



Australian Government
Department of Foreign Affairs and Trade

Aid Investment Plan

Samoa

2015-16 to 2018-19

Strategic priorities and rationale

This Aid Investment Plan (AIP) sets the strategic framework for the provision of Official Development Assistance (ODA) administered by the Department of Foreign Affairs and Trade (DFAT) with a focus on bilateral aid directly allocated to Samoa as well as regional initiatives that benefit Samoa. Other Australian Government agencies will provide strategic input to policy development and oversight programs in particular sectors in consultation with DFAT.

The purpose of this AIP is to inform discussions between the Government of Samoa and the Government of Australia to develop an Aid Partnership between Samoa and Australia. This AIP may be updated after signing of the Aid Partnership.

Australia implements an integrated set of foreign, trade and development policies to advance our interests in Samoa. It is in Australia's interest to support Samoa's development and strengthen its economic and environmental resilience. Australia has an enduring and friendly relationship with Samoa, and growing people-to-people and business links.

Samoa has the advantages of a stable parliamentary democracy, a capable public service and strong links in the region. It has achieved almost universal access to primary school education and seen improvements in many health indicators, particularly in maternal and child health. Samoa has legislated to increase the participation of women in Parliament to 10 per cent from the 2016 election. Australia will assist Samoa build on these strengths while tackling constraints to economic growth and poverty reduction.

Samoa will need development assistance to grow its economy. Samoa has a small population of around 190,000, a narrow resource base, and is geographically isolated. Economic growth has slowed to 1-2 per cent in recent years. Economic infrastructure needs improving and credit is relatively expensive. Samoa's external debt is over 50 per cent of GDP which poses a risk to Samoa's macro-economic stability. This affects Samoa's ability to respond to future economic shocks, including from natural disasters. Some of Samoa's state-owned enterprises have struggled to make a profit. It is difficult for Samoa to attract and retain the skills it needs. Only 50 per cent of pupils finish high school, with especially high dropout rates for boys. Literacy and numeracy standards need attention. Samoa is struggling to deal with the rising number of people with non-communicable diseases. Around 22 per cent of Samoans are in formal employment and an estimated one in five Samoans find it difficult to meet basic needs, with those in rural areas and people with disability at higher risk.

Strategic priorities

Australia has three strategic priorities in Samoa.

1. To **enable economic growth** by:

- improving the regulatory environment for business and international trade to encourage investment, innovation, tourism and private-sector led growth;
- improving Samoa's economic infrastructure, such as roads, bridges, and communication services;
- supporting Samoa to pursue reforms which stimulate economic growth, improve the performance of state-owned enterprises, increase revenue and build resilience to future economic shocks;
- increasing economic opportunities for women;
- promoting labour mobility through the Seasonal Worker Programme.

2. To **progress health and education outcomes** by:

- improving the quality of the education system with a focus on basic numeracy and literacy skills and ensuring it meets the needs of boys, girls and children with a disability;
- supporting more young people to complete secondary education and vocational training including through the Australia Pacific Technical College;
- providing targeted scholarships for Samoans to study in Australia and the region, including to address skills shortages in education and health;
- improving the quality of the health system including health information;
- reducing violence against women and girls.

3. To **strengthen governance** by:

- supporting improved local policing through the Samoa Australia Police Partnership;
- supporting the public sector to operate and deliver services more effectively and efficiently, improve their client focus, and to help create the environment for private sector-led economic growth;
- increasing the opportunities for women to engage in political participation and other leadership roles;
- supporting civil society and private sector initiatives to address Samoa’s development challenges;
- building a quality and accessible Parliament House to meet the 21st century needs of Samoa’s Parliament.

Across all our investments we will address issues of gender equality, inclusion of people with disability and climate change resilience. Australia will also continue to support Samoa to prepare for, and respond to, natural disasters.

Implementation approaches

As a significant economic partner and its largest bilateral donor, Australia will assist Samoa to achieve its vision of improved quality of life for all. Our approach is long-term and we will support new and innovative ideas. We will look for opportunities for Samoa to fully benefit from the Pacific Agreement on Closer Economic Relations (PACER) Plus, when finalised. We will closely align our investments with Samoa’s own plans, cooperate with other donors and work with multilateral development banks, civil society and the private sector where it makes sense to do so. We will continue to link funding to the achievement of results. We will improve synergies between Australian-supported bilateral and regional initiatives. We will consolidate our aid investments and increase our focus on investments that support economic growth. We will continue to channel the majority of our assistance through the Samoan Government which has consistently demonstrated the ability to manage and account for Australian aid funds effectively. This will be subject to periodic financial risk assessments.

Performance benchmarks

Australia proposes the following performance benchmarks be used to assess progress towards the strategic objectives of the Aid Investment Plan. Australia will report on progress against these benchmarks through annual Aid Program Performance Reports (APPRs). Future year performance benchmarks will be determined following the review and analysis of the APPRs.

Strategic objective	2015/16 benchmark
Enable economic growth – through improved economic infrastructure	Transport link to Apia’s industrial area widened to accommodate increased traffic (2kms).
Progress health and education outcomes	At least 52 per cent of graduates from Samoa’s post-secondary education and training institutions find employment within six months of completion.
	A Mobility Device Service providing services (appropriate wheelchairs, walking aids and Prosthetics & Orthotics) for 600 women, men, girls and boys.
Strengthen governance	Construction of a new Parliament House on track to be completed by the end of 2016.

Mutual obligations

Australia and Samoa will agree on a set of mutual obligations for the aid program. Subject to agreement Samoa’s government will maintain or increase expenditure in education, health and infrastructure maintenance, continue to improve public financial management and work in partnership with the private sector and civil society.

Australia will deliver effective and predictable development assistance in line with the Government of Samoa’s Strategy for the Development of Samoa and Development Cooperation Policy. Australia commits to delivering the majority of our assistance through the Samoan Government, as this helps to strengthen planning and financial systems.

Australia and Samoa jointly commit to improving Samoa’s procurement and financial systems to ensure that aid funds are disbursed effectively, efficiently, economically and ethically providing the greatest possible value for money and improving the lives of the Samoan population, including those in greatest need. This includes meeting obligations set out in funding arrangements and in the joint statement on fraud and improving financial management.

Monitoring, review and evaluation

DFAT will develop a performance assessment framework to report bilateral assistance over the next four years. Results will be drawn primarily from the Government of Samoa’s monitoring and evaluation systems, noting that Samoan Government agencies are responsible for measuring results for most of Australia’s aid program. DFAT will continue to provide technical support to the Government of Samoa and other partners (such as non-government organisations) to improve the monitoring and evaluation of programs they deliver on our behalf.