

Samoa – Australia Partnership for Development report 2010–11

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Introduction

The Samoa – Australia Partnership for Development (the partnership) was signed by the Prime Ministers of Samoa and Australia in August 2008. The partnership sets out the shared vision of the two countries to work together to meet common challenges and raise the standard of living for the Samoan people. It aims to advance progress by 2015 to Samoa's development vision of 'improved quality of life for all', as expressed in the *Strategy for the Development of Samoa 2008–12*. Founded on the principles of mutual respect and mutual responsibility, the partnership commits Australia to increase its assistance and deliver a jointly-agreed program to achieve Samoa's national development priorities. At its start, the partnership adopted five priority outcomes: Private sector growth and employment; Improved health; Improved education; Improved governance (law and justice and public sector); and Climate change.

This report reviews the progress made by the partnership and its priority outcomes during 2010–11.

Context

The economy

In recent years Samoa has experienced multiple economic shocks: the global financial crisis, food and fuel crises and the September 2009 tsunami. The economy contracted by 5.1 per cent in 2008–09 and a further 0.2 per cent in 2009–10. In response to the global financial crisis, the Government of Samoa, in 2008–09, delivered a major fiscal stimulus package targeting infrastructure investment to boost economic activity and create employment. The tsunami—the worst natural disaster to have struck Samoa since Independence in 1962—placed further strain on the economy. Responding quickly, the government implemented a recovery program to restore essential services and protect the livelihoods of those worst affected.

Samoa continued its steady recovery from these shocks. During 2010–11 the economy is expected to return to growth, estimated at between 2.5 to 3 per cent.¹ Economic growth has been driven by improvements in the transport, communication, tourism and manufacturing sectors, as well as the recovery of remittance flows. However, the agricultural sector, upon which most of Samoa's most vulnerable rely, remains depressed.

Development Cooperation Policy

The Government of Samoa has a clear vision for Samoa's national development. In December 2010 the government published its development cooperation policy—*Partners in Development: promoting aid effectiveness*. Consistent with the Samoa – Australia Partnership, the policy reaffirms the central role of the government in setting its national development priorities. The policy commits the government to work with development partners to maximise the impact of aid by improving how aid funds are coordinated and managed. The policy proposes strengthening of government systems and procedures with the expectation that development partners will increasingly provide funds through government systems and ultimately by direct budget support. Australia is committed to policy dialogue.

Development partners

¹ International Monetary Fund, Concluding Statement, Samoa—IMF Staff Visit, April 5–11 2011.

Official Development Assistance to Samoa has grown strongly over the past five years, and total grant and loan disbursements are expected to be more than SAT273 million (AU\$114 million) in 2010–11.² Notwithstanding one-off funding received in response to the tsunami, the increase is mainly due to loan funding from China, the World Bank and Asian Development Bank (ADB).







Australia is the largest development partner to Samoa, allocating AU\$39.8 million in Official Development Assistance in 2010–11.

Progress




Now in its third year, the partnership has transformed how Australia and Samoa work together to plan, deliver and monitor the aid program. The relationship is marked by confidence, trust and mutual respect. Its success is supported by the Government of Samoa's commitment to development and reform and Australia's strong application of the Paris Declaration and Cairns Compact principles. The Government of Samoa leads the process for determining priorities for Australia's assistance, and Australia now directs the majority of its bilateral assistance through Government of Samoa systems. Due in large part to the effective relationship built under the partnership, the Government of Samoa recently described Australia as its most influential development partner.³

In 2010–11 the partnership made good progress towards meeting many of its priority outcomes. Table 2 rates overall progress. The partnership's performance in public sector reform and law and justice has been very good. The private sector also made good progress. While health and climate change have made progress, they are not currently on track to fully achieve their priority outcomes within the timeframe of the partnership. Management actions to address issues in these sectors are outlined under the relevant outcome areas.

Table 2: Ratings of progress in 2010–11


Partnership Priority Outcome	Rating	Relative to previous rating
Private sector growth and employment		Unchanged
Improved health		Declined
Improved education		Unchanged
Improved governance – law and justice		Unchanged
Improved governance –public sector		Improved
Climate change		Declined

Note:

-  The outcome will be fully achieved within the timeframe of the partnership.
-  The outcome will be partly achieved within the timeframe of the partnership.
-  The outcome is unlikely to be achieved within the timeframe of the partnership.

Partnership Priority Outcome 1: Private sector growth and employment

Rating and assessment

-  The outcome will be fully achieved within the timeframe of the partnership.

² Government of Samoa Budget Estimates.

³ Government of Samoa, Evaluation of the Paris Declaration on Aid Effectiveness and the Accra Agenda, Samoa Country Report, December 2010.

Table 3: Priority Outcome 1 targets and expenditure 2010–11

Joint commitments: The partnership will provide support for analysis and sector planning with an emphasis on: private sector development with a focus on the agriculture and fisheries sector; promotion of regional economic integration and trade liberalisation; improved economic infrastructure and lower cost of doing business; and, labour market assistance.

Partnership target results:

- Positive and sustained real gross domestic product (GDP) growth, including an increasing contribution by the agricultural sector to national income, contributing to the *Strategy for the Development of Samoa* goal of Private Sector Led Growth.
- Improved service and lower costs of utility services, assessed through a locally developed framework of measures, comparable to the World Bank's Cost of Doing Business and Regulatory Quality indicators.

Expenditure in 2010–11:	Australia	AU\$2.6 million
	Samoa	SAT43.1 million (projected)

Note: Samoa expenditure includes projected budget spending for agriculture, energy, trade, communications and tourism.

Source: Data for this and all other expenditure tables are taken from Australian Agency for International Development (AusAID) financial systems and Government of Samoa budget estimates.

Samoa's private sector experienced mixed progress in 2010. Samoa ranked 61st in the World Bank's 2011 Doing Business report, an improvement from 67th in 2010. While the country recovered from previous GDP contractions, the agriculture sectors' contribution to GDP declined by 0.7 per cent overall in 2009–10.⁴

In 2010 the Power Sector Expansion Project, funded jointly with the ADB, progressed steadily towards meeting its objective of providing reliable and affordable electricity services to all consumers. For example, 61 per cent of the Electric Power Corporation's customers are now using pre-paid meters, on track for the target of 75 per cent by December 2012. Debt collection has also improved. With more stable and predictable finances the Electric Power Corporation now has the foundation on which to build effective long-term operational planning.

In December 2010 the Samoan Parliament passed the Electricity Act. The Act creates an independent regulator to oversee the electric sector, while promoting competition and use of new technologies by service providers.

The Australian-funded Agriculture Sector Plan was finalised and adopted during the year. The plan will be critical in guiding government, private sector, civil society and development partner involvement in the sector.

During 2010–11 other development partners announced significant commitments to Samoa's private sector. In January 2011 the World Bank confirmed it will provide US\$8 million for agriculture over five years. In its Joint Commitment for Development the New Zealand Aid Programme (NZAP) indicated it will sharpen its focus on the private sector, particularly in tourism. In light of these commitments Australia and Samoa agreed that from 2011–12 the partnership will not include private sector growth as a priority outcome. Partnership targets and implementation schedule for this outcome will be reviewed in 2011–12 to reflect this change. Regional assistance will continue (Box 1: Access to regional trade), while existing programs will be completed as planned.

Box 1: Access to regional trade

⁴ Government of Samoa Ministry of Finance, *Quarterly Economic Review*, Issue No. 50, February 2011.

Australia assists Samoa to increase its access to trade through regional trade programs such as the new Pacific Horticultural and Agricultural Market Access program (PHAMA). PHAMA will help Samoa maintain and improve market access and seek access to new markets for existing and new primary produce exports. The program will provide practical and targeted assistance to resolve technical or regulatory market access issues.

PHAMA will focus on high-value agricultural and horticultural produce, fresh and processed. It has the potential to assist with market access for fish and forest products. PHAMA's first strategic plan prioritised the investigation of quarantine and non-quarantine issues related to the export of taro to Australia and New Zealand. While Australia and New Zealand will be major markets of interest, PHAMA can also address market access issues to promote increased trade between Pacific islands.



Taro and other agricultural produce for sale in Apia.

Partnership Priority Outcome 2: Improved health

Rating and assessment



The outcome is unlikely to be achieved within the timeframe of the partnership.

Table 4: Priority Outcome 2 targets and expenditure 2010–11

Joint commitments: The partnership will complement continuing Australian assistance through Samoa's Health Sector Program for health promotion, quality of health care services and health policy, with new support addressing: non-communicable diseases; workforce development in the health sector; and, improved governance.

Partnership target results:

- Reduced prevalence of non-communicable disease in Samoa by 2015
- Increased staff numbers in all health disciplines

Expenditure in 2010–11:		
	Australia	AU\$1.0 million
	Samoa	SAT64.9 million (projected)

Note: Samoa expenditure is projected budget spending for health. Overall, progress in health has been slow. Available data shows no decrease in rates of non-communicable diseases such as diabetes and hypertension. Programs outlined in the partnership to improve health staff numbers have yet to commence.

A key achievement for the partnership in 2010–11 was the nation-wide program of village health fairs. These fairs, conducted by the Ministry of Health and the National Health Service, provided health screening, childhood vaccinations and healthy lifestyle promotion to more than 10 000 people in 52 villages. They focused on young mothers and elderly people and

collected valuable baseline health data that will be used to plan better health services, especially for rural areas.

The multi-partner Health Sector Wide Approach (SWAp) has had some success, notably its publication of the first ever Samoa-wide demographic and health survey. The survey focused on household composition, education, maternal, child and reproductive health. Survey results have given the Government of Samoa a rich source of demographic data with which to make informed health policy decisions. Already the survey has influenced policy thinking.

The SWAp is lagging on achieving overall objectives, in part because of its complexity. In April 2011 a review team recommended specific measures to make the SWAp more efficient and responsive to health-sector demands. AusAID will work closely with health sector counterparts and other partners to improve the program.

Partnership Priority Outcome 3: Improved education

Rating and assessment

 The outcome will be fully achieved within the timeframe of the partnership.

Table 5: Priority Outcome 3 targets and expenditure 2010–11

Joint commitments: The partnership will build on current assistance for Samoa’s Education Sector Program and support Samoa’s ambition to move beyond Millennium Development Goals (MDG) targets to address better quality and more equitable education for boys and girls, with new support addressing: reduced rates of children dropping out of school; and, teacher retention.

Partnership target results:

- Increasing primary net enrolment ratio over 2008–12.
 - Increasing proportion of pupils commencing Year 1 and reaching Year 8.
 - Reduced dropout rate between years 8 and 9 (primary-secondary transition).
 - Reduced teacher turnover.
-

Expenditure in 2010-11:	Australia	AU\$7.5 million
	Samoa	SAT85.4 million (projected)

Note: Samoa expenditure is projected budget spending for education.

Education is a high priority for Samoa and the country is on track to meet education MDG targets.⁵ Progress has also been made towards partnership targets—for example, net primary school enrolment rose to 97 per cent in 2010 from 92 per cent in 2008. On average girls are performing better at school than boys (Box 2: Achieving equality in boys’ education). Some of the data required to make a complete assessment of targets is not available and work is underway to collect it.

Leading the partnership in education is the Education Sector Program II (ESP II), funded jointly by Samoa, AusAID, NZAP and the ADB. In 2010–11 ESP II implemented a new National Teacher Development Framework that is expected to lift the standard of teaching and education across the country. Work to improve the quality of education on the ground was supported by a review and refinement of school curriculum materials. Another major achievement was the completion of a school financing report for all schools in Samoa. The report, the first of its kind in the Pacific, gives policy makers the school-level information—

⁵ Pacific Islands Forum Secretariat, 2010 Pacific Regional MDG Tracking Report, July 2010

such as resources per student and resources to results correlation, disaggregated by region, education level and school type—they need to make effective decisions.

In 2010–11 ESP II funded the construction of four schools. Another highly visible achievement was the completion and opening of the new Ministry of Education, Sports and Culture headquarters. The building's environmental sensitivity and culturally-appropriate design are important symbols of Samoa's ownership and the partnership's mutual commitment to the country's education future.

Box 2: Achieving equality in boys' education

The relative underachievement of boys at school is of increasing concern in Samoa. 2009 data shows 56 per cent of primary school boys' numeracy levels are classified as being 'at risk', compared to 39 per cent of girls. In English, the rate was 71 per cent of boys at risk, compared to 41 per cent of girls. In 2010, only 40 per cent of students who reached the final year of secondary school were male—down from 47 per cent in 2001.⁶

Given the connection between youth unemployment and social instability this issue will need to be addressed.⁷ Alternative educational opportunities, such as technical and vocational education and training, will be an important alternative for students struggling in the formal education system.⁸

The School Fee Grant Scheme has enabled 162 schools with 38 600 students to meet minimum education service standards. These grants have allowed school fees to be phased out at all government-funded primary schools in Samoa. The program helped 122 students to attend school for the first time in 2010—some as old as 13 on their first day at school. This has been a great achievement for Samoa and a significant step towards MDG 2 and the country achieving its goal of 100 per cent school enrolment.

The Samoa Inclusive Education Demonstration program has made it easier for students with disability to gain an education. More than 160 students with disability have received support, including through early intervention and tailored learning materials. Teachers have also been trained in sign language and other specialised skills.

Australian scholarships continue to support Samoans' professional development, while building personal, institutional and national links between Samoa, Australia and the region (Box 3: Scholarships).

Box 3: Scholarships

⁶ Government of Samoa Ministry of Education, Sport and Culture, *Education Statistical Digest 2010*, July 2010.

⁷ While data of completion rates in Samoa is not currently gender disaggregated, 14 per cent of boys in Samoan communities in New Zealand complete high school with no formal attainment, compared to 10 per cent of girls. This indicates that under-achievement of boys may have a cultural basis and is not necessarily directly related to the quality of schooling. See: Fairbairn-Dunlop, T.P., 'He's Won, But He's Lost It: Applying a Samoa gender lens to education outcomes' in *AlterNative*, Vol.6, Issue No.2, pp.143-154, 2010

⁸ Duncan, R., 'Cultural and Economic Tensions in Pacific Islands' Futures', *International Journal of Social Economics*, 35:12, 2008.

Australian funded scholarships respond to skills shortages in areas identified by the Government of Samoa—in medicine, engineering, commerce, telecommunications and disability-inclusive education. The scholarships are highly valued, with more than 500 applications received for scholarships in 2010. Thirteen students graduated from Australian and regional institutions at the end of 2010, while 34 new students will start in 2011. A total of 102 students are currently undertaking studies.



Australian Leadership Award scholars: Meapelo Efi Siaana Mai'ai, Kovi Aiolupotea and Ainsof Soo.

Partnership Priority Outcome 4a: Improved governance—law and justice

Rating and assessment

■ The outcome will be fully achieved within the timeframe of the partnership.

Table 6: Priority Outcome 4a targets and expenditure 2010–11

Joint commitments: Noting Samoa's strong economic and governance performance, the partnership will build on current Australian support for strengthening of the public sector, with new support emphasising an integrated approach to policing and law and justice sector reform.

Partnership target results:

- Improved Rule of Law Score in the World Bank's Governance Indicators.

Expenditure in 2010–11:	Australia	AU\$1.0 million
	Samoa	SAT29.5 million (projected)

Note: Samoa expenditure includes projected budget spending for justice and courts administration, police and prisons. Australian expenditure does not include Australian Federal Police expenditure.

Samoa remains a peaceful and stable democracy. The country is currently ranked in the 68th percentile in the Rule of Law indicator of the World Bank's Worldwide Governance Indicators, down from the 75th percentile in 2008. Improving the score is a long-term objective requiring sustained commitment across the sector.

In 2010–11 Australia's funding of the Law and Justice Sector Steering Committee enabled it to implement a law and justice sector plan. The committee, which was established with Australian support, has a wide ranging, active membership from Government, civil society and the community. It is the first time in Samoa that priorities have been coordinated at sectoral level. Achievements in 2010–11 include: starting to digitally scan more than 20 million pages of Land and Titles Court files; establishing the *Fau Tasi* Taskforce to further integrate customary and community-based justice with the formal justice system; and establishing a Criminal Deportees Taskforce—a charitable trust to rehabilitate and reintegrate deportees from the United States and Australia who lack family structures to help them return to Samoa. The Samoa – Australia Police Partnership program continued to work towards its objective of improving the capacity and professionalism of the Samoan Police and Prison Service. The

program provides training, policy development support and mentoring of the Samoan Police and Prison Service by Australian Federal Police advisers.

Partnership Priority Outcome 4b: Improved governance—public sector

Rating and assessment

 The outcome will be fully achieved within the timeframe of the partnership.

Table 7: Priority Outcome 4b targets and expenditure 2010–11

Joint commitments: Noting Samoa’s strong economic and governance performance, the partnership will build on current Australian support for strengthening of the public sector, with new support emphasising: improved public finance management; strengthened statistics and data on development and governance indicators; and, public sector capacity development.

Partnership target results:

- Improved Government Effectiveness Score in the World Bank’s Worldwide Governance Indicators.
- Improved Public Administration Sector Plan Secretariat Evaluation Report (indicators to be determined).

Expenditure in 2010–11:	Australia	AU\$4.6 million
	Samoa	SAT69.6 million (projected)

Note: Samoa expenditure includes projected budget spending for the Ministry of Finance, Ministry of Prime Minister, and for human resources development.

Samoa is currently ranked in the 56th percentile in Government Effectiveness in the World Bank’s Worldwide Governance Indicators, a small change from the 58th percentile in 2008.

This partnership priority outcome is guided by the Samoan Government’s Public Financial Management Reform Plan (PFMRP), the central document behind Samoa’s public financial management reform. The PFMRP sets out an ambitious reform agenda in areas such as the legislative framework, national budgeting, planning and procurement. In 2010 the PFMRP progressed towards its targets. Achievements included publishing the Samoan Development Cooperation Policy and introducing a framework linking the 2010–11 budget, sector plans and the Samoa Development Strategy.⁹

Samoa, Australia, the ADB, the World Bank and NZAP agreed to a joint development partner Policy Action Matrix. Under the matrix, the release of general budget support funds is triggered when targets—taken from the PFMRP—are achieved. Samoa made substantial progress towards meeting its 2010–11 targets, prompting Australia to release AU\$2 million. Complementing the PFMRP and Policy Action Matrix, the Public Sector Improvement Facility, co-supported by NZAP, continues to fund public service reform activities in Samoan government agencies. Since 2005 the facility has funded 24 projects, with another seven active, including working in key agencies such as the Inland Revenue and Audit Office.

Australia is also developing the leadership skills of young Samoans to contribute to national development (Box 4: Leadership Samoa—the Pacific Leadership Program).

Good statistics are essential for high-quality decision making. The partnership supported the demographic health survey (Priority Outcome 2), which delivered important new understanding of health issues. The partnership is also providing funds for the 2011 national census, for which work is now underway.

⁹ Government of Samoa, PFMRP, Annual Progress Report: November 2009–December 2010.

Box 4: Leadership Samoa—the Pacific Leadership Program

Local leadership is central to solving local problems. Through the Pacific Leadership Program, Australia and Samoa have established Leadership Samoa, a partnership to mentor and develop the skills of young Samoan leaders. Leadership Samoa aims to empower emerging leaders to pursue Samoa's political, environmental, economic and social goals. The inaugural intake brings together 17 future leaders from across Samoan society. The program seeks to build strong networks among leaders and encourage coalitions of leaders who will work together for the community, the public and national good.

Partnership Priority Outcome 5: Climate change

Rating and assessment


 The outcome will be partly achieved within the timeframe of the partnership.

Table 8: Priority Outcome 5 targets and expenditure 2010–11

Joint commitments: As a new area for Australian development assistance, the initial focus for this partnership priority will be on working closely with other development partners to ensure a coordinated approach to analysis, scoping and design of measures which meet Samoa's interests to: monitor the impacts of climate change; develop adaptation measures for vulnerable communities; and, develop viable options for clean and renewable energy.

Expenditure in 2010–11:	Australia	AU\$0.76 million
	Samoa	SAT25.1 million (projected)

Note: Samoa expenditure is projected budget spending for Natural Resources and Environment.

Progress in climate change was limited by the capacity of the Ministry of Natural Resources and Environment to coordinate the increasing amount of funds available and development partners involved in the sector. Currently there are 10 development partner agencies¹⁰ working in the sector and development partner funding has grown by more than 450 per cent in the last decade, from SAT5.4 million in 2000 to SAT25.1 million in 2010.¹¹ The Ministry has formulated several national policies to manage the assistance, but the rapid pace of the growth continues to create high administrative burden.

This priority outcome commits the partnership to bolster sector coordination. In 2010 Australia committed to support the international Pilot Program for Climate Resilience (PPCR). This major global program, managed by the World Bank and ADB, helps incorporate resilience to climate change into government planning and budgeting. Beginning its work in Samoa in 2010 the PPCR, together with Samoa, is preparing a strategic program framework to manage climate risks. Alongside the PPCR, Australia supports priority projects within Samoa's National Adaptation Program of Action, and selected climate change mitigation projects such as a feasibility study for a biomass gasification power plant and design work for an agro-forestry and tree farming project.

Looking ahead to 2011–12

¹⁰ Climate change development partners include Australia, Japan, ADB, WB, Global Environment Facility, Food and Agriculture Organisation, United Nations Development Programme, South Pacific Regional Environment Program, United Nations Environment Programme and Italy

¹¹ Government of Samoa, Evaluation of the Paris Declaration on Aid Effectiveness and the Accra Agenda, Samoa Country Report, December 2010.

Overall, in 2010–11 the partnership made good progress towards achieving most priority outcome targets. Development cooperation between Samoa and Australia continued to mature. The partnership is robust and reflects the principles of mutual respect and mutual responsibility. Samoa leads the setting of national development priorities and Australia's development program now truly reflects those priorities.

In accordance with Samoa's Development Cooperation Policy, the partnership will continue to focus on achieving high standards of aid effectiveness. For Samoa this means working to further strengthen internal systems and processes to better coordinate and manage development funds. For Australia and other development partners, this means improving the efficiency of aid funding. Continued attention must be given to providing funds in accordance with predictable, long-term funding plans, while minimising administrative burden on Samoa. Australia will continue to provide more funds through Government of Samoa systems, including possibly through budget support.

Increased use of government systems requires greater Australian involvement in policy dialogue. Through the partnership, Australia will become more active in discussions about policy development, policy coordination and policy-led budgeting. This will include close engagement with Samoa in its development of clear, costed sector plans with clearly-defined results, appropriate medium-term expenditure frameworks and systematic reporting mechanisms.