

**JOINT SAMOA PROGRAM STRATEGY
2006 – 2010**

Government of Samoa

Government of Australia

Government of New Zealand

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ACRONYMS

AFP	Australian Federal Police (AFP)
ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
AusAID	Australian Agency for International Development
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
DFAT	Department of Foreign Affairs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
GoA	Government of Australia
GoNZ	Government of New Zealand
GoS	Government of Samoa
HLDs	High Level Discussions
HIES	Household Income and Expenditure Surveys
IMF	International Monetary Fund
ISP	Institutional Strengthening Project
JSPS	Joint Samoa Program Strategy
MDG	Millennium Development Goals
NGO	Non Government Organisation
NZAID	New Zealand Agency for International Development
ODA	Official Development Assistance
PFMA	Public Finance Management Act 2001
PICs	Pacific Island Countries (PICs)
SUNGO	Samoa Umbrella Non Government Organisation
SOEs	State Owned Enterprises
UN	United Nations
VAGST	Value Added Goods and Services Tax
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Joint Samoa Program Strategy (JSPS) has been prepared by the Governments of Samoa, Australia and New Zealand to support Samoa's development efforts in line with the Strategy for the Development of Samoa (SDS) 2005-2007. The JSPS provides the guiding framework for development and delivery of Australian and New Zealand aid to Samoa. The JSPS seeks to enhance aid effectiveness by strengthening partnerships between the three governments and maximising the benefits of aid harmonisation.

Samoa has achieved significant development progress over the past decade with solid economic growth, low inflation and human development indicators amongst the highest in the region. Recent results are more varied with some reduction in growth and a rise in inflation. Economic growth prospects remain favorable relative to other Pacific Island Countries (PICs) assisted by the commitment of the Government of Samoa (GoS) to macroeconomic stability and reform. Key challenges include building up the narrow export base (mainly fish, automotive parts and tourism), providing income generation and employment opportunities and reducing vulnerability to external economic shocks and natural disasters.

In line with the SDS (2005-07), the proposed goal for the JSPS is:

To enhance people's choices through improved social and economic development.

In support of the goal and the SDS (2005-07), the JSPS proposes two key strategic objectives and seven objectives against which Australian and New Zealand aid will be programmed:

Strategic Objective 1:	Improve opportunities for employment and investment
Objective 1.1	Facilitate community level income and small business opportunities
Objective 1.2	Improve the enabling environment for private sector growth
Strategic Objective 2:	Enhance the wellbeing of all Samoans through improved service delivery and community development
Objective 2.1	Improve public sector service delivery
Objective 2.2	Strengthen social cohesion and civil society
Objective 2.3	Improve access to quality basic and post-basic education
Objective 2.4	Improve health focussing on primary and preventative health
Objective 2.5	Strengthen law and justice to support a safer Samoa

Strategies to achieve these objectives will include:

- Taking a coordinated and complementary approach to supporting Samoa's national development and sector-based planning priorities.
- Harmonising aid strategies, management and activities with Samoa's development plans and management systems to enhance aid impact and accountability and to strengthen Samoa's ownership and management.
- Utilising flexible and responsive aid delivery systems.
- Strengthening partnerships and policy coherence between partners and other donors.
- Facilitating linkages with regional approaches and activities.

Australia and New Zealand will support and take a lead role in particular sectors (in respect of one another) based on their demonstrated understanding and achievements and areas of comparative advantage.

Australia will take a lead donor role in the sectors of:

- public sector reform

- law and justice
- rural development (with a focus on income generation activities)

New Zealand will take a lead donor role in respect of:

- private sector and tourism
- civil society and community development
- health

Australia and New Zealand will work jointly with the ADB and other donors to support Samoa's education sector.

1. BACKGROUND

At the February 2004 Tripartite High Level Aid Discussions (HLDs) between the Government of Samoa (GoS), Government of Australia (GoA) and Government of New Zealand (GoNZ) the three partner governments agreed to develop a Joint Samoa Program Strategy (JSPS) to guide Australian and New Zealand development assistance to Samoa. This decision was based on:

- Samoa's strong commitment to aid coordination and harmonisation.
- An understanding that harmonisation of aid strategies, management and activities could enhance development impact and accountability and strengthen Samoa's ownership and management of development cooperation.
- Similarities in the strategic directions of the Australian and New Zealand aid programs.

A set of harmonisation principles (refer section 5.1) agreed early in the JSPS process have strongly influenced its development. The JSPS is also guided by a range of analyses and policy frameworks including:

- The SDS 2005-07
- The Review of the SDS 2002-04
- GoS sector plans
- An analysis of the development situation in Samoa (Situation Analysis with Links to Poverty, 2005) and the relevance and ability of the SDS 2005-2007 to address poverty in each sector.
- The programs and strategic directions of other donors
- Australian policy frameworks including the Pacific Regional Strategy 2004-09 and the White Paper (2006)
- New Zealand policy frameworks including, Towards a Just and Safe World Free of Poverty, the draft Pacific Strategy and policies completed on human rights, education and health.
- Paris Declaration on Aid Effectiveness (2005)
- The Pacific Plan (2005)
- Pacific 2020
- Lessons learned through Australian aid

Therefore, this document reflects as a baseline the situation in 2005, in alignment with the SDS 2005-07.

2. SAMOA'S DEVELOPMENT CHALLENGES

2.1 Economic Development

Samoa has a small open economy driven mainly by agriculture, fisheries, construction, tourism, small-scale manufacturing and remittances. Major constraints to economic development include a narrow natural resource base, limited infrastructure particularly in rural areas, small domestic markets, isolation from international markets and heavy dependence on fuel imports. Samoa's macroeconomic performance is also highly vulnerable to economic shocks and natural disasters. Cyclones in 1990, 1991 and 2004, caused immense damage and severe economic setbacks.

Since the mid 1990s, Samoa has achieved good economic growth and low inflation relative to PICs. GDP per capita has doubled during this time, increasing to around US \$1,700 in 2005. Key reforms undertaken through this period include privatisation of government services and state owned enterprises, tax, tariff and trade reforms, adoption of Value Added Goods and Services Tax (VAGST), liberalisation of the financial sector and foreign investment environment, realignment and institutional strengthening of government agencies and introduction of a strategic planning and budgeting framework. The stable political situation and GoS commitment to economic management, governance and reform are key factors contributing to Samoa's success. Overall

growth of fishing and tourism industries and a steady rise in remittances has also boosted the economy.

During 2002 to 2004 Samoa experienced a slowing of real GDP growth and increase in inflation resulting from a slump in the fishing industry, drought, the impact of Cyclone Heta (2004) and a decline in exports and foreign direct investment. Recent indicators show the Samoan economy rebounding boosted by increased commercial activity, a boom in the construction sector and a turnaround in the agriculture and fisheries sector. Real GDP growth in 2005 of 5.1 per cent represented the highest GDP expansion in the last five years. The GoS is seeking to deepen reforms and stimulate private sector development to sustain higher growth and reduce vulnerability to economic and environmental shocks. The GoS has recently announced tax and tariff reforms to realise greater efficiencies in the tax revenue system and further liberalise the trade regime. Samoa faces a series of changes to its trading environment over coming years via its current WTO accession process including bilateral negotiations with both Australia and New Zealand, as well as the Economic Partnership Agreement, and the Pacific Island Country Trade Agreement (PICTA) and the Pacific Agreement on Closer Economic Relations (PACER).

Samoa remains heavily dependent on overseas development assistance, which in 2004 was approximately US \$30.8m. Official government debt stood at US \$157 million equivalent to approximately 35 per cent of GDP. Multilateral and bilateral loans accounted for 92 per cent of this debt. Samoa is also reliant on remittances, which in 2004 accounted for approximately 24 per cent of GDP and constituted a critical component of the balance of payment flows. Remittances have risen steadily in recent years (up 8% in 2005 to US \$248m) and constitute a key source of private income to Samoan households with family abroad. The continued growth in remittances is having a positive impact on the economy and is considered largely responsible for strong performance by the commerce sector. The subsistence and informal sector continue to form a large part of economic activity which due to limited government welfare services provides an important safety net for those who cannot find work in the formal sector.

2.2 Social Development

Samoa's social development indicators are high relative to other PICs, including with respect to health and education standards. Samoa is ranked 74th of 177 countries (2005) in terms of its human development indicators. Life expectancy at birth is estimated to be 72.7 years. Infant mortality continues to decline at 13 per 1,000 live births (2004). An estimated 66 per cent of the population will have access to improved (treated) water supplies by the end of 2006.

Samoa's population is estimated at 183,746 (2004) with an annual average growth rate of around 0.9 per cent. Significant migration to New Zealand, Australia and the United States has resulted in more than 100,000 Samoans living overseas. Approximately half the population live rurally and at least two thirds are engaged in predominantly subsistence agriculture. Most Samoans live in or are affiliated with villages that are governed by local councils of chiefs composed of titled representatives (*matai*) of families and extended families. Samoan villages are a part of the wider network of villages and districts that make up the *Fa'amatai* social, cultural and communal land tenure system.

Samoa has a young demographic profile with 41 per cent of the population under the age of 15 (GoS 2001). Providing productive employment for an increasing number of school leavers is a growing challenge. Those aged 15-24 represent 18 per cent of the population (ADB 2003) and have been identified as experiencing particular hardship, given the limited opportunities for productive employment (in 2001 58 per cent of unemployed were aged 15 to 24 years). Consequently, disillusionment amongst youth is increasingly seen to be manifested in behaviour counter to social norms and cohesion including suicide, substance abuse, teenage pregnancy, crime and violence.

The majority of the economically active population is employed in the subsistence agriculture and fisheries sector reflecting the importance of subsistence activities and lack of employment opportunities in other sectors. Other significant employment includes manufacturing, public administration, private households, wholesale, retail and education. Samoa faces shortages of experienced technical and managerial skills as those with tertiary qualifications become increasingly internationally mobile. Formal employment opportunities for the rural-based population are very limited. In recent years, approximately 2,500 Samoans have migrated annually in pursuit of employment opportunities overseas including New Zealand, the United States and Australia.

2.3 Environment

Natural resources and the environment underpin significant parts of Samoa's cash and subsistence economies including land and marine-based food production and tourism. Samoa is highly vulnerable to natural and environmental hazards including tsunamis, earthquakes, volcanic eruptions, cyclones, coastal and more widespread flooding, drought, pests and diseases. Much remains to be done in reducing the vulnerability of communities to these hazards. Land and forest degradation and loss of biodiversity has been rapid in recent decades though has slowed more recently. The use of living marine resources is unsustainable in many parts of Samoa and may be a contributor to cyclical rise and fall in the fishing catch. Rates of solid waste generation are high and waste management practices generally inadequate. Chemical usage and practices particularly in rural areas is a growing concern. Increased costs in imported fossil fuels are highlighting the need to source affordable supplies of renewable energy.

The GoS has developed a comprehensive policy and institutional framework for the management of its natural resources and environment. Samoa has achieved a significant level of protected areas with more than 11 per cent of terrestrial and 5 per cent of total marine area under some form of protection. The GoS has also recently approved and commenced implementation of six major national frameworks which are directly relevant to sustainable development and environmental management. National development planning processes are however challenged to take environmental considerations fully into account and there are shortcomings in environmental legislation, compliance and enforcement.

2.4 Hardship

Samoan culture encourages individuals to provide for both their families and communities. Traditionally this, and systems of communal land tenure, have provided a safety net helping to ensure the basic needs of all including the underprivileged members of society are met. Accordingly poverty is not officially acknowledged by the GoS, rather impoverishment is perceived as hardship characterised by:

- An inadequate supply of cash income in order to meet basic needs;
- Lack of or poor access to basic public services, including health, education, water, transport and communication; and
- Limited opportunities to engage in formal employment.

With limited employment and investment opportunities, an increasing population and changes in traditional cultural obligations and support systems, Samoa faces challenges in meeting the needs of all its citizens and consequently, hardship is deepening. Approximately 20 per cent of Samoans are estimated to be living below the Basic Needs Poverty Line and 9 per cent below the Food Poverty Line and experiencing financial hardship on a daily or weekly basis¹. An estimated 6 per cent of the population live on less than \$1 per day. Given the accessibility of subsistence agriculture, those below the food poverty line are not necessarily experiencing hunger but are unable to meet basic nutritional needs and are very vulnerable to fluctuations in food prices. The

¹ Abbot, David and Pollard, Steve: Hardship and Poverty in the Pacific, Asia Development Bank, 2004.

obligation to give substantial cash and in-kind donations to church and village ceremonies can exacerbate hardship.

Along with hardship, inequality is emerging as a challenging issue. Following growth in Samoa's formal economy, urban-rural disparity has increased with rural areas experiencing significantly higher hardship and poorer education, health, electricity and water services. An estimated 40 per cent of the population live, and 70 per cent of GDP is generated, in and around the capital Apia. Only one in three rural households has a waged worker compared with three in four urban households. The 2002 Household Income and Expenditure Surveys (HIES) confirmed the growing disparity between rural and urban areas recording that at least 73 per cent of the 34,000 people living below the Basic Needs Poverty Line live rurally. The North West Upolu region of Samoa accounts for the largest share of total number of poor households followed by Savaii. There is also a concentration of poor households in the Apia Urban Area. In terms of poverty share, most of the poor are households whose head is engaged in agriculture and fisheries (37%). Poverty is also highest among households whose heads either have no or minimal education. Community consultations also identify female-headed households as likely to suffer hardship.

There is some suggestion that remittances from the Samoan community living outside Samoa, including the significant population in New Zealand, are lessening income poverty. For some families in hardship, remittances may be the only significant source of cash income. North West Upolu district has the lowest recorded household income but the highest level of remittances (HIES 2002). Although there is little firm data on how remittances are used, the situational analysis undertaken to support this strategy notes their use for housing, social obligations, household goods and schooling.

Based on hardship studies, the GoS acknowledges that Samoa should continue to address poverty of opportunity in both the formal and informal sectors with a focus on rural areas.

2.5 Vulnerable Groups

The most vulnerable groups are youth, the elderly rural dwellers, the disabled and women. Youth are vulnerable due to lack of employment opportunities and their relatively low status in traditional cultural and family hierarchy. Suicide and substance abuse are on the increase amongst youth. The elderly tend to be heavily reliant on family members for care and have few income earning opportunities. Traditional society values care for the elderly within the family although a growing number of urban families are shifting this responsibility to institution for the elderly. Rural dwellers are vulnerable due to a lack of employment, infrastructure and services, particularly information and markets. People with disabilities lack access to appropriate services and facilities leaving minimal opportunities. People with disabilities, particularly girls, are more likely to have less than three years of schooling and unlikely to find paid employment. 80% of women born with a disability never marry.

Gender disaggregated data in sectoral analysis and planning documents is limited. While gender issues are not highlighted in Samoa, economic, social and cultural factors exist that promote participation and facilitate the accession of males more than females to positions of influence in public life. Women are predominant in the "care economy" implying family and community work with no cash or in-kind income. Women also lead the non government sector both in urban paid employment and also in the volunteer base. Traditionally Samoa is patriarchal in terms of inheritance of chiefly matai titles and land; however, these are increasingly being inherited from the maternal side. Only matai title-holders can be elected to parliament with the exception of two positions that may be elected from an individual voters roll. Although currently only 5 of the 49 members of parliament are women, Samoa has the highest percentage of women in parliament in the Pacific. Women head five of the fourteen departments and two corporations.

Research by local NGO Mapusaga o Aiga (1995) indicated 54% of women were aware of domestic violence in their village and 28% of the sample had been victims of violence. The 2003 Samoa periodic report on CEDAW noted the absence of protective legislation other than under the Crimes Ordinance 1961. There is evidence of significant numbers of illegal abortions posing a risk to women's health. The CEDAW report also notes a rise in teenage pregnancy and Sexually Transmitted Infections and the need to promote sexual and reproductive health and family planning. While the existing level of HIV-AIDS is low, increasing rates of STIs indicates vulnerability to the rapid spread of HIV and a number of NGOs now focus on STIs and HIV-AIDS prevention.

Some statistics favour women. Suicide rates are higher for men than for women. Female school enrolments are slightly lower than male at primary and tertiary levels but are higher at secondary school, and boys tend to leave or be kept home earlier than girls. Women form a majority of informal traders and have been a key focus for existing micro-credit and small business promotion programs. These activities, if successful, provide the opportunity for loans with the formal banks. Clearly the multiple roles which women play in the family, community and as informal traders is likely to place pressure on women's workload, time, and health of women.

3. SAMOA'S DEVELOPMENT STRATEGY

The GoS national policy framework and development strategy is set out in the Strategy for the Development of Samoa (SDS) 2005-07. The vision for Samoa's national strategy is "Improved Quality of Life for all". In support of the vision, the SDS theme is "Enhancing people's choices". The basis of the SDS is that the achievement of the vision and theme relies on the effective implementation of priority strategies to achieve a thriving and profitable private sector; a strong and diversified agriculture sector; a dynamic and sustainable tourism industry; a coherent, stable and entrepreneurial community, and an efficient and effective education and health service. The following section outlines development challenges in the SDS sectors and key GoS strategies and response.

3.1 Strengthening the Private Sector

The private sector currently contributes around 12 per cent to GDP exclusive of State Owned Enterprises (SOEs) and utilities. Samoa has had limited success in attracting foreign direct investment. Growth in the private sector is relatively slow constrained by limited resources, capital and skilled labour exacerbated by emigration of professionals to more developed countries. Opportunities for employment remain limited with Government and SOEs accounting for 32 per cent of employment despite recent downsizing.

Over 80 per cent of all land is under customary ownership, 11 per cent under government control and 3 per cent freehold. Restricted title to customary land prevents land alienation and protects rights of access to the means of subsistence. This provides for a level of equity and social well-being, as well as underpinning many aspects of Samoan culture and society. However such restricted title also poses a constraint to private investment as communal ownership limits its use as collateral for loans. Access to and uptake of micro finance to assist small borrowers and subsistence farmers is very limited. Samoa is in the process of improving the enabling environment for business by addressing regulatory and administrative requirements and weaknesses identified as contributing to the transaction cost of doing business in Samoa. Few producers (especially in manufacturing) can achieve the economies of scale that allow competitiveness on foreign markets. The geographical remoteness of Samoa from its main markets contributes to relatively high transportation costs and difficulties in achieving competitive exports. Niche trade relations involving specific export products and services are considered a key approach to overcoming the lack of scale economies.

The SDS 2005-07 increases emphasis on the private sector to drive economic growth and stimulate employment. It also promotes an accountable public sector in supporting the private sector to flourish. The enabling environment for private sector growth will be strengthened through accommodative fiscal and monetary policies, provision of improved utility services (electricity, water, and telecommunications) and supportive infrastructure (road, sea and air transport). Investment will be promoted through structural reforms to simplify business establishment processes, improving provision of credit, reviewing tax and tariffs, improving market access and research, reducing government involvement in areas better served by the private sector, and facilitating availability of leasehold land for development purposes without jeopardising social ownership of land. The impact of accession to Free Trade Agreements on domestic businesses is to be analysed closely.

3.2 Agriculture Development

The agriculture sector is the backbone of the Samoan economy with two thirds of households engaged in either subsistence or commercial agriculture. Agriculture contributes around 8 per cent to GDP with fishing contributing a further 7 per cent. Food and agricultural exports provide the majority of Samoa's export earnings with fisheries contributing approximately 58 per cent, beer ten per cent, coconut cream ten per cent, desiccated coconut 6 per cent and taro 3 per cent. Domestic food security remains relatively high with Taro the predominant food staple. Agriculture is the predominant sector for poor households. Many wage-earning households also engage in supplementary subsistence production. The share of agriculture in overall formal economic activity is declining with inevitable changes in the structure of the economy. The commerce sector (at 20 per cent of GDP) has overtaken agriculture and fishing which traditionally commanded the largest share of GDP. The agriculture industry and subsequently national economy remains highly vulnerable to natural disasters and climatic changes. Approximately 3 per cent of government expenditure is spent on agriculture and a further 4 per cent on natural resources and environment.

The overexploitation of natural resources including forestry and fisheries is threatening sustainable management and growth of the sector. The fishing industry has been adversely affected by climatic changes and overfishing. There have however been concerted efforts on community conservation and management of marine resources. Forests will be depleted within three years if harvesting continues at current levels leading to a reliance on imports and loss of forestry knowledge. Frequent natural disasters and prevalence of invasive plant species further threatens the natural resource base.

The SDS seeks to increase agricultural activity for local consumption and food security as well as commercial investment through improved and diversified farming systems and species. Generating employment opportunities in the agriculture sector is a key priority. The SDS priorities align well with the interests of poor rural households engaged in subsistence and small scale marketing activities through its mix of focus on food security (access by all to sufficient safe and nutritious food) and commercial activity. Commercial farming will be promoted to increase production and to generate employment and income in rural communities. Diversification into new high value and export potential crops is the key focus. Livestock development will be intensified and commercial scale production of pigs, eggs and poultry meat will be promoted to increase supply of local produce and enhance import substitution. A plan for a sustainable forestry industry will be developed alongside a community forestry program as an income generation alternative. Initiatives to develop and enhance the sustainability of subsistence fishing and export fisheries will be intensified. A National Tuna Management Plan will be implemented to ensure sustainable return from off-shore fishing. Efforts to increased compliance of village fisheries and fish reserves will continue. The capacity of the Ministry of Agriculture to build a coherent, customer orientated and transparent agricultural sector will be strengthened. This will be facilitated by promoting market research and access, addressing quarantine issues and strengthening management.

3.3 Tourism Development

Tourism is a key contributor to Samoa's economic growth (at approximately 15 per cent of GDP) with foreign exchange earnings from the industry steadily rising. The tourism industry is the second largest source of foreign exchange after remittances. Tourism offers potential to boost foreign exchange and generating employment and income including in rural areas. The GoS is placing increasing emphasis on development of the tourism industry within a balanced and sustainable framework consistent with and supportive of Samoan culture and traditions. Government expenditure on tourism is approximately 1 per cent of total spending.

The SDS is committed to stimulating tourism development by developing infrastructure and services and aggressively marketing Samoa as a tourist destination. Marketing, research and planning capacity of the Samoan Tourist Authority will be promoted.

3.4 Community Development

Samoa is challenged to promote income generation activities linked to sustaining communities particularly in rural areas. The law and justice sector is facing increasing pressures as a result of rising economic and social pressures. The significant role of the village council in maintaining social harmony in the community is also being challenged. Reconciling contradictions between the traditional customary concepts of governance and the modern democratic governance models implemented at national level presents a huge challenge to communities and the GoS. Approximately 3 per cent of Government expenditure is attributed to community development.

Improved economic and social welfare at the community level is a fundamental focus of the SDS. Community development programs will aim to develop the village economy and increase production (particularly agricultural production and small business development) through the establishment of village based businesses and services. This will be a key strategy for alleviating hardship. Community development efforts will seek to maintain social coherence and harmony. Samoan culture and social structures will be nurtured and strengthened as a basis for social harmony and peace including through family, church and youth-based programs. Community development programs to strengthen law and justice will also be pursued. Law and justice strategies include strengthening the Samoa Police Service and building linkages with community leadership to prevent and control crime.

3.5 Education Development

Education is a high priority of the GoS and receives approximately 16 per cent of government expenditure, which is the largest share by a sector. This expenditure typically represents approximately 4.6 per cent of GDP, which is high by regional and international standards. Education also receives the highest level of donor funding to a sector. Salaries however account for 95 per cent of the departmental budget leaving limited scope for improving educational resources and programs.

Samoa's has an adult literacy rate of 98.7%, one of the highest in the region, with negligible difference in rates between men and women. Virtually all children have access to primary education and almost 90% of grade 8 completers have access to secondary education. Despite these achievements and relatively high levels of government and donor expenditure, significant challenges persist. Repetition and drop out rates remain high with almost 25% of primary students failing to complete the eight-year-program. Net enrolment of primary education has declined from 77 to 69 per cent between the years 1995 to 2004. At secondary level only 43% of age cohort is enrolled. While student/teacher ratios have dropped at the primary level, secondary teacher shortages are more serious, particularly in maths, science and agriculture. The Education Sector Program will continue to improve the quality of curriculum and teaching and the standard of

facilities, infrastructure and teaching materials following on from previous support from Australia, New Zealand and other donors in the sector.

The SDS emphasises education as a key contributing factor to economic growth and social development leading to better quality of life. Through the SDS, the GoS seeks to improve student learning outcomes with specific emphasis on raising numeracy and literacy levels. The SDS focuses on strengthening community support in education; improving teacher quality and training standards; improving curriculum and assessment; improving teaching materials; improving school facilities and equipment; strengthening the Ministry of Education and developing sports.

3.6 Health Development

The health sector is challenged to meet the demand for quality health services and effective management in the face of professional and medical resource shortages. Health expenditure has been increasing significantly over recent years. Government health expenditure is approximately 10 per cent of total spending. The bulk of funds are spent on curative care, pharmaceuticals and general administration. Primary health care is prioritised in the health sector plan and the SDS, however, only 5 per cent of the health budget is allocated for this purpose. Most primary and public health programs are heavily reliant on donor funds.

Key health indicators show high rates of immunisation coverage, increasing life expectancy and declining infant mortality. Non-communicable and lifestyle diseases particularly Type II diabetes, heart disease and hypertension are increasing. Health care services and facilities, particularly in rural areas have been targeted for improvement. In urban areas, services and facilities have become stretched exacerbated by rural dwellers seeking better services. Specialised health services tend to require treatment overseas with GoS and donor support. Reproductive health in Samoa is characterized by low maternal mortality rate; rapidly increasing rates of STI and teenage pregnancy; limited access to and low coverage of contraceptives (despite contraceptive prevalence rates being one of the highest in the Pacific); cultural barriers to speaking about sexual matters; and increasing prevalence of breast and cervical cancers. Maternal health is also affected by lifestyle diseases, particularly obesity and adult onset diabetes.

Through the SDS, between 2005 - 2007 the GoS seeks to strengthen health preventative programs; develop human resources and medical personnel; improve health facilities and equipment including in rural areas; and strengthen the Ministry of Health. The GoS is also exploring options to finance health services including through a national health insurance scheme. The GoS is preparing sector strategy and review assistance to the sector to identify areas for assistance. With its strong focus on primary health, the SDS will seek to address a key cause of hardship (non-communicable diseases and associated disabilities) at the prevention and early detection stages. The GoS is also be reviewing the cost of provision of health services including the overseas medical treatment scheme with a view to introducing appropriate measures that would provide some proportionate cost sharing of these services given their continued escalation.

4. POLICY CONSIDERATIONS FOR EACH PARTNER

Whilst the JSPS supports the SDS, it also reflects policy priorities and approaches of each partner government as briefly outlined in this section.

4.1 Samoa

The GoS national policy framework and development strategies are set out in the SDS 2005-07. The SDS is a strategic document prepared on a three year rolling basis to articulate the priority strategic areas guiding Samoa's development. The current SDS reflects continuation of the reform program implemented during previous strategies and seeks to address issues critical to the

attainment of a better quality of life for all. The SDS is a framework that is 'widely owned' given that its preparation was done through extensive community consultations.

As noted in the previous section, the SDS identifies six priority areas for Samoa's development namely, private sector development, agriculture, tourism, education, health and community development. The absence of other areas is not an indication of lesser importance but that they provide a supportive role to the identified strategic areas. The implementation of these strategic areas will see a realization of the national vision for every Samoan to achieve a better quality of life as well as the achievement of the Millennium Development Goals (MDG).

Development cooperation (bilateral and multilateral) plays an important role in Samoa's economy particularly in the implementation of the SDS. With established mechanisms for aid coordination, efforts are concentrated on ways to ensure aid effectiveness. The basis of development cooperation is the SDS and its review framework (under preparation) from which development partners draw conditions for support and link funding to a single framework of conditions and/or a manageable set of indicators derived from the national strategy. To ensure efficiency and effectiveness of aid, the GoS is committed to a formalised system of donor coordination and an agreed process for harmonized procedures and processes preferably aligned to those of the Government.

4.2 Australia

Samoa is an important development partner for Australia reflecting geographical, historical and cultural linkages. Australia is a significant donor to Samoa, contributing approximately 30 per cent of bilateral aid. The aid relationship between Australia and Samoa is comprehensive, assisted by strong GoS commitment to social and economic development and aid effectiveness.

The objective of Australia's aid program is to assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest. A White Paper on the Australian Government's Overseas Aid Program (2006) provides the strategic framework to guide the direction and delivery of Australia's overseas aid program over the next ten years.

Australia's focus on the Asia-Pacific region will continue. There will be an increasing focus on linking allocations to performance in major partner countries. Programs will align with the four themes of accelerating economic growth, fostering functioning and effective states, investing in people and promoting regional stability and cooperation. The effectiveness of the aid program will be ensured by strengthening the performance orientation of the aid program; combating corruption; enhancing Australia's engagement with the Asia-Pacific region and working in partnership with regional governments and other donors. A fundamental tenet of Australia's aid program is that assistance is jointly agreed and implemented with Australia's developing country partners. Australia recognises that aid programs are more likely to be sustainable and effective if they are aligned with partner government priorities, involve beneficiaries in design and implementation and are aligned with partner government budgets and systems.

To date much of Australia's effort in the Pacific has been delivered bilaterally; however Australia will increase support for regional governance solutions. Support will continue for the pooling of functions to promote efficient and transparent services. Additional support will be provided to implement new regional initiatives such as skills training, implementation of the Pacific Plan and related regional governance initiatives. Australia will remain ready to support improvements in performance in the Pacific with additional funding and to respond in the event of instability or other crises.

Australian aid to Samoa is guided by Australia's Pacific Regional Strategy 2004 to 2009 which focuses on four outcomes most critical to establishing the foundations for poverty reduction, stability, growth and peaceful development in the region:

- broad based growth
- effective, accountable and democratic government
- improved law and justice and security
- better service delivery

Australia remains committed to a sustained and robust development partnership with the Pacific and is elevating policy engagement and practical support including wider government engagement to promote effective governance. Australia is actively seeking opportunities for greater aid coordination and harmonisation with development partners to enhance aid effectiveness. Samoa is an important partner to Australia in this regard.

Approximately A\$13m of bilateral aid and A\$7m of regional aid is programmed annually to Samoa. The value and impact of regional activities is likely to increase as regional approaches take on more relevance for development issues in the context of the Pacific Plan (2005) and the White Paper (2006). Australia will also continue to encourage better integration of bilateral and regional initiatives to complement and enhance aid outcomes.

Pacific 2020 is an important element in Australia's efforts to promote economic growth as a driver of poverty reduction in PICs. Pacific 2020 highlights major challenges facing the Pacific in the next 15 years and provides practical policy options in nine areas essential to economic growth including the productive sectors - agriculture, fisheries, forestry, tourism and mining and petroleum and the enabling areas - private sector, political governance, land, and employment and labour markets.

Australia is an active supporter of the Pacific Plan which identifies areas where Pacific nations can gain most from sharing public resources and aligning laws and policies. Australia will provide regional support in a range of areas nominated by the Pacific Plan including trade facilitation, law and justice, private sector development, HIV/AIDS, waste management and governance. The Australian Technical College for the Pacific will work towards meeting Pacific Plan initiative of investigating the potential for expanding regional technical and vocational education training programs.

Australia has been the predominant contributor to public service reform in Samoa since the mid 1990s through support for institutional strengthening projects (ISPs). Given the developmental challenges facing Samoa, Australia will continue to assist Samoa to improve government services and generate growth, employment and investment opportunities.

AusAID is responsible for programming and managing Australia's aid program to Samoa. Assistance is also provided by other Australian Government agencies including the Department of Foreign Affairs and Trade (DFAT), the Australian Centre for International Research (ACIAR), the Department of Defence, the Australian Federal Police (AFP), the Attorney-General's Department, the Public Service Commission and others. AusAID will continue to work with other Australian Government agencies to ensure policy coherence and coordinated whole-of-government approaches on key development issues and to monitor the impact of broader government policies on development.

4.3 New Zealand

Samoa and New Zealand share significant cultural and historical linkages. Under the 1962 Treaty of Friendship it was agreed that "The two Governments will continue to work together to promote the people of Western Samoa. In particular the Government of New Zealand will consider sympathetically requests from the Government of Samoa for technical, administrative and other assistance".

New Zealand's official development assistance (ODA) programme is administered by NZAID or Nga Hoe Tuputupu-mai-tawhiti ('the paddles of growth from afar'), the name reflecting both a Pacific heritage and the principles of partnership which guide NZAID.

NZAID's policy statement, *Towards a Safe and Just World Free from Poverty*, (2002) sets out a **central NZAID focus on poverty elimination**. NZAID recognises that poverty has different forms and highlights extreme poverty, poverty of opportunity, and vulnerability to poverty. In Samoa it is the latter two forms which are the central focus of NZAID's support.

NZAID is committed to sound **poverty analysis** which takes into account human rights, gender, equity and environmental principles in the preparation of development plans. Responses will work in partnership at many levels including with civil society and communities at the grassroots, governments, regional and international bodies, and with New Zealand stakeholders.

NZAID seeks **outcomes** from its development partnerships which lead to fulfilment of basic needs, sustainable livelihoods, equitable development, and safe, just and inclusive societies. The NZAID Five Year Strategy (2004/05 to 2009/10) has a particular focus on:

- empowering those in poverty through support for education, health, livelihoods, and the environment, measured by achievement of the Millennium Development Goals;
- Supporting Governance which addresses poverty through work on human rights, leadership and government, and economic development.
- Reducing vulnerability to poverty through peace building, humanitarian support, and community safety.

NZAID will engage in relationships based on mutual openness, trust and respect, and will promote harmonisation, alignment with partner country strategies and enhanced donor coordination. In line with the Treaty of Friendship, New Zealand is seeking to foster links between the Samoan and New Zealand public service and to promote a whole of government approach.

NZAID's mission and policy statements are well aligned with the GoS Development Strategy and opportunities to engage in policy dialogue are highly valued so as to ensure the success of the development assistance programme. Areas which remain of interest to NZAID and will therefore be reflected on the policy agenda are the identification and inclusion of groups vulnerable to hardship or poverty in the SDS process, sectoral planning, programming and costing and the development and monitoring of performance indicators at sectoral and national levels.

The Samoa bilateral programme is NZAID's seventh largest. The 2005/06 allocation of \$8.7 million is expected to be maintained during the JSPS period though with provision to supplement that amount should there emerge credible sector-wide programmes during the strategy period. NZAID also provides support to Samoa via Pacific regional health, education, environment and governance programmes. It is not currently possible to extrapolate funding figures specific to Samoa, however, NZAID is committed to ensuring that regional approaches are cognisant of the JSPS, the SDS and that information flows to the GoS are maximised.

4.4 Joint Policy Considerations

Other key policy considerations which inform the JSPS include Samoa's status as a Least Developed Country and its economic and environmental vulnerability; Samoa's progress against millennium development goals; regional issues and responses; and assistance from other donors.

4.4.1 Least Developed Country Status and Samoa's Vulnerability

The United Nations has determined (March 2006) that Samoa, for the second consecutive time, meets two of the three graduation criteria (low income; human assets) and therefore technically qualifies for graduation from Least Developed Country (LDC) status. A decision by the General Assembly to determine if Samoa should graduate is expected later in 2006. A decision to earmark Samoa for graduation may imply effective loss of LDC status in 2010 preceded by a three-year transition phase. If it is determined that Samoa should graduate, the transition phase (grace period) will give Samoa an opportunity to negotiate with its development partners a 'smooth transition' strategy in anticipation of the loss of LDC treatment.

As a small open economy, Samoa remains very vulnerable to economic and environmental pressures. Samoa has never risen above the graduation threshold with regard to the economic vulnerability criterion and as at 2006, remains well below the threshold for this criterion. Instability of agricultural production and exports and the impact of cyclone Heta (2004) have contributed to the Samoa's recent increase in economic vulnerability.

Fundamentally, the vulnerability of Samoa to external shocks is attributable to its smallness, remoteness and its high coastline to land area ratio. Natural shocks which Samoa remains particularly vulnerable to include cyclones, flooding, sea level rise and temperature fluctuations, drought, earthquakes, volcanic activity, plant diseases and pests and human diseases. Shocks of a non-natural origin which Samoa remains vulnerable to include loss or erosion of preferential access to foreign markets, hardening of foreign competition, possible withdrawal of foreign-owned exporting firms, fluctuations in export prices, decline in remittance inflows, reduction of inflows of foreign aid and criminal influences in the financial sector. In Samoa, only about twelve products account for nearly the entire value of merchandise exports adding to its vulnerability.

The GoS expects that graduation may have significant implications on the cost of future borrowing and debt servicing in particular. More analysis is needed of the economic impact of graduation for Samoa. Samoa's dependence on external loans to develop infrastructure to spur economic growth indicate the need to rethink how infrastructure needs can be met during and after the transition period. Whilst not anticipated to have an immediate impact on the Australian or New Zealand aid programs, the implications of graduation will be considered in relation to policy and programs. Graduation may be a trigger for particular support including preparation for graduation, transition support and adjustment to any impacts. Australia and New Zealand will seek to assist Samoa through the transition process and to minimise any adverse impacts.

4.4.2 Progress against Millennium Development Goals

Samoa's assessment of its progress against relevant Millennium Development Goals (MDGs) is summarised as follows:

Goals	Key Targets	Summary
Eradicate extreme poverty and hunger		Will potentially meet goal.
	Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.	Will potentially meet target
	Halve, between 1990 and 2015, the proportion of people who suffer from hunger	Target already met
Achieve universal primary education	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	Unlikely to meet goal
Promote gender equality and empower women	Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education by 2015	Goal/target already met
Reduce child mortality	Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	Goal/target already met

Improve maternal health	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	Goal/target already met
Combat HIV/AIDS, malaria and other diseases	Have halted by 2015 and begun to reverse the spread of HIV/AIDS Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	Will potentially meet goal and targets
Ensure environmental sustainability	Integrate the principles of sustainable development into country policies and reverse the loss of environmental resources Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers	Likely to meet goal and targets

Samoa has already met several of the MDG goals and targets and is making progress towards achieving the remainder. Civil society have noted areas of concern where more research, stronger government programs and enhanced partnerships between civil society and Government for service delivery will be needed in order for Samoa to remain on target towards meeting the MDGs. Civil society see the need for greater engagement at the village level with emphasis on empowering village communities to manage development at community level as well as contributing to national policy formulation.

Australia and New Zealand are committed to assisting Samoa achieve the MDGs. Through the JSPS Australia and New Zealand will assist Samoa in meeting the MDGs in a number of ways including:

- Strengthening the health sector
- Specific initiatives to reduce the spread of HIV/AIDS
- Strengthening the education sector
- Specific initiatives to develop private sector leading to increased youth employment opportunities
- Specific initiatives to reduce the burden on environmental resources including forestry and fisheries.

4.4.3 Regional Issues and Responses

Through the development of the Pacific Plan, Australia, New Zealand and PICs have confirmed the scope for the region to investigate the pooling of resources and adoption of regional issues to address development challenges. The Australian and New Zealand aid programs will promote engagement in regional approaches to address common issues. Opportunities will be explored to better integrate regional and bilateral approaches and to add regional dimensions where sensible to bilateral approaches.

As part of its White Paper strategy to promote regional governance solutions in the Pacific, Australia will provide support for a range of initiatives identified by Pacific leaders for immediate implementation under the Pacific Plan. This will include support to strengthen regional audit arrangements; to establish a regional ombudsman's office for implementing the Forum's Principles of Good Leadership and Accountability, and to strengthen and upgrade country and regional statistical systems. Australia will continue to work closely with Pacific partners on longer term Pacific Plan initiatives to promote greater regional cooperation. The Pacific Plan has identified potential for early gains to be made through pooling resources and aligning policies in the sectors

of transport, trade and investment, private sector development, security/law enforcement, education and the judiciary.

4.4.4 Donor Assistance to Samoa

In line with the priorities articulated in the SDS, Samoa's highest priority for support from its development partners remains with the maintenance of macroeconomic stability, private sector development, promotion of the village economy and improving health and education. Anticipated total development assistance to Samoa in 2005-06 is US \$52.3m comprising \$35.9m from grants and \$16.4m from loans. This represents 27 per cent of government spending. The vast majority of aid flows go through GoS systems. In addition to Australia and New Zealand, key donors to Samoa and their development focus is as follows:

- Asian Development Bank (ADB): Focus includes basic social services (education, water and sanitation and energy); and private sector development (fiscal and macroeconomic policies, state owned enterprise reforms, income and employment opportunities, institutional and policy frameworks and productive and economic uses of customary land).
- World Bank: Focus includes health sector management, infrastructure asset management, infrastructure emergency recovery, telecommunications and postal reform and private sector development.
- JICA: Focus includes infrastructure development in health, education and environment including waste management and small scale income generation activities.
- European Union: Focus includes school facilities, health facilities, water infrastructure, community micro projects and trade agreements and training.
- China: Focus includes training, satellite communications and TV link and sports facilities.
- WHO/UNFPA, UNDP, the Canada Fund and the International Conservation (the only international NGO in Samoa) also provide a range of assistance to Samoa.

5. THE JOINT STRATEGY AND IMPLEMENTATION

5.1 Guiding principles

JSPS partners are committed to the Paris Declaration on Aid Effectiveness (2005) in relation to ownership, harmonisation, alignment, results and mutual accountability. Giving effect to this commitment, the JSPS represents an alignment of the partner's strategic aid objectives and priorities and is guided by the following harmonisation principles:

- Donor harmonisation being Samoan driven, led and owned.
- Mutual accountability.
- Clear and simplified processes and mechanisms tailored to local circumstances and institutional capacity.
- Work within Samoa's national development frameworks and systems.
- Provide development assistance in ways that build sustainable national capacity including civil society, NGOs and the public sector.
- Utilise existing analytical work to the maximum extent possible and strengthen GoS capacity to undertake this work.
- Work together to address weaknesses in institutional capacity.

The partners seek to strengthen partnerships and linkages with other key development partners during the JSPS period by strengthening:

- coordination and harmonisation with other donors.
- the engagement of our respective whole-of-government partners in achieving aid outcomes.
- regional responses and the integration between regional and bilateral initiatives.
- partnerships with civil society and disadvantaged communities.

The GoS is developing management and operational systems to enable better management of aid activities. Australia and New Zealand seek to enhance the capacity of GoS agencies to manage aid activities and will increasingly build on and utilise GoS systems for the management of aid.

5.2 JSPS Goal

In identifying the goal and objectives for the JSPS, the three governments have sought to align the strategy with the SDS priorities, either by focussing on those aspects which are pro-poor or were identified as critical hardship concerns, or strengthening the pro-poor dimension of the wider GoS engagement. The strategy also builds on the past engagements and comparative advantage of Australian and New Zealand aid. The JSPS also seeks to limit sectoral focus to allow deeper and more effective engagement and increased sustainability.

The SDS 2005-07 has as its vision "Improved Quality of Life for all" and as its theme "Enhancing people's choices". In support of the SDS vision and theme, the goal for the JSPS is:

To enhance people's choices through improved social and economic development.

5.3 JSPS Objectives

Achieving Samoa's vision of improved quality of life for all will require sustained levels of good growth underpinned by greater opportunities for employment and investment. It will also require improved level of services and community development. Enhancing people's choices will also require enhancing their access to quality information and meaningful engagement in national development planning and decision making. In support of the JSPS goal and the SDS (2005-07), the JSPS proposes two strategic objectives (economic and social) and seven objectives against which Australian and New Zealand aid will be programmed.

Strategic Objective 1	Improve opportunities for employment and investment
Objective 1.1	Facilitate community level income and small business opportunities
Objective 1.2	Improve the enabling environment for private sector growth

Strategic Objective 2	Enhance the wellbeing of all Samoans through improved service delivery and community development
Objective 2.1	Improve public sector service delivery
Objective 2.2	Strengthen social cohesion and civil society
Objective 2.3	Improve access to and quality of education
Objective 2.4	Improve health focussing on primary and preventative health
Objective 2.5	Strengthen law and justice to support a safer Samoa

Strategic Objective 1: Improve opportunities for employment and investment

Australia and New Zealand seek to assist Samoa improve opportunities for employment and investment in a range of ways. Key strategies will be to support initiatives which promote

community level income generation and small business investment opportunities and strengthen the enabling environment for private sector growth.

Objective 1.1 Facilitate community level income and small business opportunities

New Zealand will continue to take a lead role in supporting small-scale investment in the tourism and small business sector including through the Small Business Enterprise Centre. New Zealand will prioritize income generation initiatives which are run by and benefit groups identified as suffering hardship and vulnerability, particularly women, noting their prevalence in informal sector and trading activities and limited access to formal credit. New Zealand will also support small scale and eco-tourism which widens the benefits of tourism, allowing greater engagement by communities and rural operators, while also seeking to assess and avoid negative impacts of tourism on groups suffering from hardship.

Australia will take a lead role in investigating options to support income generation opportunities in rural areas including through agriculture and farm forestry. Community level income generation activities will also be supported through small grants initiatives which will be merged into a single scheme managed by the GoS and accessible by communities, NGO's, and small-scale business and tourist operators. Australia will continue to provide fisheries assistance on a regional basis to contribute to long term economic development and improvement in living standards, while providing immediate benefits in terms of food, employment and income generation. A majority of Australia's fisheries assistance focuses on fisheries development and management to ensure sustainable conservation and management and income and employment. Consideration will be given to additional forms of assistance which foster access to or investment using other sources such as those the formal banking sector or remittances particularly where these extend available credit or capital to rural areas or groups in hardship.

Objective 1.2 Improve the environment for the private sector to contribute to pro-poor development

JSPS partners lack the resources to play a substantial role in developing particular industries but will continue to provide a range of supportive policy and institutional strengthening initiatives to improve the environment for growth in the private sector contribution to pro-poor development. New Zealand will take a lead role in respect of supporting the private sector and will seek to further harmonise and align funding sources in this area. Particular consideration will be given to the engagement by women, youth and rural communities in commercial activity, and to ensuring such activities do not simply increase women's overall workload. Both New Zealand and Australia will consider options for supporting the GoS to stimulate private sector enabling environment for growth including through policy development, infrastructure, training and capacity building. This could include assistance for strengthening legal and regulatory frameworks and supporting institutions and systems which facilitate private sector activity while protecting human rights, labour conditions and the environment.

Given the significant trade negotiations ahead of Samoa, the partners will consider trade and development issues as part of their regular rounds of programme discussions and will seek coherence between their respective government trade and development policies, and in particular, the impact of changing trading environment on the interest of groups in Samoa who are vulnerable or experiencing hardship.

Strategic Objective 2: Enhance the wellbeing of all Samoans through improved service delivery and community development.

The SDS emphasises the need for improving service delivery particularly in the key sectors of education and health which are challenged to provide quality services. The SDS also prioritises

community development including maintaining social coherence and harmony and strengthening law and justice.

Objective 2.1 Improve public sector service delivery

Australia and New Zealand have been instrumental in supporting improved public service in Samoa. Through a series of Institutional Strengthening Programs (ISPs) Australia has strengthened the institutional capacity and administration of key agencies including Finance, Public Service Commission, Education, Health, Agriculture and Quarantine, Police, Immigration, Customs, Trade and Investment Promotion and Water Authority. This assistance has led to a review of public service legislation; restructuring of ministry functions; improved economic policy frameworks; strengthened human resource management; and the introduction of corporate and strategic planning and budgeting, service charters and capability planning. A joint (GoS/GoA) Review of the Impact of ISPs (May 2003) concluded further assistance was required to sustain achievements and pursue reforms that also promote common approaches across government.

In line with Samoan national priorities, Australia will continue supporting Samoa to improve public sector service delivery. In doing so Australia will seek to ensure that assistance is strategically focussed, consistent with an overarching framework for the improvement of public administration, involve GoS at all stages in planning and management and maintain in-built flexibility to respond to changing circumstances.

Australia and New Zealand seek to support growth in public sector capacity through sectoral and whole-of-government planning approaches as relevant which reinforce local priorities, systems and structures and align donor accountability requirements with local systems. Further public sector reform support will be increasingly provided through mechanisms managed and delivered by the GoS and generally be provided at a lower level of intensity than department-by-department institutional strengthening. Australia and New Zealand will support the five-year Public Sector Improvement Facility (PSIF) as the primary mechanism for improving public sector service delivery and public sector reform over the JSPS period. The PSIF will strengthen capacity within public service agencies in identifying and addressing critical constraints to effective, equitable, and accessible service delivery and support priority reform initiatives. The PSIF will also seek to strengthen cooperation and collaboration between public service agencies, the private sector and civil society to improve government services.

ISPs implemented during the JSPS will strengthen the services of Police (Australia), health (Australia and New Zealand), Education (Australia, New Zealand and the ADB), Law and Justice (Australia and New Zealand) and Quarantine (Australia). Support to agencies which have not yet benefited from institutional strengthening will be considered. Scholarship, training, technical assistance, small grant and regional programs including the Australian funded Pacific Governance Support Program will also contribute to this objective.

Objective 2.2 Strengthen social cohesion and civil society

New Zealand will take a lead role in strengthening community development. This will include continued core funding and capacity building to indigenous NGOs engaged in community development activities and to the Samoa Umbrella NGO (SUNGO). SUNGO plays an important role in building governance, management and service capacity of its members, as well as facilitating input into government policy. NZAID will also support impact assessment by individual NGOs and wider reflection on the engagement and links between the NGO sector and wider civil society, church, and community level organisations, and with government. Specific support will be provided by NZAID to work addressing gender-based violence (via UNFPA) and supporting youth development (UNDP).

Australia and New Zealand will also continue to assist GoS in strengthening the quality of government/civil society engagement including promoting participation by Samoan civil society in GoS policy, programs and services. Strengthening social cohesion will be supported through a range of issue specific initiatives including the Safer Samoa campaign, the healthy lifestyle campaign, while also supporting more difficult social issues including HIV/AIDS, child abuse and human rights. Work with civil society groups will focus on strengthening the participation of groups identified in the hardship study in the social, economic and political arenas, and raising and responding to issues of concern to women, youth, the elderly or those suffering illness or disability.

Objective 2.3 Improve access to and quality of education

Australia and New Zealand have provided long-term support to Samoa's education sector resulting in significant improvements in Samoa's capacity to plan and manage the delivery of education services. On-going support is required to build on achievements and support the GoS in taking a sector approach to planning, financing, managing and improving the quality of educational services.

Improving education service delivery, particularly basic and post basic education will remain a focus for JSPS partners. Building on the institutional capacity already developed, Australia and New Zealand will co-finance an education sector program (ESP) together with the ADB and GoS. The ESP will introduce curriculum reform and assessment systems; develop effective teachers; improve access to quality education; strengthen capacity to undertake research, evaluation, policy analysis and planning; and strengthen management capacity. The ESP will include upgrading of schools and teacher accommodation in rural areas, addressing the issue of quality of rural schooling cited in hardship research. It will also give emphasis to improving the curriculum for children with special needs in line with national policy. The program will also provide a new education headquarters.

Assistance to education will be complemented by support to post-basic and tertiary education and in-country and external short-term training programs. JSPS partners remain committed to the provision of tertiary scholarships which align with and contribute to Samoa's education sector strategies and maximise long-term benefits to Samoa. Harmonised processes for management of scholarship programs will be implemented during the JSPS period. Australia and New Zealand will provide support to education through regionally funded programs such as the Delivery of Basic Education Initiative. Australia's regional assistance will include support to establish an Australian Technical College for the Pacific to upgrade the supply of trade skills. Core Funding is expected to be provided to the National Council for Early Childhood Education in Samoa via the NGO Support Fund.

Objective 2.4 Improve health focussing on primary and preventative health

Australia and New Zealand have provided long-term support to Samoa's health sector resulting in improved services and management capacity. This support has strengthened the management and operational capacity of the Ministry of Health to deliver improved hospital clinical services; improved rural health services; and reduced incidence of non-communicable diseases, particularly diabetes.

On-going support is required to build on these achievements and to support the GoS in taking a sector approach to planning, financing, managing and improving the quality of services, particularly in rural areas. Improving health service delivery will remain a focus during the JSPS during which time New Zealand will assume a lead donor role in supporting health. JSPS partners will focus on completing existing activities under the existing Samoa Health Project ISP, while engaging in dialogue around future support to the sector which is expected to take a primary

health focus and extend further to a sector-wide approach. Further assistance is likely to support GoS emphasis on primary health care, preventative health services and community health awareness in order to reduce curative costs and ensure basic health care is available to all.

In addition, both Australia and New Zealand will continue to support Samoa's health sector through regional initiatives including medical equipment maintenance, expanded program of immunisation, regional HIV/AIDS, reproductive health and family planning, clinical specialist training, medical treatment and visiting medical specialist treatment teams and will seek to maximise the development and capacity building aspects of this form of support through institutional linkages with counterpart organisations.

Objective 2.5 Strengthen law and justice to support a safer Samoa

Traditional authority systems have been instrumental in maintaining law and justice in Samoa but are increasingly challenged to cope with the increasing extent and range of crime. The JSPS will include a focus on improving the integration of modern and traditional justice systems and widening engagement with civil society. Australia will take a lead donor role in supporting law and justice and will provide assistance through both bilateral and regional programs. Assistance is already underway to strengthen the operational and investigative capacity of the Samoa Police Service through policy and management reforms; police training; the construction of a new Police Headquarters and deepening the relationship between the informal and village law and justice through greater community policing. Australia is looking to strengthen policy coherence and planning and management capacity across the law and justice sector. New Zealand assistance will strengthen the Ministry of Justice and Courts Administration through a programme drawing on whole of government support from a range of NZ law and justice agencies. The programme will improve the integration of courts, probation and parole services with fa'a Samoa and with the activities of community/non-government organisations; and build more appropriate systems to receive and address complaints of domestic violence. This has links also to NZAID support for regional work by NZ Police in prevention of domestic violence which involves Samoa. Samoa will increasingly benefit from Australian and New Zealand regional initiatives including support for the judiciary; courts administration; police technical and management skills and forensic science.

5.4 Donor Coordination and Management

Aid impact is dependent on effective donor coordination. The GoS is taking a lead role in negotiations with development partners in order to strengthen aid coordination. Key elements include (i) policy directions on the approach to aid as well as aid strategies; (ii) an aid management/coordination structure within GoS that has a clear orientation towards the achievement of GoS development objectives (iii) appraisals and evaluations of aid programs and (iv) preparation of a system to strengthen donor coordination.

The basis of all development cooperation programs is the SDS which articulates development priorities of the GoS. Sector planning is underway to provide the framework for the identification and delivery of policy initiatives by government and other stakeholders. Sector plans provide direction for aid strategies, developed singly or jointly, of the various development partners. The GoS is also shifting towards sectoral planning and sector-wide support to enhance ownership and effectiveness of external and internal resources.

The GoS has relatively strong institutional capacity to manage and coordinate aid and develop priorities and policies. The mechanism for aid coordination/management involves two structures. The Cabinet Development Committee (CDC) comprising 72 members appraises, approves and monitors the progress of development cooperation programs. Its secretariat is the Economic Planning and Policy Division of the Ministry of Finance (MoF). All projects are required to be approved by the CDC. The Aid Coordination Committee (ACC) consists of 7 members and considers resource allocation if required from external sources. The Secretariat is the Aid

Coordination Division of the MoF. The ACC also approves requests from non-government organisations intended for donor funding.

The GoS seeks to ensure that external assistance is complementary and integrated with national development priorities. Management tools including project coordinating committees, sector coordination mechanisms and databases of activities by sector are utilised. Government led donor-sector meetings are a key aspect of donor coordination. Bilateral and harmonised high level talks with two or more development partners are underway and are likely to lead to joint aid strategies with the bilateral partners in particular. Samoa's development partners have agreed to adopt a development orientation, achieve coherence with GoS development priorities and provide effective assistance in capacity building. Successful aid coordination has resulted in effective resource mobilisation and increased levels of aid assistance in recent years.

The GoS is continuing to develop credible systems for procurement, reporting and monitoring that satisfy requirements of development partners. Samoa is currently ranked in the highest category of quality in terms of its present policy and institutional framework under the World Bank's Country Policy and Institutional Assessment (CPIA) 2004. The assessment takes into account economic management, structural and social equity policies and public sector management.

The efficiency and effectiveness of most ministries has been strengthened during the past few years through institutional strengthening projects. A review of ministries responsibilities is underway with a view to refocus on core functions. Work is also underway to strengthen governance, accountability, operations and commercial orientation of state owned enterprises. A new financial management information system is supporting devolution of financial management and strengthen financial reporting and accountability processes.

Harmonisation of donor procedures has progressed well with Samoa's development partners including NZAID and AusAID. Harmonisation is Samoan led in order to lessen the administrative burden on the GoS of diverse operational arrangements. Some achievements include joint high level policy discussions; joint programming and review missions; joint funding and management of programs; harmonised procurement procedures; and shared project coordinating committees.

5.5 Aid Delivery Approaches and Partnerships

The JSPS partners share concern that separately developed and managed aid initiatives can lead to poor coordination, high transaction costs and reduced absorptive capacity. The partners are also concerned that donor practices and requirements can be poorly aligned with national development priorities and systems, including their budget and planning cycles and management systems.

In response to these concerns, JSPS partners will explore and promote aid delivery approaches and partnerships that encourage coordination, reduce transaction costs and increase aid effectiveness. Critical elements in achieving improved aid effectiveness and impact which JSPS partners will seek to incorporate into aid planning and programming include:

- ensuring that development initiatives are strategically aligned to Samoa's SDS and relevant sector plans
- enhancing Samoa government ownership, leadership and involvement in all stages of planning, management and delivery and building GoS technical and management capacity through all development initiatives.
- reducing 'projectisation' of assistance to fewer initiatives aligned and integrated with Samoa's priorities and systems
- utilising more innovative and flexible aid modalities including sector-wide approaches where appropriate and ensuring all aid initiatives have in-built flexibility to respond to changing circumstances

- multi-year programming with an emphasis on sustainability, outcomes and impact, rather than inputs supported rigorous research and analysis and an emphasis on learning.
- harmonizing and streamlining donor funding, management and reporting and where possible aligning these with Samoa's systems and processes, including budget cycles and sector plans
- promoting policy coherence, partnerships, and policy dialogue and linkages between key stakeholders working more closely with other donors (including bilateral, multilateral and International Finance Institutions)
- providing funding support through the GoS budget as appropriate
- strengthening the engagement of whole-of-government partners and the coherence between regional responses and bilateral initiatives
- promoting across all sectors a community development engagement by which communities assess their own resources, issues and priorities and take steps to improve their well-being.
- strengthening relationships with civil society and disadvantaged communities, their engagement with government, and participation in programmes under the JSPS.

The JSPS partners will engage in quarterly programming talks in Samoa to plan and coordinate aid efforts. Joint high level policy talks (High Level Discussions (HLDs)) will be held at approximately 18 month intervals to review and set strategic directions. HLD agenda items will include monitoring of the JSPS, the effectiveness, impact, and learning arising from harmonisation arrangements, and updates in relation to SDS implementation, monitoring and review. JSPS partners will seek opportunities to participate in policy dialogue relevant to Samoa's development including: sector policy and planning, LDC graduation, SDS consultation, development of civil society and marginalised groups, gender considerations and pro-poor planning. Other dialogue will occur as and when necessary, and where possible, include other donors to facilitate mutual understanding and cooperation.

Critical to improved aid effectiveness is strengthened coordination across each partner government. All partners are committed to whole-of-government approaches. Within Samoa the Ministry of Finance is taking the lead in fostering across government coordination. NZAID and AusAID also commit to taking a coordinating role in the context of increasing engagement by other government departments. This coordination will seek to ensure policy coherence, to promote complementarity of effort and to draw on the comparative advantage and expertise which exists across government.

The partners will harmonise specific initiatives where appropriate. A number of joint initiatives are already underway including the Public Sector Improvement Facility, in-country training and regional scholarships. The partners will harmonise small grant programs into a single scheme managed by the GoS and accessible by communities, NGO's, small-scale business and tourism operators.

5.6 Cross Cutting Issues

The JSPS gives key emphasis to equity of access to quality education and health contributing directly to GoS obligations to ensure social and cultural rights in these areas. Support for the law and justice sector will also contribute to greater equality before the law, legal protection and personal security. Support for civil society and NGOs also includes a number who are active in promoting, protecting and providing education on the rights of women, youth, children, and people with special needs and who engage with Government on these issues.

Samoa is a signatory to the Convention on the Elimination and Discrimination against Women (CEDAW) and on the Rights of the Child. Both youth and women are specifically identified as vulnerable groups in Samoa and the JSPS will give specific consideration to the protection and

promotion of the rights of women and children and fostering of their participation in programs at all levels. The JSPS will also further GoS CEDAW Report recommendations to promote women's health, particularly sexual and reproductive health, to promote micro-credit availability for women, and to integrate grassroots participation of women in health and education and other sectors.

Samoa's agricultural industry and national economy remains highly vulnerable to natural disasters and climatic changes given the concentrations of settlements in exposed coastal areas. Possibilities for mitigating action are limited. Disaster risk reduction and disaster management planning is impeded by resource constraints, capacity and a lack of hazard information and models. Australia and New Zealand will continue to assist Samoa to develop its capacity to reduce the impact of disasters and to prevent disasters from undermining development objectives.

Australia will give consideration to disaster risk management in respect of all bilateral initiatives.

Australia will assist Samoa as needed to develop its capacity to reduce the impact of disasters and to prevent disasters from undermining development objectives by

- respecting the central role that local communities and all levels of government have in managing risks from disasters.
- strengthening Samoa's national disaster management system
- strengthening the capacity of local communities to plan for and mitigate the effects of disasters
- applying community based disaster management practices.

Australia is also supporting Samoa's disaster preparedness and response capacity through regional initiatives including through supporting SOPAC in its mandated role to strengthen disaster risk management capacity in the region.

Other issues which cut across the development sphere which will be considered in the programming, design, implementation and management of all aid initiatives including sustainable resource management, environment, gender, youth, HIV/AIDS, and corruption.

5.7 Resourcing

Australian and New Zealand bilateral and regional funding allocations are subject to annual Parliamentary approval and allocation. The current annual bilateral allocations to Samoa are A\$ 13m from Australia and NZ\$8.7 million from New Zealand. Funding allocations are expected to remain at similar levels during the JSPS period.

6. MANAGING RISK AND PERFORMANCE

The JSPS articulates a logical cause and effect relationship between SDS goals, through JSPS objectives, to a series of initiatives supporting change on the ground. In order to ascertain if the intended objectives of the JSPS are being achieved and to test this cause effect relationship, an integrated performance management framework will be adopted. The framework (under preparation) comprises performance information on individual strategy initiatives, quality assurance procedures on program delivery and management, a performance framework to determine if the JSPS objectives are being achieved, additional research and analysis in matters affecting the development of Samoa and a risk management approach to exogenous factors to the delivery of the strategy.

The results of this process will be an annual review of the JSPS which will underpin preparations for HLDs held every 18 months. The HLDs provide the forum for ensuring the program meets the needs of the GoS and people of Samoa and provides the opportunity to improve the effectiveness of aid delivery. The effectiveness and impact of the partnership and harmonisation arrangements will be considered as part of the review process. The JSPS will also be reviewed in light of the next SDS which is expected to cover 2008-2010.

6.1 Performance Assessment

A draft performance framework (under preparation) sets out performance measures against which implementation of the JSPS will be assessed. As joint partners GoA, GoNZ contribute significantly to the GoS annual expenditure and performance of the JSPS strategy should be measured at the highest level. Through a twelve month review cycle it will be used as a management tool to ensure interventions under the JSPS are achieving intended benefits against SDS goals.

The performance indicators show the direction of change but not necessarily provide a definable quantum of change. Where possible indicators provide a direct response but in others they are proxies for change which cannot be cost effectively measured. The selection of indicators has been based on the concept of readily available and reliable data. Where survey instruments are used it is because the survey is being undertaken for other more direct purposes. Existing GoS data will be utilised. The GoS, with JSPS partner support, are finalising the performance indicators for the SDS. The performance indicators in this strategy will remain flexible, adjusted if necessary after each review to ensure their relevance and alignment with SDS indicators.

The framework also contains indicators to report against management and delivery of the respective aid programs. Australia and New Zealand will continue to make improvements to ensure the quality of aid. Each JSPS initiative has its own monitoring and evaluation framework providing a range of qualitative and quantitative performance information to be used in improving the management and delivery of the strategy.

6.2 Risk Analysis and Management

Samoa is a politically stable country with a commitment to social reform, improved accountability and transparency. Its people are forgiving but vigilant about political, social and economic change. Generally this reduces the external, country and program level risks associated with the delivery of the JSPS. Nonetheless Samoa remains a small island state and an LDC. These factors make it inherently vulnerable to external economic shock and natural disasters. The advocates and architects of change and growth in government and the private sector are stretched. They are increasingly being expected to achieve more with a static reserve of human capital and physical resources. This increases the risks associated with a program which increasingly focuses on harmonisation and government ownership. These vulnerabilities are recognised in the risk matrix (under preparation). Any change to this assessment should trigger a strategy review.

The draft risk management matrix sets out this assessment in more detail (under preparation). It analyses three categories of risk: external, country level risk and program level risk. With the exception of the impact of a natural disaster, none of the risks are rated as high. However the majority of the risks relate to the dynamic nature of such a small state and the effect that internal and external forces play on the JSPS partnership which contributes the vast majority of donor grant funding. To this end the annual strategy review and specifically review of the management objectives of the strategy provides an appropriate process for the regular review of program-level risks.