framework. Teaching is being actively promoted as a career choice through marketing on television. The National **Curriculum** Policy

Framework (NCPF) has been implemented and the initial review of the primary curriculum has been completed. Education for All (EFA) has been developed through the establishment of some community learning centres to be further consolidated in the new SDS period under the Education Sector Program. The consultations for the development of the Samoan Culture Policy have been completed and the compilation of the National Monolingual Dictionary is underway.

Improving teaching materials has involved the development of suitable teaching materials such as Samoan readers, multi-grade modules and Samoan sign language – in consultation with knowledgeable local stakeholders. The use of media for educational programs delivery has been strengthened during the SDS period and the use of computers and internet facilities in schools has been developed. The **upgrading and refurbishing** of selected schools under the Education Sector Project Phase 1 have been completed, as well as a new teacher's resource Centre at Malifa. School committees have been strengthened to maintain school buildings and facilities.

Consultations amongst all stakeholders have been developed to **strengthen the Ministry of Education, Sports and Culture (MESC)**. The school improvement model has been strongly supported through the development of school self-assessments at the end of each school year and the subsequent drawing up of school improvement plans for implementation the following year. The Samoan Qualification Authority (SQA) has been established and the National University of Samoa and the Samoa Polytechnic were merged in 2006. Technical and vocational training has been supported with the Institute of Technology continuing to offer a range of courses from applied trades to maritime training. The Australia Regional Technical College started operations in late 2007. The review of the Education Strategic Plan (1995 – 2005) has been completed, and a new education sector plan (2006-2015) is now operational.

A **National Sports Policy** has been completed, training on sports management has been carried out, and coordination between MESC, SASNOC, the South Pacific Games (SPG) Authority and individual sporting bodies has been strengthened. Furthermore the NUS offered the Diploma in Sport and Fitness Education in partnership with a New Zealand tertiary provider and will continue to develop the sports programmes. Facilities for the South Pacific Games in 2007 were all successfully constructed. The critical challenge now is the devising of appropriate strategies for the sustainability of these facilities.

Health Development

To achieve the goal of improving health standards, the strategic focus during SDS 2005-2007 has been on effective preventive and health promotion programmes, more qualified medical personnel, improved facilities and equipment, sustainable health financing and consolidating the roles of the agencies involved in service provision and regulation under new change management arrangements.

Ongoing efforts to **strengthen and improve primary health care services and health promotion and preventive programmes** included a variety of activities, such as workshops addressing non-communicable diseases, baby and child health and nutrition, adolescent health, maternal health (including early detection of cervical and breast cancer) and care of the elderly. Immunization programs for tuberculosis, diphtheria, pertussis, tetanus, poliomyelitis, hepatitis, measles and rubella aimed at achieving more than 95% coverage. Effective use of the media for health awareness programs was supported through training workshops for staff and stakeholders; and environmental health services legislation was enforced. The effectiveness of preventive programmes was monitored, reviewed and evaluated.

Human resource development efforts focused primarily on current working conditions and incentives for medical personnel, which were reviewed during the doctors' strike in September 2005. There is an acknowledged need for improvements to retain doctors and attract overseas doctors and specialists to cover the skills shortage. Undergraduate and postgraduate training continued with donor support, as did the visitations by medical specialists in such fields as urology, cardiology, surgery, orthopaedic, ophthalmology and psychiatry. Training of nurses, which make up the largest health workforce at the National University of Samoa Faculty of Nursing and Health Science, also continued. This period saw the introduction of postgraduate nurse training in specialist areas including midwifery, mental health and paediatric nursing. The Oceania School of Medicine Samoa continued with increased numbers of Samoan students enrolling.

In the first half of 2007, a comprehensive Human Resources for Health Policy and Plan of Action was developed, and will be followed by the development of a comprehensive data base to capture

information on human resources in health as the basis for reviewing and managing this policy and action plan.

Health facilities and equipment at the Tupua Tamasese Meaole National Hospital have been upgraded with World Bank assistance. The Malietoa Tanumafili II secondary referral hospital in Savai'i was also renovated with assistance from JICA. The 3 district hospitals at Poutasi, Lalomanu and Safotu have been refurbished with World Bank support; and the birthing units for Lufilufi and Fusi district hospitals have been upgraded. Construction of the nurses' home at Foyalalo was completed in 2007 with assistance from the EU.

The **financing of health services** has been reviewed and an assessment made of the viability of a health insurance scheme, with a proposal from the National Provident Fund approved but on hold given other commitments. The overseas treatment policy has been in operation since 2002, and is costing close to SAT\$10 million (in FY2006/07), and was reviewed in 2006. Laboratory services and pharmaceutical drugs supply have improved as a result of increased funding, with in-depth forensic audits on procurement and supply being undertaken in early 2007 with assistance from the AusAID funded Samoa Health Project. Better storage facilities will be implemented in the new SDS period under the Sector program.

MOH continues to be strengthened with ongoing training for the ministry's output managers, and the transference of financial and human resource management to divisional level. A postgraduate diploma in Health Management was designed for middle level management and 25 participants from the Ministry of Health, National Health Services, MedCen Hospital, National Kidney Foundation of Samoa and Samoa Family Health association undertook this course. A new legislative framework for health services provision was introduced after extensive stakeholder consultations, with the passage of the MOH Act 2006 and NHS Act 2006. This effectively split the former Ministry of Health into two separate bodies. The Ministry of Health under its Act took on a regulatory, monitoring, national policy and planning role for the growing health sector, while the National Health Service took on the responsibilities for all publicly funded hospital based care. Additional consultations occurred for preparation of a draft Tobacco Bill, a mental health policy and the Mental Health Act 2007, revised policies on health services and drugs, drafting of the Health Sector Plan 2008-2018 and finalization of a food drugs and therapeutic goods bill, and a public health bill for consultation in 2008.

Several other bills were passed in this period including: Nursing and Midwifery Act 2007, Health Care Professions Registrations and Standards Act 2007, Pharmacy Act 2007 and Dental Practitioners Act 2007. The Medical Practitioners Act was reviewed and a Bill prepared following extensive consultations. This Bill is currently (December 2007) undergoing legislative parliamentary processes. The nursing and midwifery standards and professional code of conduct was reviewed and standards and code of conduct drafted for medical practitioners, allied health professionals as well as dentists and pharmacists.

A Performance Management Review of MOH was carried out in early 2006 prior to the split between the MOH and NHS. Main findings of this review highlighted the need for improved management techniques and for greater inter divisional communication. This led to the development of a communication strategy for the MOH (2006) and the fashioning of the postgraduate diploma in Health Management mentioned above.

Assistance from the AusAID-funded Samoa Health project enabled the Ministry of Health to carry out in collaboration with the National Health Service a comprehensive review of procurement processes in FY2007. Procurement was seen as a vulnerable area that urgently needed strengthening. The recommendations and findings of that review are being used by the National Health Services to strengthen its procurement of drugs and medical supplies.

Work continued in the area of health statistics with the establishment in 2006 of a Principal Health Data Manager position, and with ongoing efforts to strengthen and upgrade the Patient Information System, as well as the establishment of a community health information system to capture quantitative data on health services carried out in communities and outside hospitals by National Health Service health staff such as immunisation services and others.

The Ministry of Health is now establishing a system to collect health related data from the rapidly increasing private sector to obtain more complete information on the health status of all the people in Samoa as well as the demand for health care provided by the private sector.

**SECTION 2: STRATEGY FOR THE DEVELOPMENT OF SAMOA
2008-2012**

THE VISION

Section 1 outlined the significant economic and social progress made in the last ten years. The Human Development Index, Millennium Development Goals and other economic and social indicators showed that the quality of life has improved significantly. However, some groups in society are experiencing hardship, and maintaining an improved quality of life for all is an unending challenge to be met through the continuous efforts of the Samoan government and its people, with assistance from the country's development partners.

The Vision for the 2008-2012 SDS remains essentially the same as the visions of previous national strategies. This Vision expresses the aspirations of the Samoan people:

Improved Quality of Life for All

The achievement of the vision relies on realising the seven national development goals of SDS 2008–2012, which in turn requires effective implementation of development strategies in the three priority areas of economic policies, social policies and public sector management and environmental sustainability. The goals are:

Priority Area 1: Economic Policies

- Goal 1: Sustained Macroeconomic Stability
- Goal 2: Private Sector Led Economic Growth and Employment Creation

Priority Area 2: Social Policies

- Goal 3: Improved Education Outcomes
- Goal 4: Improved Health Outcomes
- Goal 5: Community Development: Improved Economic and Social Wellbeing and Improved Village Governance

Priority Area 3: Public Sector Management and Environmental Sustainability

- Goal 6: Improved Governance
- Goal 7: Environmental Sustainability and Disaster Risk Reduction.

In support of the Vision, the theme for the 2008-2012 SDS is “**ensuring sustainable economic and social progress**”. The theme underscores the national commitment to improving the living standards of all Samoans, maintaining and improving their social welfare, and ensuring their long-term futures by protecting the environment. The main indicators of performance in achieving the Vision are the Human Development Index and the Millennium Development Goals.

**SECTION 3: NATIONAL GOALS AND STRATEGIES 2008-
2012**

PRIORITY AREA I: ECONOMIC POLICIES

(Economic Management, Economic Infrastructure, Business Legal and Regulatory Environment, Financial Sector Development, Trade Policy, Development Potential, Key Sectors)

GOAL 1: Sustained Macroeconomic Stability

Economic Management

As in previous development strategies, the government will consolidate and maintain macroeconomic stability as an essential prerequisite for sustained economic growth. Fiscal policies (including debt policy) will be geared towards maintaining fiscal discipline, while permitting public investments that would support economic growth. Government will fulfil its commitment to the preparation and presentation of the budget in a multi-year framework involving forward estimates for three years (see Priority Area 3). Monetary and exchange rate policies will continue to pursue the objectives of maintaining price stability and the safeguarding of international reserves, while being broadly accommodative. The exchange rate will be closely monitored to minimise imported inflation whilst at the same time supporting export competitiveness. Macroeconomic policy coordination will be strengthened through the reactivation of the Macroeconomic Policy Coordination Committee.



Government will fulfil its commitment to the preparation and presentation of the budget in a multi-year framework involving forward estimates for three years (see Priority Area 3). Monetary and exchange rate policies will continue to pursue the objectives of maintaining price stability and the safeguarding of international reserves, while being broadly accommodative. The exchange rate will be closely monitored to minimise imported inflation whilst at the same time supporting export competitiveness. Macroeconomic policy coordination will be strengthened through the reactivation of the Macroeconomic Policy Coordination Committee.

The specific targets for fiscal and monetary policy are shown in Table 1.1. The strategies for achieving these targets are itemised in Appendix 1: SDS 2008–2012 Strategy Matrix.

Table 1.1: Macroeconomic Stability Targets

Goal	Target/Indicator
Goal 1: Sustained Macroeconomic Stability	Budget balance maintained in range of -3.5–+3.5% of GDP
	Underlying inflation at 3.0–4.0% per annum
	Import cover at 4.0–6.0 months
	Competitive real effective exchange rate

GOAL 2: Private Sector Led Economic Growth and Employment Creation

Samoa's private sector is the source of most domestic production and employment, and supports public service delivery through the provision of taxation revenue to government and donations to the churches and voluntary organisations. In 2006, the private sector accounted for about 58% of GDP and two thirds of formal employment.⁶ The goal of accelerating economic growth through private sector development is therefore vital to improving living standards and aligns with one of the four priority

⁶ In 2006, the public administration sector accounted for 8.4% of GDP. It was officially estimated that public utilities accounted for about 8% of GDP and other state owned enterprises for 26%. Employment data are from the National Provident Fund database.

areas of the Pacific Plan, which are: economic growth; good governance, sustainable development and security.⁷

In addition to providing the private sector with a stable macroeconomic environment, the government will promote private sector development by: (1) investing in economic infrastructure (which will also support social development); (2) improving the enabling business environment through legal and regulatory reform; (3) facilitating the development of financial markets; (4) facilitating beneficial international trade through outward-oriented trade policies; and (5) investigating development potential (natural resource surveys, scientific and market research). Government's investment in education and health will further support the private sector through provision of a healthy, skilled workforce (see Priority Area 2) — as well as ensuring public security and improving public sector management (see Priority Area 3).

The government will seek to further improve the effectiveness of consultation with the private sector by investigating means of introducing a formal consultative mechanism. Options ranging from modification of the Trade, Commerce and Industry Development Board to a statutory authority with a small secretariat will be examined. Also, the government will support the development of the Samoa Institute of Directors, which has the following objectives:

- To train, nurture and support directors to enhance their contribution in promoting successful, ethical and commercially viable businesses in Samoa.
- To set and maintain high standards in corporate activity.
- To expand the membership of the Institute through the promotion of its objects to potential markets, with careful consideration given to the welfare of members.
- To work in close consultation with the private sector, Government and other professional bodies and organizations in advocating policies and developments which assist in achieving the Institute's objects.

Government will seek to offset job losses associated with any curtailment of the manufacturing sector activity due to Yazaki downsizing, and/or with the adverse effects of closure of the American Samoan fish canneries, by endeavouring to secure employment opportunities in overseas seasonal workers' programmes.

The specific targets and indicators for private sector led growth are shown in Table 1.2. The strategies for achieving these targets are itemised in Appendix 1: SDS 2008–2012 Strategy Matrix.

Table 1.2: Private Sector Development Targets

Goal	Target/Indicator
Goal 2: Private Sector Led Economic Growth and Employment Creation	Real GDP growth averages 3.0–4.0% per annum*
	Private sector employment growth averages 2.5% per annum from 16,300 jobs in 2006 ^λ
	Scores on World Bank Doing Business Indicators and Regulatory Quality component of World Bank governance indicators improve from their 2006 levels
	Growth in total visitor numbers of 10% per annum from 115,882 in 2006

* This target is set on the assumptions that Yazaki operations continue beyond 2008 (at a reduced level), and that tuna canneries in American Samoa continue to operate.

^λ The figure of 16,000 is total formal sector employment less employment in public administration, electricity and water.

⁷ Pacific Islands Forum Secretariat 2005. *The Pacific Plan for Strengthening Regional Cooperation and Integration*. Suva.

Economic Infrastructure

Government will continue to improve economic infrastructure services as a means of creating a more attractive business environment and increasing public access to basic social services. The key service areas are energy, water and sanitation, telecommunications and transport.

Energy

The demand for energy has grown considerably over the last 20 years, with Samoa's energy consumption shifting towards commercial energy use based on imported petroleum products and hydropower-generated electricity. The shift has been driven primarily by rapidly increasing demand for electricity as well as ground and sea transport. Total energy demand in 2000 was met by three main sources: biomass (47%), petroleum products (45%) and hydropower (8%). Biomass is used mainly for household cooking, whereas the major part of petroleum products is used by the transport sector and electricity generation. Fuel imports by government and the private sector increased by about 30% between 1998 and 2006 and fuel sales increased by over 20%.

Growth in all forms of commercial energy demand is expected to continue over the next 10 to 20 years supported by the increases in motor vehicles and demand for electricity. Meeting the demand for electricity will require imported diesel fuel, development of new hydro stations, and the development of other renewable energy sources. The latter option is to be encouraged, given the continuous increase in fuel prices and the potential adverse environmental impacts of increasing fuel consumption, which include contamination from poor handling and management of fuel and oil and greenhouse gas emissions.

The increase and diversity in energy demand, with the high associated costs, has highlighted the need for a comprehensive framework to guide and manage the growing energy sector. The first *Samoa National Energy Policy 2007* (SNEP) is intended to provide a clear direction for all energy developments in Samoa. The SNEP vision is *“to enhance the quality of life for all through access to reliable, affordable and environmentally sound energy services and supply”*. In support of the Energy sector vision, the overarching goal is *“to increase the share and contribution of renewable energy in mass production and energy services and supply by 20% by year 2030”*.

This goal will be achieved through the successful implementation of strategies in five areas: Energy Planning and Management, Petroleum, Electricity, Transport and Renewable Energy. The strategic interventions in these areas will address the dimensions of energy efficiency and conservation, environmental and social aspects, human and institutional capacity, capital resource constraints, legal framework, and promotion and dissemination of information. This sub-section focuses on the first three areas; transport strategies are discussed in the transport sub-section below and renewable energy is discussed under Priority Area 3.



Chamber of Commerce meeting

During SDS 2008–2012 and beyond, the objective of an efficient and effective coordination and management of the energy sector will be pursued. This requires institutional strengthening of the Energy Unit within the Ministry of Finance; the establishment of a Regulatory Body consisting of energy stakeholders from government and the private sector and with a mandate to govern the energy sector; the formulation of an appropriate legal framework for energy sector management; and the development of a reliable energy database management system. Strategies are summarised in Appendix 1: SDS 2008–2012 Strategy Matrix.

The population's access to **electricity** is the highest in the Pacific at 98% in 2001. In the same year year, 93% of all households used electricity for lighting compared to only 38% in 1981. Since then, rural populations not connected to the grid have been supplied with electricity

from renewable sources: solar power was launched in early February 2007 to meet the electricity needs of residents of Apolima Island.

Power generation, transmission and distribution are provided by the state-owned Electric Power Corporation (EPC) under the EPC Act 1980. Currently, 40% to 50% of total electricity production is generated from hydropower and the rest by fossil fuel, with the percentages varying during the wet and dry seasons. Diesel generators operate in Upolu and Savai'i, and 8 hydropower plants operate in Upolu. However, existing capacity falls short of peak demand requirements in Upolu, with consequent blackouts, while weak transmission and distribution systems result in 15-20% line losses and cause brownouts and power surges that damage equipment. Hotel operators, manufacturers and other commercial users have been compelled to operate their own backup generators, and thereby have added an estimated 26% to capacity.⁸ A major run of river hydro project for Savaii proposed for financing by the Asian Development Bank is now on hold. Simultaneously, the price of power is in the high range of Pacific region rates, while tariff adjustments in 2001–2007 have not kept pace with the rising price of imported fuel. This price-cost squeeze and weak revenue collection have put financial pressure on EPC.

During SDS 2008–2012, the objective of efficient, reliable, affordable and sustainable electricity services will be pursued. The Power Sector Expansion Project, which is supported by the Asian Development Bank and the governments of Australia and Japan, will be implemented. This project provides for an expansion in generation capacity, improvements in the efficiency of transmission and distribution systems, a review of the tariff structure, institutional strengthening of EPC, the opening up of power generation to private sector competition within a new regulatory framework, and a review of Community Service Obligations to be met by EPC. In addition, electricity generation from proven renewable energy technologies (hydro, wind, solar, biomass, geothermal) will be promoted; relevant environment regulations will be enforced; and demand-side management strategies will be developed to encourage increased energy efficiency amongst consumers. The latter will include public awareness campaigns and tariff adjustments that encourage importation of efficient electrical equipment and appliances.

Energy sector strategies are presented in Appendix 1: SDS 2008–2012 Strategy Matrix. This appendix includes strategies for achieving the objective of ensuring access to reliable, affordable and safe petroleum products. These strategies include formulation and monitoring of the Contract on the Rationalisation of the Supply of Petroleum Products 2008-2013, construction of the land route pipeline for the supply of petroleum, and exploration of the viability of sub-regional petroleum supply and distribution.

Water and Sanitation Services

The state-owned Samoa Water Authority (SWA) supplies 88% of the population with water from four treatment plants in Upolu and one in Savai'i, and village-operated and independent schemes supply the other 12%. (Recently, Independent Water Schemes Inc. has been established to increase access to improved water and sanitation services for all schemes not covered by SWA). Only one-third of the population served by SWA currently receives treated water, and 15% of samples from these treated supplies fail quality tests. In rural areas, except in NW Upolu and SE Savai'i, borehole and surface water sources are untreated and many fall below the (draft) national drinking water standards, based on WHO guidelines. About 50% of SWA customers in both Upolu and Savai'i are metered. In non-metered areas, water consumption and wastage remains high and is exacerbated by high levels of leakage. Unaccounted for water in the Apia urban area is more than 40% of production and is estimated to be similar or even higher in rural areas.

Sewage is managed through individual septic systems and industrial wastewater is self-regulated. SWA is responsible for detection and repair of leaks, while the private sector is involved in the installation of pipes, construction of reservoirs, and septic pumping. Although 73% of households were reported to have flush toilets in 2006, many of these were not connected to a continuous piped water supply, while a sample survey in July 2004 indicated only 17% of "septic tanks" in rural areas could be considered as true septic facilities and that the remaining 83% could pose threats to public health, as well as nearby groundwater or surface water sources. Surveys have also found that although there may in theory be access to sanitation facilities in schools and hospitals, in practice the number of toilets and hand-washing facilities are often inadequate and could pose health hazards.

⁸ ADB 2007. *Samoa: Private Sector Assessment. Consolidating Reform for Faster Growth*. Manila: Asian Development Bank.

SWA's tariffs for metered services, which have been introduced progressively in recent years, are low by regional standards and below cost recovery levels. Additionally, payment recovery has been weak (though improving) and the cost of meeting CSOs has not been accurately assessed. It is estimated that, as a result, "SWA revenues cover only 60–65% of its operating costs on average."⁹ SWA's financial position consequently has deteriorated.

During the SDS 2008–2012 period, a sector-wide approach (SWAp) embracing all aspects of water resource management, water use and wastewater will be implemented to address water sector issues and challenges, many of which had begun to be addressed during the previous SDS. The key issues are:

- Highly variable and often inadequate levels of service to water users
- High levels of leakage and unaccounted for water at system and household levels
- Low levels of cost recovery and non-financially viable operations
- Excessive water demand and usage by users
- Lack of available and relevant technical skills and capacity
- Insufficient knowledge and understanding for planning and management
- Inadequate attention paid to wastewater disposal and sanitation measures
- Inadequate appreciation of responsible water management and use by users
- Limited community involvement in water service planning, management and delivery
- Uncoordinated development across sub-sectors.

Goals and strategies for addressing the issues are presented in *Water for Life: Water Sector Plan and Framework for Action, 2008–2013*, which is formulated within the context of the *2007 National Water Resources Policy*. The plan is based on the recognition that improvements in water resources management and access to water supply and sanitation have impacts beyond a direct contribution to achieving the MDG Goal 7 target of “**Halving by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation.**” These improvements also contribute to achieving other MDGs, as shown in Table 1.3 below.

Water for Life has the overall goal of “Ensuring community access to water of suitable quality and appropriate quantities to meet all reasonable health, environmental, and economic development needs”. Five subsidiary objectives are maintained from SDS 2005–2007:

- To strengthen sector governance
- To secure sustainable water resource management
- To increase access to safe and reliable water supplies
- To maximize the benefits of other water uses (non-water supply)
- To improve sanitation, drainage, and wastewater treatment and disposal.

Implementation of the SWAp will require activities at the macro-level (integrated water resources management, water policies, legislation, institutional change) to be integrated with those at the micro-level (user group participation and community-level operation and maintenance); and will be supported by the ongoing European Union-funded Water Sector Support Programme (2005–2010). Additionally, a second phase of the ADB-funded Samoa Sanitation and Drainage Project is designed to improve drainage, wastewater treatment and sewage disposal in the greater Apia urban area from 2009.

Table 1.3: Contribution of Improved Drinking Water and Sanitation to the MDG goals

MDG GOALS	Contribution of improved drinking water and sanitation
Goal 1: Eradicate Extreme Poverty and Hunger	<ul style="list-style-type: none"> • The security of household livelihoods rest on the health of its members; adults who are ill themselves or must care for sick children are less productive. • Illnesses caused by unsafe drinking water and inadequate sanitation generate a high health costs relative to income for the poor. • Healthy people are better able to absorb nutrients in food than those suffering from water-related diseases, particularly helminthes, which rob their hosts of calories. • The time lost because of long-distance water collection and poor health contributes to poverty and reduced food security.

⁹ ADB 2007. *Samoa: Private Sector Assessment. Consolidating Reform for Faster Growth*. Manila: Asian Development Bank, p.22.

Goal 2: Achieve Universal Primary Education	<ul style="list-style-type: none"> • Improved health and reduced water-carrying burdens improve school attendance, especially among girls. • Having separate sanitation facilities for girls and boys in school increases girls' attendance, especially after they enter adolescence.
Goal 3: Promote Gender Equality and Empower Women	<ul style="list-style-type: none"> • Reduced time, health and care-giving burdens from improved water services give women more time for productive endeavours, adult education and leisure. • Water sources and sanitation facilities closer to home put women and girls at less risk of assault while collecting water or searching for privacy.
Goal 4: Reduce Child Mortality	<ul style="list-style-type: none"> • Improved sanitation and drinking water sources reduce infant and child morbidity and mortality.
Goal 5: Improve Maternal Health	<ul style="list-style-type: none"> • Accessible sources of water reduce labour burdens and health problems resulting from water portage, reducing maternal mortality risks. • Safe drinking water and basic sanitation are needed in health-care facilities to ensure basic hygiene practices following delivery.
Goal 6: Combat HIV/AIDS, Malaria and Other Diseases	<ul style="list-style-type: none"> • Safe drinking water and basic sanitation help prevent water-related diseases, including diarrhoeal diseases, schistosomiasis, filariasis, trachoma and helminths.
Goal 7: Ensure Environmental Sustainability	<ul style="list-style-type: none"> • Adequate treatment and disposal of wastewater contributes to better ecosystem conservation and less pressure on scarce fresh water resources. Careful use of water resources prevents contamination of groundwater and helps minimize the cost of water treatment.
Goal 8: Develop a Global Partnership for Development	<ul style="list-style-type: none"> • Development agendas and partnerships should recognize the fundamental role that safe drinking water and basic sanitation play in economic and social development.

Strategies to achieve the above five objectives are presented in Appendix 1: SDS 2008–2012 Strategy Matrix. The main challenge for the first few years of the sector plan implementation will be to draft and enact a revised Water Resources Bill, and to produce Drinking Water Quality Standards.

Telecommunications

Access to affordable **telecommunications services** has increased dramatically in recent years, as demonstrated in Section 1. In 2008–2012, the government will focus on consolidating these gains by strengthening the new regulatory framework administered by the Office of the Regulator and assisted by the Ministry of Communications and Information Technology (MCIT). Issues to be addressed include the development of interconnection agreements, the regularization of licensing procedures, the management of international gateway access and the establishment of a compensation regime for SamoaTel's community service obligation. Domestic connectivity infrastructure will be improved through the use of internet. Communication to the outside world through global infrastructure will be improved through a connection to the proposed regional submarine fibre optic cable network. Privatization of SamoaTel and associated reform of postal services will also be addressed with World Bank technical assistance.

Transport

In the context of the *Statement of Economic Strategy 2000–2001*, a **transport policy** was formulated which established the key policy objective of developing efficient transport services, rather than simply expanding the sector. This in turn required prioritized and coordinated investment in the rehabilitation and upgrade of the transport system, application of a regulatory framework that ensured efficient operations and pricing policies that promoted efficient resource allocation. Also, it was envisaged that government's role in service delivery would be reduced in favour of the private sector. This policy framework remains in place in SDS 2008–2012.

A Land Transport Authority (LTA) will be established to ensure coordinated planning and regulation of land transport, leaving the planning and regulation of other transport modes with the Ministry of

Works, Transport and Infrastructure (MWTI). MWTI, in coordination with other government agencies involved in transport service delivery, will assume responsibility for the formulation and implementation of a comprehensive transport sector plan, which will encompass environmental dimensions examined in the National Energy Policy 2007. This policy notes that in 2005, the transport sector accounted for over 80% of total fossil fuel consumption; and that although measures had been taken to improve the efficiency and environmental friendliness of land transport in particular (charging excise taxes on engines above 2000cc. and scaling car registration fees against engine capacity), more needs to be done in the transport sector generally. Specific strategies for increasing the energy efficiency and environmental friendliness of land transport are presented in Appendix 1: SDS Strategy Matrix.

Government's initiatives in the transport sector have been supported by a two-phased, eight-year Samoa Infrastructure Asset Management Project (SIAM) that commenced in February 2000 in partnership with the World Bank and AusAID. The project has four components: air transport infrastructure; road system infrastructure; coastal infrastructure and management; and institutional development. The latter component has involved assistance in the restructuring and strengthening of transport policy development, planning and administration.

Air transport facilities are relatively good, given Samoa's size and the volume of air traffic. There are two airports operated by the state-owned Samoa Airport Authority (SAA). Faleolo International Airport was upgraded to international standards for a 10-year horizon under phase one of IAMP; and Maota airport in south-east Savai'i was upgraded to international status for regional trips. The latter services have since been discontinued. As noted in Section I, growth in airport traffic has occurred as a result of the successful implementation of the SDS 2005–2007 strategy of ensuring a more cost-effective, competitive provision of international air services. The open skies policy will be maintained in 2008–2012; and a meteorology office will be established at Faleolo.

Polynesian Airlines continues to operate the international route between Apia and American Samoa, and retains the baggage handling contract at Faleolo, and runs unprofitable domestic services that have not attracted private sector competition. During SDS 2008–2012, the net benefits of maintaining these domestic services will be assessed as part of an overall examination of Polynesian Airline's future prospects. Also, competitive tendering of the baggage handling contract will be examined, and reimbursement to SAA for the CSO of operating the Savai'i airport will be considered.

The two international **ports** in Samoa are operated by the state-owned Samoa Ports Authority (SPA). Apia port accommodates almost all international sea freight traffic, while Salelologa port also handles international sea freight for Savaii. Two domestic ports are also operated by SPA for domestic travel between Upolu (Mulifanua port) and Savaii (Salelologa domestic port). SPA successfully employs the landlord model under which port infrastructure is leased to private operators, who provide super structure (e.g. forklifts) and whose service provision is regulated by the Authority on a reasonable cost recovery basis. Private companies currently provide stevedoring, container handling and major maintenance, while SPA provides pilotage, dredging, tourism promotion and security (to standards set by the International Maritime Organization and US Coast Guard for International Ship and Port Facility Security). Apia port is "one of the best performing ports in the Pacific".¹⁰

During SDS 2008–2012, future port infrastructure development will be planned in a coordinated way by the Government of Samoa through its agencies such as the SPA and MWTI with the assistance of port users.

Samoa is well served by container **ships** operating international routes. The large merchandise trade imbalance means that there is ample container space for export cargo. The state-owned Samoa Shipping Corporation (SSC) provides a passenger and freight service between Apia and Pago Pago in competition with a private operator, and is the sole provider of domestic shipping services, which consist mainly of passenger and vehicle ferry services between Mulifanua on Upolu and Salelologa on Savai'i. Domestic shipping services will be enhanced through acquisition of a new ferry; and consideration will be given to strengthening a sinking fund for vessel replacement.

The state-owned Samoa Shipping Services Ltd. (SSS) was incorporated in 1978 and subsequently has supplied the Mediterranean Shipping Company with crew trained at the National University School of

¹⁰ World Bank. 2006. *The Pacific Infrastructure Challenge: A Review of Obstacles and Opportunities for Improving Performance in the Pacific Islands*. Washington: World Bank Report 36031, pp.136, 139.

Maritime Studies and on Samoan vessels. SSS also acts as crew manager for the container vessel, Forum Samoa II, and as a ship agent. Restructuring and divestiture options for SSS have been formulated by a specially-appointed Task Force, whose recommendations will be acted upon during SDS 2008–2012.

The government's focus in **road transport** is on maintaining and improving the existing road network through investment and better asset management, and on improving traffic management in a situation of growing motor vehicle use. Minor rehabilitation of the West Coast Road between Apia and Faleolo International Airport and the construction of an alternative, shorter inland route are to be conducted under phase two of SIAM.¹¹ This infrastructure development is an important means of reducing vehicle operating costs in a relatively densely populated area and, in particular, of enhancing tourists' initial experience of Samoa. Related activities include completion of the widening of roads and bridges in the Apia area and completion of footpaths and bus stops in the Apia Town area. Finally, the transition to right hand drive motor vehicles will be initiated from FY 2008/2009.

The medium-term challenge in institutional development from 2008 is to strengthen the capabilities of MWTI in transport policy, planning and economics and to assess the adequacy and cohesiveness of the transport sector's legal and regulatory framework. Phase II of SIAM will assist, but vacancies in key posts will be filled with qualified personnel to ensure that capacity building efforts have a durable impact.

Business Legal and Regulatory Environment

The dimension of Samoa's governance environment that scores lowest on World Bank governance indicators is Regulatory Quality, though the score has risen between 1996 and 2006. This indicator focuses on policies, including measures of the incidence of market-unfriendly policies such as price controls or inadequate bank supervision, and on perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development. The World Bank's Doing Business Indicators also suggest there is room for improvement in the regulatory environment: in 2006, Samoa ranked 41st among 175 countries for ease of doing business.

The enabling environment for doing business will be improved through implementation of a range of legal and regulatory reforms. Investment policy will continue to aim at improving the general business environment, while special incentives to promote tourism and export development activities will be retained as prescribed in the *Tourism and Hotel Development Incentive Bill 2003* and the Customs Amendment Act 2007.

The **foreign investment climate** will be improved by finalizing the restricted list of activities open to foreign investors provided they enter into joint ventures with Samoans, employ locals and source capital overseas. Also, the process for employment of expatriate workers will be streamlined; and consideration will be given to allowing for multiple exit and re-entry permits for the duration of the work permit, extension of the maximum period of work permits and granting of work permits for key positions in companies as opposed to specific personnel.

There is very limited economic use of **customary land** because proprietary rights cannot be mortgaged, the status of leases as collateral for securing loans is unclear, and security of tenure may not be guaranteed even when leasehold title is obtained.¹² Also, the approval process for a lease is cumbersome and prolonged, taking up to 12 months. Means of increasing access to customary land for development purposes will continue to be investigated in light of the deliberations of the Lease of Customary Land Task Force, which was formed in mid-2007; and registration of customary land for leasing will be encouraged. The Land Titles Registration Bill presented to Parliament in 2007 will be enforced. Also, in accordance with a Cabinet directive, means of increasing access to land presently managed by Samoa Trust Estates Corporation, the Samoa Land Corporation and the Lands Board will be pursued, particularly through the issuing of leases. SLC has approved the lease of an initial 1,750 acres of its land holding in Lata, Savaii for the cultivation of crops and trees for bio fuel. Subject to the success of this development, another 1,750 acres around the same area has been earmarked for further plantation developments.

¹¹ World Bank. 2006. *Implementation Completion Report on a Credit in the Amount of SDR 10.3 million to the Independent State of Samoa for an Infrastructure Asset Management Project in Support of Phase One of an Infrastructure Asset Management Program*. Report No.32900. Washington: World Bank.

¹² *Report for Cabinet on Economic Use of Customary Land* in ADB TA No.3549-SAM Capacity Building of Financial and Business Advisory Intermediaries, Technical Assistance Consultant's Report, March 2006.

The government will continue its reform of the **commercial legal and regulatory framework**, which is a key determinant of the ease of doing business. Implementing regulations for the Companies Amendment Act 2006—which provides for simplification of the company formation and business registration processes and of accounting and auditing requirements—will be promulgated. The legal framework for lending and debt collection will be modernized with the passage and implementation of a Personal Property Securities Act (PPSA) and accompanying regulations. The Act allows for the pledging of movable property as security for lending by companies and individuals and will simplify and speed up the debt collection process, which is presently prolonged and costly.

These two key legislative reforms will require about 1,000 operative companies to re-register within two years, and the establishment of a new registry of security interests in company assets and in movable property. The government will examine the possibility of amalgamating the company, the movable property and the motor vehicle registries.

The government also will initiate a review of other components of the legal framework in need of updating. The laws and procedures regarding dispute resolution are specified in the Arbitration Act 1976, which is now regarded as outdated and cumbersome. Bankruptcy legislation is based on the United Kingdom Bankruptcy Act of 1906 and closing a business is reported to take 2.5 years on average, to cost 38% of the estate and to recover just 15.2 cents in the dollar¹³ The primary focus will therefore be on these two areas. Other laws to be reviewed range from those covering real estate to employment and intellectual property.

Small business development will be encouraged through simplification of **tax processes**. Legislative amendments have been drafted to allow for income tax self-assessment, which will be introduced during the first half of the SDS period. This will be accompanied by information systems development in the Ministry of Revenue, information dissemination and taxpayer training—all supported by an AusAID funded Institutional Strengthening Programme.

Financial Sector Development

The financial sector liberalization program has had a sustained and positive impact on credit provided to the private sector by commercial banks and non-monetary financial institutions. Further growth in bank lending will be encouraged once the Personal Property Securities Act is passed and movable property can serve as collateral. Financial development will also be facilitated by better information provision through the establishment of a credit bureau and debt collection agency, Debt Free Limited. This initiative—combined with a consolidation and streamlining of the registry for security interests in company charges, movable property and motor vehicles—can be expected to increase the availability of lower-cost funds for investment.

Small and medium enterprise development will be promoted through the establishment and operation of a Samoa Private Sector Contestable Fund, which combines several previous allocated funding schemes (Tourism Support Fund, Private Sector Support Allocation and the Structural Adjustment Facility), thus harmonising development partner funding support for private sector development. The Fund initially will be SAT\$500,000–700,000 with an aim of reaching a minimum target size of SAT\$2.5 million. One-third of the Fund will be available annually to support local small and medium business initiatives.



Access to microfinance, along with technical advice and training, will continue to be facilitated or provided by the Women in Business Foundation (WIBF), South Pacific Business Development Foundation (SPBD), Small Business Enterprise Centre (SBEC), and Matuaileo Environmental Trust Incorporated (METI).

¹³ World Bank. 2007. *Doing Business 2007*. Washington: World Bank, page on Samoa.

Trade Policy

Government will continue to implement its **trade liberalization policy** during SDS 2008–2012. Following Cabinet endorsement of recommendations by the Tariff Review Subcommittee of the Trade, Commerce and Industry Development Board (TCIDB), tariffs on specified business inputs used by businesses with an annual turnover exceeding SAT\$78,000 (the VAGST threshold level) will be reduced from 8% to zero in the following key industries: (i) poultry farming; (ii) agricultural processing (to be complemented by an extension of accelerated depreciation on plant and equipment for the first two years); (iii) fishing; (iv) handicrafts; (v) paint manufacturing; and (vi) garment manufacturing.

Free trade will be promoted through regional trade agreements and accession to the World Trade Organisation (WTO). Under the Pacific Agreement on Closer Economic Relations (PACER), negotiations will commence on a Free Trade Agreement (FTA) with Australia and New Zealand by April 2011. Under the Pacific Island Countries Trade Agreement (PICTA), regional trade will be encouraged by the elimination of non-tariff barriers in the short term and of tariff barriers by 2011. A PICTA Rules of Origin Regulation entered into force in Samoa on 25 July 2006 and Samoa consequently will apply preferential duty rates to PICTA members as of 2008. Samoa's WTO accession and membership will strengthen the Pacific region's position in world trade negotiations, and will improve Samoa's relationship with other small economies that have similar trade objectives. Samoa's WTO membership is expected before its graduation from Least Developing Country (LDC) status in 2010, which currently provides LDC-specific benefits in the form of grants and loans at highly concessionary terms, special trade concessions including duty free and quota free access to markets of developed countries such as the European Union's (EU) markets under the *Everything but Arms* agreement, special treatment for acceding LDCs and priority technical assistance programs. Amendments to laws and new laws will be required to ensure compliance with WTO requirements and a bill will be prepared for ratification of Samoa's Protocol of Accession.

Samoa is one of 36 participants in the enhanced Integrated Framework for Trade-Related Technical Assistance to LDCs, which aims at mainstreaming trade in LDCs' national development plans, and to assist in the coordinated delivery of trade-related technical assistance. Early in the SDS 2008–2012 period, a diagnostic trade integration study (DTIS) will be undertaken, which will generate DTIS action matrices that form the basis for project development to be funded by the Integrated Framework Trust Fund.

Through the Pacific Islands Forum and in concert with African, Caribbean and Pacific Island (ACP) countries, the government will finalise an Economic Partnership Agreement (EPA) with the European Union (EU). The EPA is expected to comprise a master agreement aimed at enhancing the trading and investment-attracting capacity of ACP states, and subsidiary agreements covering trade in goods and services (including tourism), investment and fisheries.

Against the background of declining merchandise exports in recent years, and in the context of an increasingly competitive international trading environment, a National Export Strategy will be formulated and implemented. The strategy will be based on an assessment of sustainable comparative advantage and aimed at stimulating exports through encouraging and developing realistic partnership approaches involving Government and business.

Development Potential

Government has a core role to fulfil in promoting knowledge and technology through the provision of a range of free public services. These services include basic surveys of natural resources, scientific research on ways of improving the productivity of resource use in agriculture and industry, and economic research (particularly marketing and feasibility studies).

Government will continue to support the Research and Development Institute and its focus on adding value to local resources or services, developing functional prototypes of products and processes for the local or overseas markets, establishing a partnership with the private sector and generally promoting the national



economy. Particular interest lies in agro-processing opportunities and renewable energy development.

Relevant line ministries will improve the provision of timely market information, including quarantine requirements, to exporting businesses and farmers; and investment opportunities will be promoted via the MCIL website (www.mcilsamoa.ws). The Ministry of Health will develop food and non-food safety standards.

In meteorological services, the baseline hydrological data collection program will continue and aviation meteorology services will be maintained to international standards as the basis for airspace management and air transport operations. Samoa Meteorology Division will continue the UNDP-supported coastal geological survey.

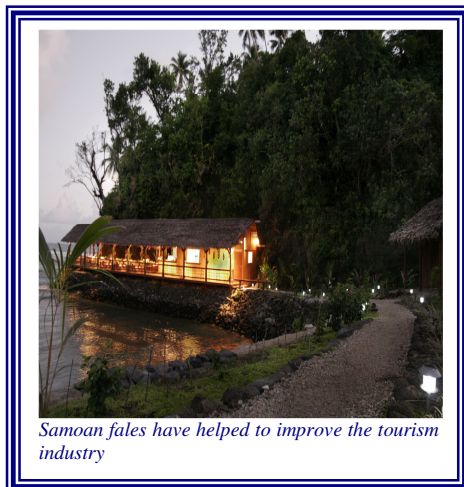
Key Sectors: Tourism

Government regards tourism as a leading sector in the future growth process. Tourism can generate employment and foreign exchange earnings, and thus offset the effects of the recent downturns in agriculture, fisheries and manufacturing and the slowing of construction activity after the South Pacific Games. Government will continue to encourage investment in tourism through implementation of the Tourism and Hotel Development Incentive Act 2003 and Customs Amendment Act 2007.

To build on the surge in visitor numbers and expenditure after the introduction of flights by Polynesian Blue in late 2005 and increased accommodation capacity, the draft *Tourism Development Plan 2007-2011* will be updated and implemented. This plan identifies three focal areas: marketing, product development and human resource development.

The main objective of the **marketing** strategy is to increase levels of awareness in selected markets, and to market Samoa as a destination that offers opportunities for relaxation and recreation, experiencing Samoa's Polynesian culture, and engaging in water-based and terrestrial tourism activities in a pristine environment—all supported by hospitality services that stem from Samoa's hospitality culture. The primary marketing focus will be on New Zealand, Australia and American Samoa, while a presence in Europe and North America will be maintained through cost effective campaigns, web based marketing and continued participation in regional and international trade shows.

Effective marketing strategies require the availability of primary and secondary tourism research, and the Samoa Tourist Authority (STA), with its partners, will ensure the delivery of monthly statistical reports on visitor arrivals and purpose of travel and accommodation profiles, as well as other tourism reports and briefs for the benefit of sector stakeholders.



The main objective of the **product development** strategy is to develop new tourism products and enhance those in existence, as legislated in the Samoa Tourism Authority Act of 1984. This requires the continuous development and enhancement of tourism facilities in accordance with excellent quality standards, including supporting environmental sustainability as the foundation of quality tourism standards. STA will directly improve townscapes through the National Beautification Committee. Under the Tourism and Hotel Development Incentive Act 2003, foreign investment in hotel development will continue to be encouraged. In particular, foreign investment in medium hotel developments in the rural coastal areas will be aggressively pursued, and will require STA to

advance the process of identifying potential land that can be leased for hotel accommodation development, in coordination with the Ministry of Natural Resources, Environment and Meteorology, the Office of the Attorney General and other relevant ministries.

The focus in the area of **human resource development** will be on improving tourism employee performance through relevant skills training, in addition to promoting local awareness on the

importance of tourism to Samoa's economic growth and prosperity of rural areas. The training focus will also broaden the scope of business advisory services for small to medium sized tourism enterprises. Planned activities include "train the trainer" programmes, overseas study tours, and the continuation of workshop-based training through STA's partnership with the Small Business Enterprise Centre and via the expanded role and capacity of the National University of Samoa's Institute of Technology. Further opportunities will be made available under a partnership arrangement with the recently launched Australian Regional Technical College which has a Tourism and Hospitality faculty.

Implementation of these tourism development strategies is expected to support a growth in visitor numbers from 115,882 in 2006 to 184,857 in 2011, or an average annual growth rate of 9.8%. Specific objectives and planned actions are presented in Appendix 1: SDS 2008–2012 Strategy Matrix.

Key Sectors: Agriculture

In the period 1994–2006, agriculture production fell at the average rate of 2.4% per annum, while varying from year to year due to the impacts of disease, changing weather conditions and commodity price fluctuations. The 1999 Agricultural Census confirmed the limited involvement of Samoans in commercial agriculture. Three-quarters of the population belonged to 14,725 agriculturally active households, but only 960 (6.5%) of these households were commercial producers, and only 8.1% of them had taken out loans for an agricultural purpose. The other agriculturally active households produced mainly for home consumption (7,549), or entirely for home consumption (6,216), while 1,597 households engaged in minor agricultural activity and 4,199 households were classified as non-agricultural. The large majority of agricultural holdings were less than 10 acres and few exceeded 50 acres. Ninety-one percent of cultivation took place on customary land, with freehold accounting for 6.1%, leased Government land 1.7%, leased customary land 0.8% and leased freehold 0.4%.

If agriculture is to grow, there will need to be an increased emphasis on commercial production. At present, there is a substantial amount of unused arable land: somewhere between 160,000 and 200,000 hectares of Samoa's total land area is assessed as suitable for agriculture,¹⁴ but the 1999 Agriculture Census indicates that only about 53,400 hectares (including fallow land) were in use — and at a low level of productivity. The various measures to be taken to improve access to land have been noted above in Business Legal and Regulatory Environment. In improving access to land for development, SLC has devoted leases to individuals and Alii and Faipule of about 31% of its 24,000 acres for subsistence agriculture, 16% for livestock development and the remaining for farming staple crops. The supply of the main and traditional crops such as coconuts, cocoa and taro will be promoted vigorously through the assistance of the Government operated nursery to ensure food security and meet other demands in years to come. The elimination of tariffs on selected imported agricultural inputs noted above in Trade Policy will increase the incentive to engage in agriculture.

An agriculture sector plan that provides a coherent policy framework for promoting agricultural development will be formulated and implemented. In general, the government will concentrate on



provision of public support services to agricultural development, namely research, extension, quarantine, regulation, marketing information and physical infrastructure, recognising that the full commercial development of crops shown to be technically viable requires private entrepreneurship. Marketing and branding are critical to the realization of opportunities for organic agricultural and livestock production, for which Samoa's natural resource endowment and remote location are advantageous.

The state's presence in agriculture may be reduced through privatisation of the Agriculture Store Corporation. Government will improve the efficiency of the state-owned high-temperature forced-air facility to facilitate fruit exports. An abattoir is needed to

¹⁴ ADB, 2000. *Samoa 2000: Building on Recent Reforms*. Manila: Asian Development Bank, p.154.

improve the hygiene and quality standards of animal slaughter for the domestic market and to encourage increased beef production as well as make use of the meat processing training centre. This has been identified as a private sector investment opportunity by the Ministry of Commerce, Industry and Labour and will be promoted accordingly.

During the last three decades, Samoa's **forests** have been depleted to the point of near exhaustion. Remapping of the forest resource in 2003–2004 provisionally concluded that there were “very few areas of closed canopy forest remaining in Samoa”, while there had been little re-forestation.”¹⁵ In 2000, there was estimated to be about 2,500ha of state plantation forest, mostly young mahogany with a maturity period of 25 years, while community forestry programs have had limited success.

The government will pursue the sustainable development and management of forest resources through implementation of the service charter and management plans of the Forestry Division of the Ministry of Natural Resources, Environment and Meteorology (MNRE). The primary aim is to accelerate the re-forestation process. A land transfer arrangement between SLC and MNRE led to the availability of 19% of 24,000 acres of land for forest conservation.

Key Sectors: Fisheries

About one in three households in Samoa engaged in fishing in 1999. The vast majority fished for mainly or entirely for home consumption, and only 6% fished primarily for commercial reasons. Most households (85%) fished inshore, while 12% fished offshore and the remainder fished inland rivers and lakes. Just one in three of the households engaged in fishing owned or hired a fishing boat, and 70% of these boats were non-motorized.

Marine product harvests from Samoa's inshore reefs and lagoons have been in decline for years, mainly because of habitat loss and the use of more efficient and sometimes destructive technologies (such as dynamiting). Land reclamation and road construction have destroyed fish nursery areas and poor land management has led to erosion and consequent siltation of lagoons. The reduced availability of marine resources has caused concern for the nutritional status of village communities.¹⁶

To reverse this trend, an AusAID-supported, community-based fisheries management program was initiated in 1996 and continued through a sequence of projects over the next 9 years. By mid-2005, the program had assisted 82 coastal villages, or 25% of the total number of villages in the country, to develop fisheries management plans, which included the establishment of small fish reserves within traditional fishing grounds, and provided for village bylaws to be passed in support of national fisheries regulations. Villages with management plans have had substantially increased fish catch rates,¹⁷ so that the extension of community-based fisheries management is crucial to sustainable livelihoods for the rural population.

Fisheries production expanded at rapid rates in 1995–1998 and peaked in 2001, when fisheries accounted for 8.2% of GDP. The expansion reflected the private sector development of long-line fishing for (mostly albacore) tuna, which was blast-frozen and sent in containers to fish canneries in nearby American Samoa. In 2002–2006, fish production and exports declined as a result of the adverse impact of changing climatic conditions on tuna stocks, rising fuel costs, and a declining US dollar. However, fish production in the first half of 2007 was up 3.8% on the corresponding period in 2006.

The Tuna Management and Development Plan 2005-2009 will be implemented and updated to achieve the main objectives of commercial fisheries management: (i) maximization of catch-rates, profits and foreign exchange; (ii) extensive local participation; and (iii) increased safety at seas. Obligations under the Western and Central Pacific Fisheries Convention will be met to ensure that shared fish stocks are not damaged by uncontrolled fishing in the high seas outside national waters.

Fisheries Division will continue to deliver a range of public services within its financial and human resource constraints, including research and extension, monitoring and regulation of vessels, monitoring of fish catches and sales, and surveillance of the EEZ to control illegal fishing.

Port infrastructure has been improved in 2006–2007 as detailed in section 1. However, the

¹⁵ Atherton, J. 2004. “Samoa Forestry Division Develops a Forest Resource Information System”, *Pacific GIS & RS News*, November, p.11.

¹⁶ Fisheries Division. 2005. *Annual Report July 2004–June 2005*, p.13.

¹⁷ King, M., Passfield K. and Ropati, E. 2001. Village Fisheries Management Plan: Samoa's Community-Based Management Strategy. Samoa Fisheries Project. Fisheries Division, Government of Samoa.

wharf extensions are still considered to be too small by the industry, forcing double berthing and a consequent costly increase in turnaround time. Dockside provision of power, reliable water supply and bulk diesel storage remain inadequate if industry growth resumes; and there is a lack of slipway and other maintenance facilities. Fishing industry representatives see a general need for improved management of the fishing port areas and continue to request the timely refunding of VAGST and improved market intelligence and development.

Fisheries development will be supported by implementation of tariff reductions on business inputs, as noted under Trade Policy above. In regard to marketing, efforts will continue to find and develop markets in the European Union and New Zealand in order to reduce reliance on sales to the Starkist and COS Samoa Packing canneries in American Samoa.

Key Sectors: Commerce and Manufacturing

The commerce sector will benefit from tourism growth, but will be further stimulated by the provision of concessional leases of land at Salelologa Township. Similarly, the manufacturing sector will be encouraged through promotion of the industrial zone at Vaitele with leasing options that may facilitate more investments in this area. SLC is also planning to build a new market at Salelologa Township in Savai'i and at Vaitele in Upolu where flea market vendors' space will be available. The diversification of agriculture products to utilise by-products will also be promoted vigorously.

Key Sectors: Sports Development

A total of 225 acres of SLC land at Tuana'imato was allocated for the construction of sports facilities for the South Pacific Games. After the South Pacific Games 2007, Samoa has accumulated SAT\$82 million in sports facilities. To ensure that these sporting facilities are utilised and the performance level of Samoan athletes continues to improve, Samoa will implement the National Sports Policy. The hosting of international sporting events, such as the November-December 2007 World Cup in weightlifting will be promoted. A high performance sports academy will be established; the integration of sports in school curricula will be continued; and sports and fitness programmes at post secondary level will be developed (see Education in Priority Area 2). The management of national sporting bodies will be strengthened; coaching programmes for Samoan athletes developed; and sports will be promoted as a viable career option in all areas, with the aim of negotiating more sports contracts for elite Samoan athletes. The number of qualified and trained sports personnel in all areas of the sports sector will be increased through prioritizing sports as a viable field of study, especially in terms of scholarships made available.

PRIORITY AREA 2: SOCIAL POLICIES (Education, Health, Social Cohesion and Harmony)

GOAL 3: Improved Education Outcomes

Education

Reviews of the first 10-year policy and strategic plan, 1995–2005 acknowledged its many achievements, but identified remaining deficiencies in the areas of educational quality and efficiency. Relatively high dropout and repeater rates, high teacher turnover and low literacy rates are still problematic; and there is a recognised need for a comprehensive teacher development and quality improvement program. The 2001 census showed that 5.1% of children aged 5-14 years did not attend school; and while enrolments have continued to rise as the school age population has grown and more children continue past primary school, it is still the case that only around 25% of students proceed beyond Year 11, the third year of secondary school. Further, transition rates from Year 13 to tertiary level education have been averaging 52% in 2005–2007.

Education issues and policy responses over the medium and long terms are presented in the *Ministry of Education, Sports and Culture: Strategic Policies and Plan July 2006–June 2015*, which has a guiding Vision:

A quality holistic education system that recognises and realises the spiritual, cultural, intellectual and physical potential of all participants, enabling them to make fulfilling life choices.

Guided by the principles of equity, quality, relevancy, efficiency and sustainability, the 2006–2015 education sector plan identifies 6 goals:

- Quality improvement at all levels of education



core learning outcomes)

- Achievement of universal primary education
- Expand and improve early childhood education
- Improve adult literacy and access to life skills and continuing education for adults and youth
- Eliminate gender disparities in schools and achieve gender equity (girls are performing better than boys)
- Poverty reduction, development of good governance, elimination of disease, and achievement of environmental sustainability (as

Strategies for achieving these goals are organised into 18 policy areas ranging from policy, planning and research services through the various levels of education (early childhood, primary, secondary, post-secondary and tertiary), to teacher education, technical and vocational education, non-formal and special needs education, sports and culture in education, language policies, library services, curriculum, teaching and learning materials, assessment and school qualifications, information and communications technology, quality of teaching services, asset management and maintenance, management of education and financing.

Education strategies to be implemented during the SDS 2008–2012 period are those under implementation in Phase 1 (July 2006–June 2009) and planned under Phase 2 (July 2009–June 2012). Phase 3 (July 2012–June 2015) coincides with the next SDS. The strategies are detailed by policy area in Appendix 1: SDS 2008–2012 Strategy Matrix. A Medium term Expenditure Framework based on

the sector plan will be developed in the first half of 2008. Other strategies in the area of Post School qualifications and recognition are recognised and these development efforts will be undertaken by SQA.

Table 2.1: Education Indicators

Goal	Target/Indicator
Goal 3: Improved Education Outcomes	Results from SPELL tests in year 4 show continued improvement
	Results from SPELL tests in year 6 show continued improvement
	Primary net enrolment ratio over 2008–2012 increases
	Proportion of pupils commencing Year 1 and reaching Year 8 increases
	Dropout rate between years 8 and 9 falls (primary-junior secondary transition)
	Literacy rates of 15-24 year olds rises
	Gross enrolment rate/Participation in Early Child Education (ECE) over 2008-2012 increases
	Percentage of early childhood centres meeting minimum standards over 2008–2012 increases
	Percentage of students proceeding beyond year 11 over 2008–2012 increases
	Ratio of boys to girls at secondary school converges

GOAL 4: Improved Health Outcomes

Health

The general status of health is good. Life expectancy at birth rose 3.8 years for men and 8.5 years for women between 1971 and 2001; and Samoa has already met the MDG goals for decreased infant, child and maternal mortality rates.¹⁸

However, the neonatal mortality rate (13/1000) is quite high; 50% of deaths of children under the age of 5 years occur in the first four weeks of life. There are occasional outbreaks of infectious disease—recently including typhoid, Rubella and unspecified viral infections; and child immunization rates are still below the targeted 90% necessary for effective protection. Many children still suffer from preventable diseases—respiratory conditions, diarrhoea and other infectious diseases—as well as those associated with changing lifestyles, such as dental caries and obesity. Protein-energy malnutrition in infants and young children, and iron deficiency anaemia in women and children, is significant problems. Nationally, only 68% of households have access to a treated safe water supply and water-borne diseases remain a problem. Sanitation is a problem in Apia in areas where there is inadequate effluent disposal, poor drainage and no regular monitoring of water quality.

Non-communicable diseases (NCDs) are increasing causes of ill health and leading causes of death, with injuries and wounds. Over the past two decades there have been almost epidemic rises in coronary heart disease, stroke, high blood pressure and maturity onset diabetes, along with gallstones, digestive

¹⁸ Government of Samoa, 2004. *Millennium Development Goals: First Progress Report*. UNDP, Apia.

disorders, and joint problems. This is linked to changing diets, increased use of tobacco and alcohol, and limited public understanding of associated health risks. The prevalence of diabetes increased from 9.8% in 1987 to 23% in 2001. Obesity rates have grown dramatically from 25.5% in 1978 to 50.3% in 1991 and 67.5% in 2001, among the highest rates in the world. Among adolescents, there is a high suicide rate, a low but rising number of teenage pregnancies, and growing use of marijuana, tobacco and alcohol.

These changing health patterns significantly affect the cost of health services, for both service providers and the community.

The *Health Sector Plan 2008–2018* presents the vision of “A Healthy Samoa,” and a mission “to regulate and provide quality, accountable and sustainable health services through people working in partnership.” To realise the vision and fulfil the mission, four crucial challenges must be met:



- Rapidly increasing levels of non-communicable diseases (NCDs) and their impact on the health system community mortality and morbidity and the economy
- Ensuring reproductive and maternal and child health for the long term health of the community
- Emerging and re-emerging infectious diseases
- Injury as a significant cause of death and disability

Six strategic areas have been identified to meet these challenges, underpinned by the guiding principles of accountable governance, sharing, accessibility, affordability and cultural appropriateness:

- Health Promotion and Primordial Prevention (strengthened)
- Quality Health Care Service Delivery (access improved and quality strengthened)
- Governance, Human Resources for Health and Health Systems (governance, human resources and leadership strengthened)
- Partnership Commitment (health system strengthened)
- Financing Health (financial management and long-term planning of health financing strengthened)
- Donor Assistance (increased partner participation).

Outputs and indicators in each of these areas have been specified; and the activities to achieve these will be presented in a Five-Year Medium Term Financing Strategy based on the sector plan. A summary of outputs and associated interventions is provided in Appendix 1: SDS 2008–2012 Strategy Matrix.

Table 2.2: Health Indicators

Goal	Target/Indicator
Goal 4: Improved Health Outcomes	Infant mortality rate falls
	Under 5 mortality rates falls
	Proportion of 1 year olds immunized against measles increases
	Maternal mortality ratio decreases
	Immunisation rate of children in Samoa (rural areas) increases
	Percentage of births attended by skilled health personnel staff increases

Goal	Target/Indicator
	Prevalence of diabetes, hypertension and obesity declines
	Number of attempts and deaths associated with suicide declines
	Prevalence and death rates associated with HIV/AIDS are contained
	Prevalence rate of Sexually Transmitted Infections decreases
	TB Prevalence and death rates decrease

GOAL 5: Community Development: Improved Economic and Social Wellbeing and Improved Village Governance

Community development remains a priority area in the SDS 2008–2012, and is underpinned by promoting good governance in local communities, strengthening community economic development and enhancing social development and service provision.

To achieve this improvement, the government will coordinate closely with the Village Fono (village councils) in light of the recommendations of the Cabinet-appointed commission that has reviewed the Village Fono Act. In areas where there is no Village Council, churches will be requested to intensify their involvement in the community. Particular emphasis in both cases will be placed on promoting Samoan culture, strengthening the family unit as the core of village society, and addressing tensions between customary law and traditional authority structures, on the one hand, and modern law and the court system on the other. Government already has taken initiatives in this area, including introduction of *fa'aleleiga* (a traditional mediation procedure) and legislation for community-based supervision (Alternative Dispute Resolution Bill 2007, Community Justice Bill 2007 and the Young Offenders Bill 2007). These legislations will be implemented during SDS 2008–2012.



To ensure the maintenance of public security in village communities, MWCSO will continue its mediation role in facilitating resolutions in community disputes through consultations with the Pulenu'u (village mayors), women's representatives and relevant law enforcement authorities to identify emerging issues and effective responses. MWCSO through Pulenuu and women representatives will also continue to be the official two way conduit of government programmes into communities as well as being the information agents for government in relation to food security, community security and cultural preservation/revitalisation. Other initiatives in the law and justice sector that will support community development are identified in the *Samoa Law & Justice Sector Plan, 2008–2015: Justice for a Safe and Stable Samoa*, which is discussed under Priority Area 3,

Public Sector Management and Environment Sustainability, Law and Justice section.

The government will also strengthen village economy and society and protect the rights and wellbeing of children, youth and women. This involves various government agencies including the Ministry of Women, Community and Social Development (MWCSO), the Ministry of Agriculture and Fisheries, the Ministry of Education, Sports and Culture, the Samoa Police Force and the Court System; and many active NGOs and community groups.

In identifying their priorities for alleviating hardship, rural communities give special emphasis to: access to credit facilities; support for agricultural development; improved access to basic services and infrastructure, particularly water supply; access to quality education; and better roads and market access for identified disadvantaged communities.

Access to credit, along with technical advice and training, is provided or facilitated by the Women in Business Foundation (WIBF), South Pacific Business Development Foundation (SPBD), Small Business Enterprise Centre (SBEC), and Matuaileoo Environmental Trust Incorporated (METI) under the ADB Small Business Development Program. Finance from these sources will support commercial agriculture ventures, handicraft production and small scale agro-processing and tourism developments.

Although subsistence agricultural production has declined in recent years, it remains an important source of food security, livelihood and social cohesion; and commercial production provides the cash income to meet other basic needs. The Ministry of Agriculture will support improvements in land- and marine-based food security through the provision of planting materials, traditional crops and livestock-focused extension services, veterinary services and extension of the village fisheries management plans. Information dissemination will occur via the Fesootai Centres, Schoolnet community centres and the media. Measures to promote commercial agricultural development have been outlined in Priority Area 1, Key Sectors.

Government will continue to support community development through a cross-cutting approach by providing budgetary support to the three main utility service providers for the fulfilment of Community Service Obligations. Therefore, more collaboration among service providers is anticipated.

MWCSD will conduct awareness and training programs on traditional skills and knowledge in collaboration with NGOs, churches and community leaders. Under the National Youth Policy 2001 - 2010, youth development will be implemented through a wide sector approach under the framework of the *TALAVOU* programme. This joint youth development program aims at enhancing self esteem, youth employment opportunities and youth involvement in the development of their families and communities.

The *National Policy for Women of Samoa 2007-2017* aims to expand opportunities for women and ensure progress is made in implementing the Convention on the Elimination of Discrimination Against Women (CEDAW); while the *National Policy for Children 2007-2017* outlines the planned direction for the care, protection and development of children in line with the Convention on the Rights of the Child. Both of these policies will be implemented by MWCSD in collaboration with the ministries of Health, Justice and Courts Administration, and Education, Sports and Culture. Areas of possible disadvantage for children covered in the policy are health, particularly in regard to mental health, hygiene and sanitation, vector borne diseases and injuries; the environment, particularly in regard to household water security, pollution and chemical hazards; education; children with special needs or disabilities; the law, violence and exploitation, including involvement in work; and the media, particularly in regard to inappropriate materials.

Strategies for achieving the goal of community development are summarised in Appendix 1: SDS 2008–2012 Strategy Matrix.

Table 2.3: Community Development Indicators

Goal	Target/Indicator
Goal 5: Community Development: Improved Communities (economic, social and governance)	Index of subsistence production
	Number of land and titles disputes (family/village and aggregates) decreases
	Bottom quintile share of national household income*
	Number of village councils/women committees that have participated in capacity building activities on good governance increases
	Number of households accessing micro credit program (WIBDI, SBEC, SPBD, etc) increases
	Number of villages in village-based development program increases

Goal	Target/Indicator
	Number of youth groups participating in Youth Awards Initiatives increases
	Number of serious crimes reported
	Number of serious crimes offenders convicted
	Number of serious crimes reported to be committed by youth offenders
	Number of convictions of youths for serious crimes
	Number of sex abuse cases against children (molestation, rape, sodomy and carnal knowledge)

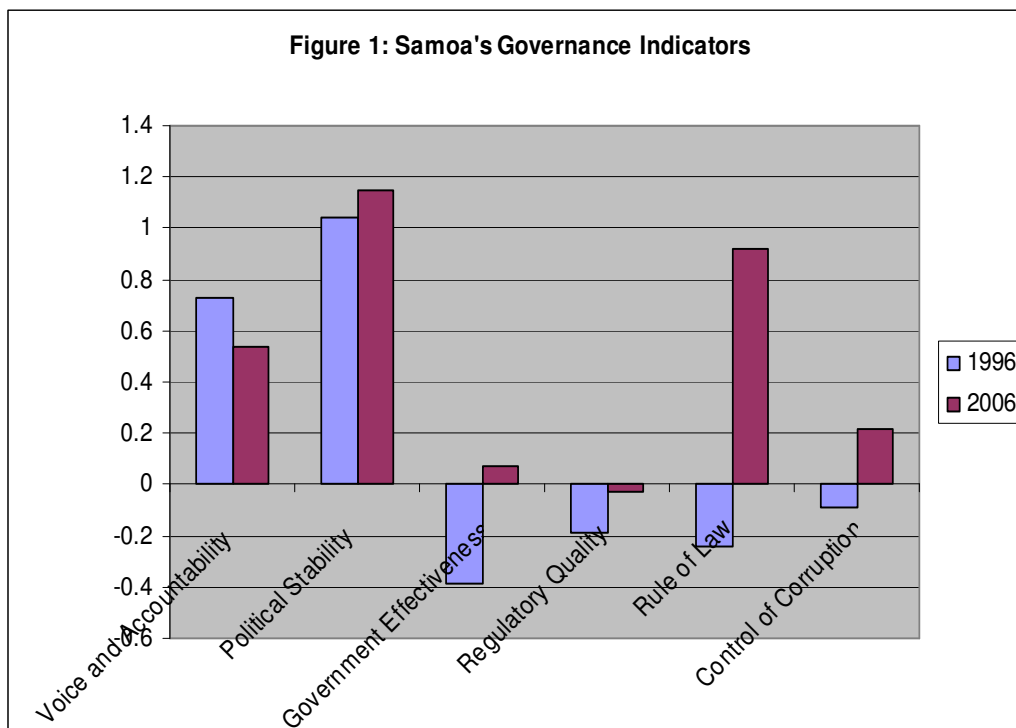
* This may fall while absolute income levels of the poorest 20% of households nonetheless rise.

PRIORITY AREA 3: PUBLIC SECTOR MANAGEMENT AND ENVIRONMENTAL SUSTAINABILITY

GOAL 6: Improved Governance

Public Sector Management

Samoa's governance environment as measured by five World Bank governance indicators has improved considerably in 1996–2006, as shown in the figure below. The low score for Regulatory Quality has been noted in Priority Area 1, and partly reflects the relative slowness of the SOE reform process. The second lowest score is for Government Effectiveness, which encompasses the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies. Under the latter heading, there are shortcomings in the enforcement of legislation. For example, the Public Bodies (Performance and Accountability) Act remains to be fully implemented, and environmental impact assessment requirements prescribed under the Planning and Urban Management Act have not always been adhered to.



Source: http://info.worldbank.org/governance/wgi2007/sc_chart_print.asp.

The government will implement a range of measures in 2008–2012 to improve the governance environment, particularly in regard to government effectiveness. These measures align with two of the priority areas in the Pacific Plan, namely good governance and security.

Table 3.1: Public Sector Management Indicators

Goal	Target/Indicator
Goal 6: Improved Governance	Score for Government Effectiveness in World Bank Governance Indicators increases
	PASP Secretariat evaluation report (indicators to be determined)
	Score for Rule of Law in World Bank Governance Indicators increases

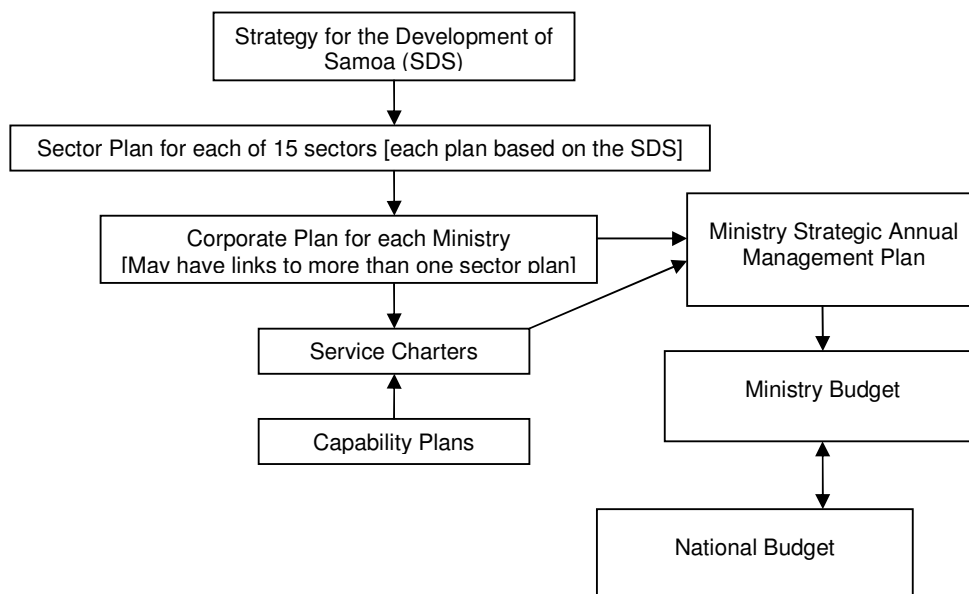
A *Public Administration Sector Plan (PASP) for Samoa 2007–2011* sets out an ambitious sector reform programme that will be implemented with financial and technical assistance provided by the Public Sector Improvement Facility. This plan builds on previous reforms—including the 2003 restructuring, the introduction of corporate planning and service charters for government agencies and the formulation of a staff code of conduct—to continuously improve the efficiency and effectiveness of public administration. An analysis of 9 areas was conducted to identify gaps between the actual and desired situation and to formulate strategies for bridging these gaps. The areas are: legislation; strategic planning and policy; structures; financial resource allocation; systems and procedures; work culture and attitudes; human resources management and capability; leadership; and governance systems and mechanisms.

Specific strategies are presented in Appendix 1: SDS 2008–2012 Strategy Matrix. They encompass legislative reform; policy development and coordination (including a policy on outsourcing); governance mechanisms (leadership code, Ombudsman’s Office, Audit Office); the public financial management system; capacity building; the human resource management information system; and statistical development (including consideration of establishing a Samoa Bureau of Statistics). Longstanding gaps that are to be filled include the slow development of sector plans from the Performance Management System shown in the figure below; and the lack of a comprehensive set of capability plans that focus on the human resource development needs that must be addressed to support enhanced service delivery.

In **public financial management**, the major initiative in 2008–2012 will be the continued development of a medium-term fiscal framework, which presents three-year forward estimates of revenues and expenditures, as provided for in the Public Financial Management Act 2001. This will strengthen the linkages between SDS, sector and corporate plans and the annual budget; and will provide guidance for managers in line ministries about their budgets and consequent capacity to implement policies and plans over the medium term. The Public Finance Management Reform Plan developed in response to a Public Expenditure Financial Assessment (PEFA) carried out in 2006 will be implemented with support from the European Union. Additionally, an Institutional Strengthening Program for the Inland Revenue Division of the Ministry of Revenue will be implemented.

In the **state-owned enterprise sector**, government retains full ownership of 15 Public Trading Bodies, 7 Public Beneficial Bodies and 3 Public Mutual Bodies. SOEs generally have generated low or negative returns in recent years, and the pace of SOE reform has slowed. However, the government remains committed to its basic policy position, namely that it should only own enterprises that have such significant strategic, security or social importance that they cannot be entrusted to private ownership. These enterprises are: Samoa Airport Authority, Electric Power Corporation, Samoa Ports Authority, Samoa Water Authority and Samoa Shipping Corporation. The remaining Public Trading Bodies are all considered to be suitable for privatization, provided that appropriate regulatory frameworks are in place to ensure that service quality and cost will be maintained or improved under private ownership. The establishment of a regulatory body or competition agency to prevent the abuse of monopoly powers held by privatized SOEs will be investigated. This investigation will take account of the role of the existing Office of the Regulator, along with the provisions of the Fair Trading Act. In addition, a Unit Trust will be established as a means of encouraging local participation in privatized entities.

Figure 2: Public Service Commission: Performance Management System*



* Development projects identified and approved via the project planning process are consolidated in the rolling three-year Public Sector Investment Programme.

The government will work to fully enforce the Public Bodies (Performance and Accountability) Act, so as to strengthen corporate governance, accountability and performance of SOEs. This will be supported by strengthening of the SOE Monitoring Division of the Ministry of Finance, so that it is better able to fulfill the demanding requirements of SOE reform, including: scoping studies of SOEs; restructuring of an enterprise to support its sale; due diligence work to ensure fair value is received for any enterprise sold; and development of effective mechanisms for the delivery of CSOs.

Law and Justice

Samoa's performance in **law and justice** is relatively good. As shown in the figure above, Samoa scores relatively highly on the Rule of Law and Control of Corruption governance indicators. The crime rate is relatively low and the prison population is small, at around 1.32 prisoners per 1000 population in 2004, with many young offenders. Most prison admissions are for unpaid court fines or maintenance orders, theft or burglary, or cultivating or possessing cannabis. The courts are generally regarded as independent and fair; and the Attorney-General's Office (AGO) fulfils the demanding functions of providing legal advice to government, legal drafting, prosecuting serious crimes and representing the state in civil proceedings within tight human and financial resource constraints.



However, there are recognised deficiencies in law and justice, which have been documented in a comprehensive, consultative situation analysis, undertaken in preparation of the *Samoa Law & Justice Sector Plan, 2008–2015: Justice for a Safe and Stable Samoa*. There is a chronic backlog in the court system, which is characterised by inefficient systems and procedures and dilapidated facilities. The Ministry of Justice and Courts Administration (MJCA) suffers from longstanding staff shortages. Police performance has improved, but is still marred by

corruption, organisational inefficiencies and limited staff competence in investigating and prosecuting crime. Conditions in the rundown prisons are often in violation of international standards, there are minimal facilities and programs for rehabilitation usually provided by NGOs and security is weak. Legislative reform is hampered by AGO's limited capacity. The Ombudsman's office is poorly resourced and little used. MWCSO's resources are stretched; and the Law Society's oversight of the law profession's professional standards and ethics is limited by a shoestring budget.

To maintain law and order and improve access to justice, government will finalise and implement the *Samoa Law & Justice Sector Plan, 2008–2015: Justice for a Safe and Stable Samoa*. This plan has four goals: (1) community safety, with a focus on crime reduction, policing and prisons (and with continued provision of fire services); (2) access to justice, with a focus on community empowerment and education, access to laws, legal profession capacity building and legal aid; (3) customary and community-based justice, with a focus on harmonisation with the formal justice system and integration with the development of the economic use of customary land; and (4) integrity and good governance, with a focus on organisational efficiency, capacity building, case management and business process improvement, performance management, and ethics, governance and anti-corruption. Other measures that will be pursued are the improvement of the national border management in response to terrorism, drug and human trafficking, bio-security and illegal immigration.

Strategies to achieve these goals are to be fully formulated early in SDS 2008–2012, but will include continuation of the institutional strengthening of the Ministry of Police and Prisons and MCJA; strengthening of the Land and Titles Court, with associated legislative amendment; legislative review (Crimes Act 1961, Evidence Act 1961, Supreme Court Civil Procedure Rules 1980 etc.); and improved information and human resource management. Additionally, the Law Reform Commission will be established and operative in the AGO; new Police headquarters funded by AusAID are opened and an expansive and new courts complex including the office of the Ministry of Justice and Courts Administration are being constructed at Tiafau, Mulinu with financial support from the Government of China; and public awareness campaigns will be conducted. The Electoral Commission will continue its role as a core institution of democratic governance.

GOAL 7: Environmental Sustainability and Disaster Risk Reduction

Environmental Sustainability

A country environmental analysis reveals a number of major environmental issues that need to be addressed in order to ensure sustainable development.

As noted in the discussion of key sectors in Priority Area 1, land and **forest degradation** continues, although at slower rates than in recent decades. New invasive species and diseases, combined with climate change, threaten to change Samoa's remaining forest. Forest areas need careful management and protection to ensure that their diversity and condition are well maintained. Forested watersheds help filter rain to produce clean flowing rivers and underground aquifers, so their protection is important to ensuring access to safe water.

Unsustainable exploitation of living **marine resources** in many areas has threatened to undermine village nutrition and living standards. Uncontrolled sand mining has been a related concern because of the recent growth in construction activity.

There are high levels of **solid waste generation** and inadequate waste management practices. Sanitation is a long-standing problem facing Apia residents. Human waste is discharged to septic tanks, pit latrines, while for some commercial premises and Government facilities waste is discharged to small wastewater treatment plants. There is no monitoring of effluent water quality and there are no comprehensive effluent water quality standards in place.

Chemical contamination, though at low levels, is widespread. The Ozone Depletion Substances Licensing System in Samoa aims to completely remove ODS-based equipment and substances until phase-out, with consumption of CFC-based refrigerants falling from 4.624 metric tonnes in 1997 to 0.64 metric tonnes in 2000. Since POPs pesticides and PCBs are no longer permitted imports, intentional releases into the environment are not anticipated.

Human and livestock waste, industry-related pollution and, in some cases, pesticides and other agriculture chemicals threaten to contaminate quality **water sources**. While there is 100% access to water supply in different forms, the actual percentage of the population with access to 'treated' safe water supply was just over 52% in 2004 and was estimated to reach 68% at the end of 2006.

The **loss of biodiversity** due to deforestation, coral reef deterioration, habitat degradation and loss, and the introduction of certain non-indigenous species, is a concern. The International Council for Bird Preservation (ICBP) listed Samoa as one of the world's 'Endemic Bird Areas' that is in need of urgent conservation attention.

Samoa depends heavily on petroleum fuels and biomass for its **energy** needs. The current uses of those fuels tend to be highly inefficient. Carbon dioxide emissions have increased and increased use of biomass is having significant environmental impacts, while the development of hydro power is constrained by land access issues. The Initial National Green House Gas and Sink Inventory indicated the highest CO₂ emissions coming from transportation, then commercial and institutional residential sources, and thirdly from energy and transformation industries.

Samoa is also subject to **natural disasters**, particularly cyclones. There were 12 events reported in the period 1950-2004 which, in the disaster years, affected an average of 42% of the population and inflicted economic losses equivalent to 45.6% of GDP.¹⁹ Estimated losses from cyclones Ofa in 1990 and Val in 1991 were US\$140 million and US\$300 million, respectively,²⁰ while cyclone Heta in 2004 adversely affected agriculture. Vulnerability to natural disasters may increase in the future due to the effects of **climate change**. The vast majority of the population living on the coastal fringes of Upolu and Savai'i could experience increased coastal erosion, storm surges and inundation as the sea level rises, and the intensity of cyclones could well increase. In this event, disaster mitigation measures can be expected to become more urgent.



Government will promote the integration of the principles of sustainable development into policies, programs and projects, and has established this as a target for MDG Goal 7: Ensure Environmental Sustainability. The environment will feature prominently as a cross-cutting consideration in all planning activities, including the formulation of sector plans development projects. This aligns with the Pacific Plan's priority area of sustainable development.

Environmental management, compliance and monitoring will be improved in 2008–2012, with the Ministry of Natural Resources, Environment and Meteorology (MNRE) the key implementing agency. The Planning and Urban Management Act 2004 aims to “implement a

framework for planning the use, development, management and protection of land in Samoa in the present and long-term interests of all Samoans and for related purposes.” Under the Act, all development activities require development consent unless a sustainable management plan or regulations provide otherwise. This requirement will be enforced, and involves preparation of an Environmental Impact Assessment at the expense of the project proponent. The capacity of the Planning and Urban Management Agency to undertake or facilitate a greater level of community consultation will be strengthened. Strategic planning of urban development will also be developed.

Efforts to improve land conservation and management will focus on managing **forest areas** and undertaking carbon sink initiatives. Continual assessment of the state of forest protected areas in the country will be undertaken, forest resources on Savai'i will be conserved and national park management improved. Agro-forestry will be encouraged, bearing in mind that the general control over use of customary land rests with the village fono, and not with the central government. Village leaders and communities therefore must be involved in the formulation and implementation of conservation and regeneration activities.

In the area of **waste management**, strategies to reduce and better manage solid waste, chemical pollution and wastewater will be implemented. Management of landfills will be strengthened; and samples of POPs will be collected and exposure to contaminated sites in Samoa will be managed. Strategies for improving wastewater management are presented in Priority Area 1, Economic Infrastructure, and centre on phase 2 of the Sanitation and Drainage Project in Apia.

¹⁹ Bettencourt, Sofia et.al. 2006. *Not if but when: Adapting to Natural Hazards in the Pacific Region. A Policy Note*. Washington: World Bank, p.2.

²⁰ World Bank. 2000. *Cities, Seas and Storms: Managing Change in Pacific Island Economies*. Washington: World Bank, p.45.

To improve water management and supply, MNRE will develop a programme for allocation and use of water resources, investigate groundwater and fresh water resources and pursue the integrated and sustainable management of underground water and watershed areas on the basis of data generated by the hydrological cycle observing system – underground water assessment.

In the area of **biodiversity**, the strategic focus will be on protection of natural areas and ecosystems and areas outside conservation estates, and improved bio security. The National Biodiversity Strategy and Action Plan and the National Invasive Species Strategy provide the guidelines for these strategies. Community-based conservation management will continue to be supported.

Renewable energy is one of the 5 strategic areas of the *Samoa National Energy Policy 2007* discussed under Priority Area 1, Economic Infrastructure. Recent high oil prices and scientific research that suggests fossil fuel will be exhausted within the next century make the promotion and use of alternative energy sources a priority. This priority is reinforced by the fact that renewable energy sources are environmentally less damaging.

Hydropower and solar heating have proved successful in Samoa over the last 20 years and recent studies have tentatively concluded that other renewable energy sources have potential. The 2007 launching of a solar power project on Apolima Island confirms the potential of this source. The abundance of biomass due to a favourable tropical environment provides an energy source for domestic households especially. Wind speed is being monitored at different identified sites to provide the basis for assessing the potential of this source; and EPC has been exploring the prospects of supplementing conventional diesel with coconut oil for its diesel generators. Also, Samoa has participated in regional renewable energy projects such as a Biomass Resource Assessment coordinated by SOPAC; the Pacific Islands Renewable Energy Project coordinated by the South Pacific Regional Environment Programme; the Renewable Energy and Energy Efficiency Program coordinated by ADB, the Promotion of Renewable Energy, Energy Efficiency and Greenhouse Gas Abatement, co-financed by the ADB and the Government of Netherlands; and the Regional Energy Program on Poverty Reduction financed by the United Nations Development Programme. These regional programs associated with national level activities indicate Samoa's willingness to explore and consolidate future opportunities in the area of renewable energy. The Research and Development Institute will need to capitalise on renewable energy research findings of these various donor funded projects so that they can be transformed and developed into viable renewable energy projects. Simultaneously, existing renewable energy sources such as hydropower power plants should be upgraded and expanded where feasible and will be done so under the Power sector expansion project co funded by the ADB, Japan, and Governments of Australia and Samoa

During SDS 2008–2012, a reduction of dependency on fossil fuels in favour of renewable energy sources will be encouraged through implementation of five strategies: (1) promoting the sustainable use of indigenous energy resources and renewable energy technologies; (2) promoting partnerships with communities and all energy stakeholders, especially development partners, in the development of renewable energy programmes in Samoa; (3) exploring training opportunities to build up capacity in renewable energy technologies; (4) encouraging the commercial use of renewable energy research findings of the Institute of Research and Development; and,

(5) enhancing public knowledge and understanding of renewable energy and its costs and benefits.

In the related area of **climate change and disaster management**, the government will implement the Disaster Management Act 2007 through programmes and projects to enable Samoa to make significant greenhouse gas reductions and natural and cultural disaster readiness. These will address renewable energy use, energy efficiencies, sustainable transport and public awareness of the importance of greenhouse gas abatement. Use of ozone-depleting substances will be phased out totally. The National Ozone Unit will work in close collaboration with the Customs Authority in controlling and monitoring imports of ozone depleting substance and ODS-based equipment to ensure that all imports are genuine.

Resilience to the adverse impacts of climate change will be addressed through continuation of work on coastal management and adaptation programs for vulnerable villages and other coastal locations and through such activities as promotion of energy efficient building design.

Environmental and disaster risk reduction indicators are presented in Table 3.2. Details of strategies and activities are presented in Appendix 1: SDS 2008–2012 Strategy Matrix.

Table 3.2: Environmental Sustainability and Disaster Risk Reduction Indicators

Goal	Target/Indicator
Goal 7: Environmental Sustainability and Disaster Risk Reduction	Percentage of land area covered by forest
	Number of trees provided under the community forestry programme
	Number and area of protected areas
	Percentage of power from renewable sources
	Percentage of urban population with access to improved sanitation
	Percentage of population with access to treated water supply
	Percentage of Development Consents issued over total applied for

MONITORING AND EVALUATION

An overall assessment of progress in implementing SDS 2008–2012 strategies will be undertaken every 6 months by the Economic Policy and Planning Division (EPPD) of the Ministry of Finance, using the SDS 2008–2012 Strategy Matrix. This assessment is intended to identify reasons for any slowness or failures in strategy implementation and to suggest appropriate responses, including modifications to strategies and/or priorities.

Annual EPPD reviews of SDS 2008–2012 will assess progress in achieving the national development goals, using the indicators for the 7 goals as set out in this strategy and shown together in the table below. Reports on these reviews will also serve as reports on implementation of the Pacific Plan and progress towards the MDGs.

SDS Evaluation: Goals and Indicators

Goal	Target/Indicator
Goal 1: Sustained Macroeconomic Stability	Budget balance maintained in range of -3.5–+3.5% of GDP
	Underlying inflation at 3.0–4.0% per annum
	Import cover at 4.0–6.0 months
	Competitive real effective exchange rate
Goal 2: Private Sector Led Economic Growth and Employment Creation	Real GDP growth averages 3.0–4.0% per annum
	Private sector employment growth averages 2.5% per annum from 16,300 jobs in 2006
	Scores on World Bank Doing Business Indicators and Regulatory Quality component of World Bank governance indicators improve from their 2006 levels
	Growth in total visitor numbers of 10% per annum from 115,882 in 2006
Goal 3: Improved Education Outcomes	Results from SPELL tests in year 4 show continued improvement
	Results from SPELL tests in year 6 show continued improvement
	Primary net enrolment ratio over 2008–2012 increases
	Proportion of pupils commencing Year 1 and reaching Year 8 increases
	Dropout rate between years 8 and 9 falls (primary-junior secondary transition)
	Literacy rates of 15-24 year olds rises
	Gross enrolment rate/Participation in Early Child Education (ECE) over 2008-2012 increases
	Percentage of early childhood centres meeting minimum standards over 2008–2012 increases

Goal	Target/Indicator
	Percentage of students proceeding beyond year 11 over 2008–2012 increases
	Ratio of boys to girls at secondary school converges
Goal 4: Improved Health Outcomes	Infant mortality rate falls
	Under 5 mortality rates falls
	Proportion of 1 year olds immunized against measles increases
	Maternal mortality ratio decreases
	Immunisation rate of children in Samoa (rural areas) increases
	Percentage of births attended by skilled health personnel staff increases
	Prevalence of diabetes, hypertension and obesity declines
	Number of attempts and deaths associated with suicide declines
	Prevalence and death rates associated with HIV/AIDS are contained
	Prevalence rate of Sexually Transmitted Infections decreases
	Prevalence and death rates of Tuberculosis (TB) decrease
Goal 5: Community Development: Improved Economic and Social Wellbeing and Improved Village Governance	Index of subsistence production
	Number of land and titles disputes (family/village and aggregates) decreases
	Bottom quintile share of national household income
	Number of village councils/women committees that have participated in capacity building activities on good governance increases
	Number of households accessing micro credit program (WIBDI, SBEC, SPBD, etc) increases
	Number of villages in village-based development program increases
	Number of youth groups participating in Youth Awards Initiatives increases
	Number of serious crimes reported
	Number of serious crimes offenders convicted
	Number of serious crimes reported to be committed by youth offenders
	Number of convictions of youths for serious crimes

Goal	Target/Indicator
	Number of sex abuse cases against children falls (molestation, rape, sodomy and carnal knowledge)
Goal 6: Improved Governance	Score for Government Effectiveness in World Bank Governance Indicators increases
	PASP Secretariat evaluation report (indicators to be determined)
	Score for Rule of Law in World Bank Governance Indicators increases
Goal 7: Environmental Sustainability and Disaster Risk Reduction	Percentage of land area covered by forest increases
	Number of trees provided under the community forestry programme increases
	Number and area of protected areas rises
	Percentage of power from renewable sources
	Percentage of urban population with access to improved sanitation increases
	Percentage of population with access to treated water supply increases
	Percentage of Development Consents issued over total applications submitted

Appendix 1: SDS 2008–2012 Summary Strategy Matrix for Monitoring and Reporting

Priority Area 1: Economic Policies— Goal 1: Sustained Macroeconomic Stability

Strategic Area	Implementing Agency
Economic Management	
Maintain fiscal discipline.	MOF
Formulate and implement a debt management policy	MOF, CBS
Establish a medium-term fiscal framework	MOF
Maintain monetary and exchange rate policies consistent with modest inflation and external balance.	CBS
Reactivate the Macroeconomic Policy and Planning Committee.	MOF, CBS

Priority Area 1: Economic Policies— Goal 2: Private Sector Led Economic Growth and Employment Creation	
Strategic Area	Implementing Agency
Policy Development	
Investigate means of introducing a formal government-private sector consultative mechanism.	MCIL, MOF
Promote employment opportunities in overseas seasonal workers' programmes (formal and informal).	MPMC
Economic Infrastructure - Energy	
Promote efficient and effective coordination and management of the energy sector, as detailed in <i>Samoa National Energy Policy 2007</i> .	MOF, MNRE, EPC
Promote efficient, reliable, affordable and sustainable electricity services	RDIS, EPC, MNRE
Ensure access for all to reliable, affordable and safe petroleum products.	MOF
Economic Infrastructure – Water and Sanitation	MOF, MNRE, EPC, SWA, MWCS, MOH, MWTI, MAF
Strengthen sector governance, as detailed in <i>Water for Life: Sector Plan and Framework for Action</i> .	
Secure sustainable water resource management	
Increase access to safe and reliable water supplies	
Maximize the benefits of other water uses (power generation, irrigation, rainwater harvesting)	
Improve sanitation, drainage and wastewater disposal	
Develop and implement wastewater, sanitation and drainage systems for all new development areas.	

Priority Area 1: Economic Policies— Goal 2: Private Sector Led Economic Growth and Employment Creation	
Strategic Area	Implementing Agency
Economic Infrastructure- Telecommunications	
Strengthen the new regulatory framework	Office of the Regulator
Instigate a process for privatisation of SamoaTel and associated reform of postal services, ensuring new licensing arrangements make adequate provision for fulfilment of community service obligations.	MOF, SamoaTel, MCIT, Office of the Regulator
Improve domestic connectivity infrastructure through the use of internet.	MCIT
Improve international capacity through connections to the proposed regional submarine fibre cable networks.	MCIT, Office of the Regulator, MOF, AGO
Ensure the option of extending the fixed line network is considered in plans for improving telecommunications.	MCIT, Office of the Regulator
Economic Infrastructure- Transport	
Increase the efficiency, sustainability and cost-effectiveness of the transport sector by assessing the sector's legal and regulatory framework, formulating and implementing a comprehensive sector plan and strengthening coordination between relevant ministries and transport stakeholders in data collection and relevant projects.	MWTI
Establish a Land Transport Authority (LTA) to ensure coordinated planning and regulation of land transport.	MWTI, LTA
Rehabilitate the West Coast Road between Apia and Faleolo International Airport, construct the shorter inland road between Apia and Faleolo under phase two of IAMP, complete road and bridge widening and footpath and bus stop construction in Apia Town.	MWTI
Maintain an open skies policy, establish a meteorology office at Faleolo International Airport, assess the net benefits of maintaining Polynesian Airline's domestic services, examine competitive tendering of the baggage handling contract at Faleolo, and accurately cost the CSO met by Samoa Airport Authority's operation of Savai'i airports.	MWTI, MNRE, Polynesian Airlines, MOF, SAA

Priority Area 1: Economic Policies— Goal 2: Private Sector Led Economic Growth and Employment Creation	
Strategic Area	Implementing Agency
Ensure coordinated planning of port infrastructure development, .acquire a new ferry for domestic service, strengthen the sinking fund for vessel replacement, and act on taskforce recommendations regarding the restructuring and divestment of Samoa Shipping Services.	SPA, SSC, SSS, MOF
Promote the use of fuel efficient, environmentally friendly transport and the use of bio-fuel and public transport.	MWTI, MNRE, MOF
Business Legal and Regulatory Environment	
Improve the ease of doing business by:	
Finalizing the restricted list of activities open to foreign investors.	MFAT, MCIL
Streamlining the process for employment of expatriate workers.	MCIL
Increasing access to customary land in light of the deliberations of the Lease of Customary Land Task Force.	MNRE, MJCA, MOF
Enforcing the Land Titles Registration Bill.	MJCA, MNRE
Improving the management of land leases.	SLC, STEC, MNRE
Promulgating the Companies Amendment Act 2006 and accompanying regulations.	MCIL
Passing and implementing the Personal Property Securities Act and accompanying regulations.	MCIL, MJCA, MNRE
Examining amalgamation of the company, movable property and motor vehicle registries.	MCIL, MJCA, MOR, MNRE, MWTI, MOF

Priority Area 1: Economic Policies— Goal 2: Private Sector Led Economic Growth and Employment Creation	
Strategic Area	Implementing Agency
Reviewing outdated commercial legislation, particularly the Arbitration and Bankruptcy Acts, with a view to introduction of new legislation.	MCIL, MJCA
Encouraging small business development through the adoption of income tax self-assessment.	MOR
Financial Sector Development	
Promote small and medium enterprise development through the establishment and operation of the Samoa Private Sector Economy Contestable Fund.	MCIL
Continue small businesses access to microfinance, technical assistance and training.	DBS, SBEC, WIBDI, SPBD
Trade Policy	
Reduce/eliminate tariffs on specified business inputs in poultry farming, agricultural processing, fishing, handicrafts, paint manufacturing and garment manufacturing.	MCIL, MOF, MOR, MFAT
Prepare a bill for ratification of Samoa's Protocol of Accession to the World Trade Organisation.	MFAT
Apply preferential duty rates to PICTA members from 2008.	MFAT
Undertake a diagnostic trade integration study (DTIS) that will generate DTIS action matrices as the basis for proposals funded by the Integrated Framework trust fund.	MFAT, UNCTAD
In concert with African, Caribbean and Pacific Island (ACP) countries, finalise an Economic Partnership Agreement (EPA) with the European Union (EU).	MFAT
Implement a National Export Strategy to support export-promoting partnerships.	MFAT, MAF, MCIL, CBS

Priority Area 1: Economic Policies— Goal 2: Private Sector Led Economic Growth and Employment Creation	
Strategic Area	Implementing Agency
Development Potential	
Support research and development work on agro-processing and renewable energy.	RDIS
Provide timely market information, including quarantine requirements, to exporting businesses and farmers; and promote investment opportunities via the MCIL website.	MAF/MCIL
Develop food and non-food safety standards.	MOH/MCIL
Continue the baseline hydrological data collection program, maintain aviation meteorology services to international standards and continue the Samoa Meteorology Division's coastal geological survey	MNRE
Key Sectors: Tourism	
Continue to encourage investment in tourism through implementation of the Tourism and Hotel Development Incentive Act 2003 and Customs Amendment Act 2007.	MCIL, MOF, MOR
Review and update the tourism sector plan, 2007-2011, ensuring all stakeholders are involved and informed.	STA
Strengthen marketing through development of a product image; focused, coordinated promotion; extended market research and data dissemination; support for key events (Teuila Festival and pageants, food and bar service festival); and establishment of an annual Samoa Tourism Service Award and Marketing Award.	STA, STIA, SHA, airlines and wholesalers, industry members.
Support product development through improvement and development of attractions and activities; monitoring and encouraging upgrading of accommodation and provision of information on tourism services.	STA, SHA, MNRE, MCIL.
Identify potential vacant government land for tourism development and create an investment package.	STA, MCIL, MNRE, investors.

Priority Area 1: Economic Policies— Goal 2: Private Sector Led Economic Growth and Employment Creation	
Strategic Area	Implementing Agency
Support human resource development by strengthening all relevant industry training and tourism awareness programmes in villages.	STA, industry members, NUS and other training providers; MWCSD, Ministry of Police and Prisons. 2007-2011.
Key Sectors: Agriculture	
Eliminate tariffs on selected imported agricultural inputs (refer to Trade Policy above)	MOF, MCIL, MOR, MAF, MFAT
Formulate and implement an agriculture sector plan.	MAF
Promote an enabling environment for the establishment of a viable private sector abattoir;	MAF, MCIL
Promote an enabling environment for the Heat Treatment Forced Air facility to increase agricultural exports;	MAF, MCIL
Implement a replanting programme for coconuts, cocoa and traditional crops.	MAF
Provide public service support to agricultural development (research, extension, quarantine, regulation, marketing information and physical infrastructure).	MAF
Proceed with the privatisation of the Agriculture Store Corporation.	MOF, MAF
Key Sectors: Fisheries	
Extend the community-based fisheries management programme.	MAF

Priority Area 1: Economic Policies— Goal 2: Private Sector Led Economic Growth and Employment Creation	
Strategic Area	Implementing Agency
Update and implement the Tuna Management and Development Plan 2005-2009.	MAF
Continue to deliver public sector support services for fisheries development (research and extension, monitoring and regulation of vessels, monitoring of fish catches and sales, nursery for aquaculture and surveillance of the EEZ to control illegal fishing).	MAF
Support fisheries development by implementation of tariff reductions on business inputs (refer to Trade Policy above).	MOF, MCIL, MOR, MAF, MFAT
Promote development of export markets in the European Union and New Zealand.	MAF
Key Sectors: Commerce and Manufacturing	
Stimulate the development of Salelologa Township through the provision of concessional leases of land	MNRE
Promote the industrial zone at Faleiauniu (50 acres subdivided)	SLC, MCIL
Key Sectors: Sports Development (see also objective 7 of Education strategies)	
Implement the National Sports Policy – including promotion of hosting international sporting events, establishment of a high-performance Sports Academy, promotion of sports as a viable field of study and as a career, and increasing the number of qualified and trained sports personnel:	MESC, SSFA, SASNOC, NUS, SQA

Priority Area 2: Social Policies— Goal 3: Improved Education Outcomes	
Strategic Area	Implementing Agency
Implement strategies in the following policy areas, as detailed in <i>Ministry of Education, Sports and Culture: Strategic Policies and Plan July 2006–June 2015</i> and the full Strategy Matrix	MESC
1. Strengthen Policy, Planning and Research Services	
2. Improve Early Childhood Education	
3. Improve Primary Education	
4. Improve Secondary Education	
5. Improve Post-Secondary Education and Training (as in the Education Sector Plan – Phase 1 including the following strategies: <ul style="list-style-type: none"> a. up-skilled and refocused industry needs i.e. Australia Pacific Technical College (Tourism and Hospitality, Technology (Automotive, Welding, Mechanics, etc) and Community and Health Services) and continuous reviewing and collaboration among service providers and users of services; b. established a strategic approach for Post School Education and Training; c. established quality assurance policies and processes; d. improved relevance of qualifications to national needs; 	MESC, SQA, NUS
6. Strengthen Special Needs Education	
7. Promote Sports in Education	
8. Promote Culture in Education	
9. Further Develop and Implement Language Policies in Education	

Priority Area 2: Social Policies— Goal 3: Improved Education Outcomes	
Strategic Area	Implementing Agency
10. Improve Library Services	MESC, MCIT
11. Implement and Monitor the National Curriculum Policy Framework and the New Primary Curriculum	MESC, SQA
12. Ensure Availability of Quality Teaching and Learning Materials	
13. Review and Improve Assessment and School Qualifications Policies and Systems	
14. Improve Information and Communications Technology in Education	
15. Improve the Quality of Teaching Services	
16. Strengthen Asset Management and Maintenance	
17. Strengthen the Management of Education	MESC, SQA, NUS
18. Strengthen Financing of Education	

Priority Area 2: Social Policies— Goal 4: Improved Health Outcomes	
Strategic Area	Implementing Agency
Implement strategies in the following policy areas, as detailed in <i>Health Sector Plan 2008–2018</i> and the full Strategy Matrix	MOH and all partners
1. Strengthen health promotion and primordial prevention	
2: Improve access and strengthen quality health care delivery in Samoa	All health care institutions and agencies
3: Strengthen regulatory governance and leadership role of the Ministry of Health.	MOH, all sector partners
4: Strengthen health systems through processes between the Ministry and health sector partners	MOH, all sector partners
5: Improve health sector financial management and long term planning of health financing	MOH, all sector partners
6: Ensure greater development partner participation in the health sector	MOH, all sector partners

Priority Area 2: Social Policies— Goal 5: Community Development: Improved Economic and Social Wellbeing and Improved Village Governance	
Strategic Area	Implementing Agency
Promote Samoan culture, strengthen the family unit and address tensions between traditional authority structures and the court system through implementation of <i>fa'aleleiga</i> and legislation for community-based supervision.	MWCSD
Support improvements in land- and marine-based food security through the provision of planting materials, crop-focused extension services and extension of the village fisheries management plans.	MAF
Continue to support community development by providing budgetary support to the three main utility service providers for the fulfilment of Community Service Obligations.	MOF
Conduct awareness and training programs on traditional skills and knowledge.	MWCSD, NGOs, churches and community leaders
Continue the youth development or talavou programme.	MWCSD
Maintain public security in village communities through continued consultation between government, the Pulenu'u (village mayors) and women's representatives.	MWCSD, AGO, Ministry of Police and Prisons
Implement the <i>National Policy for Women of Samoa 2007-2017</i> and the <i>National Policy for Children 2007-2017</i> . Outlines the planned direction for the care, protection and development of children in line with the Convention on the Rights of the Child. Both of these policies will be implemented by MWCSD in collaboration with the ministries of Health, Justice and Courts Administration, and Education, Sports and Culture.	MWCSD, MOH, MJCA, MOESC

Priority Area 3: Public Sector Management and Environmental Sustainability— Goal 6: Improved Governance	
Strategic Area	Implementing Agency
Public Administration	
Undertake a full review of all sector systems and procedures (human resources, financial, data collection, and management and reporting on the PMS)	PSC, MOF, MPMC/2008
Evaluate the Public Service Realignment.	PSC/2008
Develop a sound framework for statistics and other data for sound governance in the public administration sector.	PSC, MOF, MPMC, SBS
Legislative reform programme (see also Law and Justice below) Enact and empower the Law Reform Commission. Update all outstanding legislation. Review the positioning of the legal drafting function and consider outsourcing it. Review internal systems and procedures and the legal interface between AGO and ministries.	AG, MJCA/2007/08 AG 2008–2011
Strengthening entrepreneurial governance and development reform programme Refer to Goal 2 private sector development strategies and SOE reform below.	MCIL, MOF
Maximising reciprocal capability with local government for improved service delivery reform programme Refer to Goal 5 community development strategies.	MWCSD
Improving policy development and coordination reform programme Improve ministry coordination to reduce waste on the basis of a review of the current structure and its resourcing. Develop policies on policy and reform coordination to Cabinet, compliance and reporting on the Performance Management System and privatisation and outsourcing.	PSC, MPMC, MOF
Strengthening good governance and accountability reform programme Investigate the possibility of implementing a Leadership Code of Conduct and the establishment of an enforcement body. Review the Ombudsman’s role and function.	MPMC, PSC, Audit Office, Ombudsman Office, Legislative Assembly Department and MOF/2008

Priority Area 3: Public Sector Management and Environmental Sustainability— Goal 6: Improved Governance	
Strategic Area	Implementing Agency
Review the capability of the Audit Office.	
Institutionalising administrative reform programme Establish a reliable human resource management information system.	PSC
Public Financial Management	
Continue the development of a medium-term fiscal framework, as provided for in the Public Financial Management Act 2001.	MOF
Implement the Institutional Strengthening Program for the Inland Revenue Division of the Ministry of Revenue.	MOR
State-Owned Enterprise Reform	
Continue to implement the privatization programme, ensuring that appropriate regulatory frameworks are in place to ensure maintenance of service quality and affordability.	MOF
Establish a Unit Trust as a means of encouraging local participation in privatized entities.	MOF
Fully enforce the Public Bodies (Performance and Accountability) Act, so as to strengthen corporate governance, accountability and performance of SOEs; and, in support of this enforcement, strengthen the SOE Monitoring Division of the Ministry of Finance.	MOF
Statistical Development	
Establish a Samoa Bureau of Statistics.	MOF

Priority Area 3: Public Sector Management and Environmental Sustainability— Goal 6: Improved Governance	
Strategic Area	Implementing Agency
Law and Justice	
Continue the institutional strengthening of the Ministry of Police and Prisons and MJCA.	MPP, MJCA
Strengthen the Land and Titles Court, with associated legislative amendment	AGO
Undertake a review of criminal law (Crimes Act 1961, Evidence Act 1961, Supreme Court Civil Procedure Rules 1980 etc.).	AGO, MJCA
Improve information and human resource management in the law and justice sector.	MJCA, AGO, PSC
Construct a new court house at Tiafau, Mulinuu.	MJCA
Conduct public awareness campaigns.	MJCA
Strengthen border security through increased organisational efficiency	MOR
Continue the institutional strengthening of the Ministry of Police and Prisons and MJCA.	MPP, MJCA
Strengthen the Land and Titles Court, with associated legislative amendment	AGO
Undertake a review of criminal law (Crimes Act 1961, Evidence Act 1961, Supreme Court Civil Procedure Rules 1980 etc.).	AGO, MJCA
Improve information and human resource management in the law and justice sector.	MJCA, AGO, PSC

Priority Area 3: Public Sector Management and Environmental Sustainability— Goal 6: Improved Governance	
Strategic Area	Implementing Agency
Construct a new court house at Tiafau, Mulinuu.	MJCA
Conduct public awareness campaigns.	MJCA
Strengthen border security through increased organisational efficiency	MOR

Priority Area 3: Public Sector Management and Environmental Sustainability— Goal 7: Environmental Sustainability and Disaster Risk Reduction	
Strategic Area	Implementing Agency
Integrate environmental costs and benefits into government decision-making procedures covering policies, projects and private investment proposals.	MNRE, all government agencies
Enforce compliance with the Planning and Urban Management Act 2004 and strengthen the capacity of the Planning and Urban Management Agency to undertake a greater level of community consultation and strategic planning of urban development.	MNRE
Continually assess the state of forest protected areas, conserve forest resources on Savai'i and improve national park management.	MNRE
Implement environmental education programmes and engage communities in remedial measures.	MNRE/MESC
Encourage agro-forestry through engaging village leaders and communities in the formulation and implementation of conservation and regeneration activities.	MNRE, MAF
Reduce and better manage solid waste, chemical pollution and wastewater (refer to strategies for improving wastewater management presented under Economic Infrastructure).	
Improve water management and supply (refer to strategies for improving wastewater management presented under Economic Infrastructure).	
Protect natural areas and ecosystems and areas outside conservation estates, and improve bio security, within the policy framework of the National Biodiversity Strategy and Action Plan and the National Invasive Species Strategy.	MNRE
Continue to support community-based conservation management.	MNRE
Reduce greenhouse gas emissions through renewable energy use, energy efficiencies, sustainable transport and public education and awareness programmes.	MNRE
Totally phase out use of ozone-depleting substances.	MNRE, MOR

Priority Area 3: Public Sector Management and Environmental Sustainability— Goal 7: Environmental Sustainability and Disaster Risk Reduction	
Strategic Area	Implementing Agency
Improve resilience to the adverse impacts of climate change through continuation of work on coastal management and adaptation programs for vulnerable villages and other coastal locations, and through such activities as promotion of energy efficient building design.	MNRE, MWTI
Reduce fossil fuel dependency through renewable energy investment and promotion.	MNRE, MOF
Strengthen disaster risk management through the Disaster Management Organisation and Disaster Advisory Committee, in accordance with the Disaster Management Act 2007.	MNRE, MPMC