



Technical Assistance Consultant's Report

Inception Report
Project Number: 4110301
April 2008

Samoa: Support for the Formulation and Implementation of the Strategy for the Development of Samoa

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Asian Development Bank

Inception Report

**ADB TA No. 7033-SAM
Support for the Formulation and
Implementation of the Strategy for the
Development of Samoa (Financed by the
Japan Special Fund)**

Presented to

The Government of Samoa

and

Asian Development Bank

11 April 2008

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Abbreviations

| | |
|--------|---|
| ADB | Asian Development Bank |
| AusAID | Australian Agency for International Development |
| CDC | Cabinet Development Committee |
| EPPD | Economic Policy and Planning Division |
| IMF | International Monetary Fund |
| MOF | Ministry of Finance |
| NGO | Non-Government Organization |
| PFTAC | Pacific Financial Technical Assistance Center |
| PSC | Public Service Commission |
| PSIP | Public Sector Investment Programme |
| QER | Quarterly Economic Review |
| SAT | Samoan Tala |
| SDS | Strategy for the Development of Samoa |
| SOE | State Owned Enterprise |
| SBS | Samoa Bureau of Statistics |
| TA | Technical Assistance |

1. Introduction

1. Between 1995 and 2004, the Asian Development Bank (ADB) provided technical assistance (TA) to enable the Government of Samoa to build its capacity for macroeconomic analysis and policy formulation, development strategy formulation, and sector and project planning.¹ A central component of this TA was the transfer of skills through in-country and overseas education and training and the consequent building of the human resource base in the Economic Planning and Policy Division (EPPD) of the Ministry of Finance (MOF).

2. During a pre-programming mission by the ADB in February 2007, the Government of Samoa requested advisory TA to consolidate the gains made under previous TA and to further improve its capacity for strategic planning, monitoring and evaluation. The ADB mission reached an understanding with the Government on the objectives and scope of the TA, cost estimates, a financing plan, implementation arrangements and the detailed terms of reference for consulting services of the TA, which are presented in Appendix 1.

3. This inception report briefly discusses the effectiveness of TA provided in 1996–2004 (section 2); and then describes the evolving organizational context within which TA has been, and will be, provided to MOF (section 3). Section 4 presents a TA design and work program that take account of the lessons learned from previous TA and of two developments during the period since the ADB mission of February 2007: (i) the completion of consultations for the formulation of the *Strategy for the Development of Samoa, 2008–2012* (SDS) by end November 2007, and (ii) ADB's provision of some TA in November–December 2007 to assist with drafting of a results-oriented SDS 2008–2012.²

4. The report has been prepared during the first visit to Samoa by the TA team leader (5 March–15 April 2008), in conjunction with the project leader (EPPD's Assistant Chief Executive Officer), and after consultation with Government officials, whose assistance is gratefully acknowledged. Appendix 2 lists the persons met.

2. Past Technical Assistance

5. The TAs provided in 1995–2004 were rated as generally successful in the various TA completion reports. Tangible outputs from the capacity building under this TA included:

- The consultative preparation of six medium-term national development strategies emphasising macroeconomic stability, private sector-led economic growth and social development (*Statements of Economic Strategy, 1996-1997, 1998-1999, 2000-2001; Strategies for the Development of Samoa, 2002-2004, 2005-2007, and 2008-2012*, which adds environmental sustainability as a major goal)
- The formulation of two rolling three-year public sector investment programs (*Public Sector Investment Programme 2000/2001–2002/2003, 2005/2006–2007/2008*)

¹ ADB. 1995. *Technical Assistance to Samoa for Strengthening Capacity for Macroeconomic Analysis, Planning and Policy Formulation in the Treasury Department*. ADB. 1996. *Technical Assistance to Samoa for Strengthening Capacity for Macroeconomic Analysis, Planning and Policy Formulation (Phase II)*. ADB. 1998. *Technical Assistance to Samoa for Strengthening Capacity for Macroeconomic Analysis, Planning and Policy Formulation (Phase III)*. ADB. 1999. *Technical Assistance to Samoa for Strengthening Capacity for Macroeconomic Analysis, Planning and Policy Formulation (Phase IV)*. ADB. 2002. *Technical Assistance to the Independent State of Samoa for Strengthening of Economic Sectors Planning and Management (Phase V)*. Manila.

² RSC-C71945 (SAM); *Support for the Formulation of the Strategy for the Development of Samoa (SDS), 2008-2011* (one month).

- The establishment of systems for the generation and use of economic statistics as a basis for informed macroeconomic analysis (presented in the routine publication of a *Quarterly Economic Review*)
- The preparation and dissemination of sectoral and project planning manuals, which were endorsed by the Cabinet Development Committee (CDC)³ as a means of facilitating effective integration of planning into the budget cycle (*Manual of Project Planning and Programming* published in September 1998; *Sectoral Planning Manual: Samoa* published in 2000 and revised and translated into Samoan in 2003)
- The introduction of an extended version of the Revised Minimum Standards Model (RMSM-X) as a means of enhancing macroeconomic analysis (*RMSM-X for Samoa Manual*)
- The completion of several specific policy analyses and sector studies (agriculture, tourism, commerce and public administration); and
- Annual economic statements in support of the annual budgets.

6. Effective capacity building is demonstrated by the application of newly-acquired technical skills in an operational environment without reliance on the original sources of those skills. Many of the above outputs have been produced in a sustained way with little, if any, external assistance – most notably, the consultative formulation of successive SDSs; the generation of economic statistics that supported timely publication of the *Quarterly Economic Review*; institutionalization of the project planning and approval process through CDC; preparation of the Public Sector Investment Programmes; and preparation of the economic statements for the annual budgets.

7. This growth in EPPD capacity in 1995–2004 was founded on (i) the engagement of good advisers over the long term and (ii) strong local ownership and management of the TA. However, less success was achieved in facilitating the formulation of a full set of sector plans under the guidance of Sector Steering Committees, and in employing the RMSM-X model for the purposes of macroeconomic policy analysis. In these last two cases, the impact of capacity building was diminished by the departure or transfer of several key staff who had been trained through the TA. Other factors were the lack of engagement by some line ministries in the case of sector planning and, in the RMSM-X case, the absence of a management-driven integration of macroeconomic analysis into the budgetary process at an early stage and an associated demand on staff to use their acquired skills.⁴

8. Table 1 shows that there have been 34 changes in staffing of 14 EPPD positions since 1996, of which 18 were promotions within EPPD, 8 promotions to other areas of MOF, and 7 promotions to other ministries. One staff member left for New Zealand. It is thus clear that, although staff have left EPPD over the years, they have been following civil service career paths and taken the benefits from capacity building with them. That said, this natural process of staff movement has involved some loss of capacity within EPPD: in early 2008, only six of the staff who received training under ADB TA in 1996–2004 remained in place, all occupying higher positions, while the remaining eight staff were post-2004 appointments.

³ CDC consists of all Ministers, Associate Ministers, line ministry and state-owned enterprise CEOs, and a representative of Samoa Umbrella of NGOs, and is chaired by the Prime Minister. As required by the Public Finance Management Act 2001, CDC meets every two months to assess policy and project proposals put forward by line ministries in terms of their consistency with SDS and availability of public resources.

⁴ ADB. 2005. *Technical Assistance Completion Report on Strengthening of Economic Sectors Planning and Management (SAM)*. Manila.

Table 1: Personnel Changes in EPPD Staff Positions 1996–2007

| Position | Changes since 1996 | Promotion within EPPD | Promotion to other MOF Divisions | Promotion to other Ministries | Movement Overseas |
|--|--------------------|-----------------------|----------------------------------|-------------------------------|-------------------|
| 1. Assistant CEO | 3 | 1 | 1 | 1 | |
| 2. Principal Macroeconomist | 2 | 1 | | 0 | 1 |
| 3. Senior Research Officer (macro) | 4 | 3 | 1 | 0 | |
| 4. Research Officer (macro) | 2 | 2 | | 0 | |
| 5. Principal Planning Officer (sectors and projects) | 3 | 1 | | 2 | |
| 6. Senior Research Officer (sectors) | 4 | | 3 | 1 | |
| 7. Senior Research Officer (projects) | 3 | | 2 | 1 | |
| 8. Research Officer (sectors) | 5 | 5 | 0 | 0 | |
| 9. Research Officer (projects) | 3 | 3 | 0 | 0 | |
| 10. Energy Coordinator | 0 | 0 | 0 | 0 | |
| 11. Research Officer (energy) | 0 | 0 | 0 | 0 | |
| 12. Principal Research Officer (statistics) | 1 | 1 | 0 | 0 | |
| 13. Senior Research Officer (stats) | 2 | 1 | 0 | 1 | |
| 14. Research Officer (stats) | 2 | | 1 | 1 | |
| TOTAL | 34 | 18 | 8 | 7 | 1 |

3. The Organizational Context

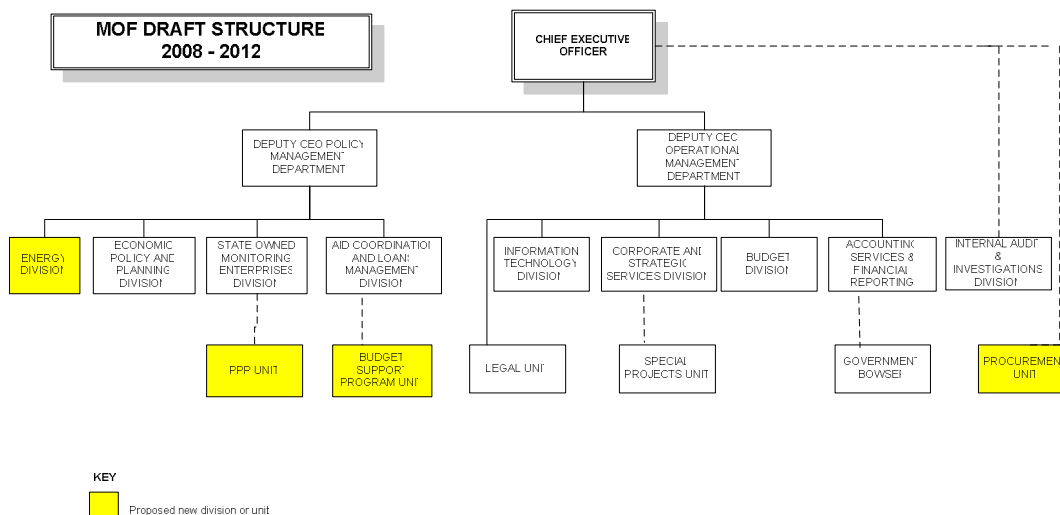
9. MOF, with the Public Service Commission (PSC), has played a crucial role in the design and implementation of the economic and public sector reforms that have been implemented in Samoa since 1994. The Ministry has been responsible for the formulation of national development strategies that provide the planning framework for the formulation of government agencies' corporate plans and annual budget submissions; it has implemented fiscal policies conducive to the maintenance of a stable macroeconomic environment; and it has developed the technical infrastructure of a relatively robust public financial management system.⁵

10. Under the Ministerial and Departmental Arrangements Act 2003, the organizational structure of public administration was changed from 28 departments to 14 ministries, with MOF (previously Treasury Department) taking on aid coordination and management from Foreign Affairs and registration of births, deaths and marriages from the Justice Department, and also absorbing the Statistics Department.

⁵ Linpico. 2006. *Samoa Public Financial Management Performance Report* observes that "continual improvement has continued on budgeting, economic reporting and monitoring of state owned enterprises but problems have emerged in cash management and financial reporting" [due to the recent introduction of a new financial management system – Finance One – and staff turnover].

11. The draft MOF Corporate Plan 2008–2012 indicates that a further reorganization of MOF will begin from July 2008. The Statistical Services Department will be separated to become the Samoa Bureau of Statistics (SBS), which will be mandated to direct and manage the Statistics Act 1971 and the Births, Deaths and Marriage Act 2002. The Bureau will absorb EPPD’s Statistics Unit, taking two of the three current staff positions. The Energy Unit will also be separated from EPPD in 2009–2010 to become a new division alongside others, as shown in Figure 1.

Figure 1:



12. EPPD’s future structure therefore is expected to differ from the current structure, as shown in Figure 2. The Energy Division will be responsible for reviewing the Samoa National Energy Policy 2007 and implementing the Samoa National Energy Policy Action Plan 2007. The absorption of EPPD’s Statistics Unit into SBS means that the Bureau will take over the production of national accounts and Government Finance Statistics (GFS). The third staff member of the Statistics Unit who will not be relocated to SBS will be reassigned to the Macroeconomics Unit.

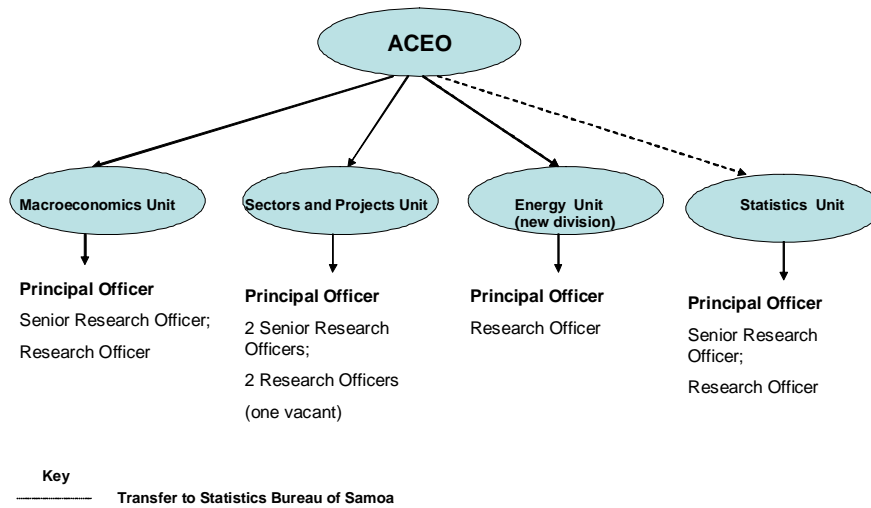
13. EPPD’s Macroeconomics and Sectors and Projects Units have been responsible for the following outputs, which collectively have contributed to the overall outcome of providing Government with timely expert economic and financial advice.

- Policy assessment and advice to Cabinet
- Macroeconomic policy formulation and analysis
- Strategic/sector policy analysis and planning, including preparation of the Public Sector Investment Program
- Project planning, project appraisal, and project monitoring and evaluation.

14. In the draft MOF Corporate Plan 2008–2012, these outputs have been reformulated into two outputs, though the substance of the work required remains essentially the same. The first output is setting national development priorities, which is to be achieved through formulation and review of the *Strategy for the Development of Samoa, 2008–2012* (SDS), and the review and formulation of a Public Sector Investment Program. The second output is socio-economic policy advice, which involves the preparation of sector issues papers and assisting with the formulation of sector plans, as

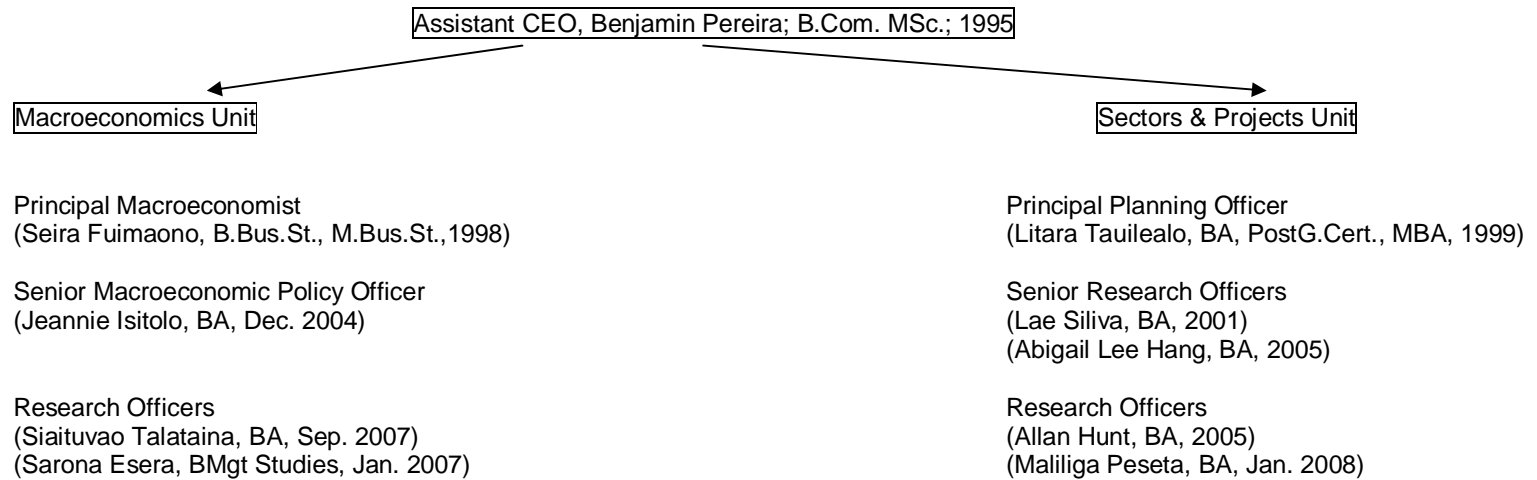
well as the provision of advice to the CDC on whether policy and project proposals from line ministries align with SDS objectives and strategies.

Figure 2: EPPD Organizational Structure



15. The staffing of a restructured EPPD is shown in Figure 3. Six of the ten staff have joined since late 2004 and therefore were not involved in any of the ADB TA phases discussed in section 2. These staff have university degrees but have had limited opportunities to develop their technical capacity to perform the new kinds of tasks for which they are responsible. Similarly, the research officer in the Energy Unit has not received training specifically tailored to the needs of her position.

**FIGURE 3: EXPECTED STRUCTURE AND STAFFING OF ECONOMIC PLANNING AND POLICY DIVISION, 2008
(Position/Name/Qualification/Year Started in MOF)**



4. TA Design and Work Program

16. Table 2 presents the TA design framework, which specifies that the purpose of the TA is to build the domestic capacity for planning and management for development results. This involves not only training MOF and other government staff in relevant research, analytical and planning skills, but also strengthening both the knowledge base and management systems and processes for monitoring and reporting on the implementation and impact of SDS.⁶

17. The **first output** is the formulation of SDS 2008–2012 monitoring indicators, which involves activities 1.1–1.6 (shown in Table 2). However, as noted in paragraph 3, activities 1.1–1.4 were largely completed by late 2007. EPPD staff completed consultations for SDS formulation in October–November 2007, without external assistance; and a first draft of SDS including development indicators was prepared by 15 December 2007, with the assistance of a one-month ADB staff consultancy, which was arranged because of delays in the approval of TA7033. The SDS 2008–2012 draft was finalized in March 2008, with assistance from the team leader in his first period of field work.

18. Given these developments regarding production of the first output, **three amendments to the original TA design are suggested**. **First**, in response to a request from MOF’s CEO, it is proposed that resources allocated to the now largely redundant position of national planning and facilitation specialist are reserved for possible future extension of international adviser inputs; and that the team leader takes over responsibility for managing the TA’s equipment budget (which will require a contract variation).

19. **Second**, it is proposed that greater emphasis be given to research for, and preparation of, policy papers (activities 1.5 and 1.6), with inputs from the team leader that complement the activities of the economic modeller (see output 2). The project and team leaders have agreed that in addition to general training on policy analysis, policy papers will be prepared on a range of topics, including the impact of the world oil price rise on the Samoan economy, the effect of aid and remittance flows on export industry growth, the implications of accession to the World Trade Organization, and the economic impacts of the South Pacific Games and graduation from least developed country status. Additionally, attention will be paid to the factors determining the *execution* of policy.

20. **Third**, it is proposed that training in policy analysis is extended to include training in project planning and appraisal and project monitoring and evaluation (new activity 1.7), since this is an area in which the six relatively new staff have no theoretical knowledge or practical experience. Invitations to participate in this training will be extended to the staff of line ministries and state-owned enterprises. Relevant training opportunities also may be identified under forthcoming ADB regional TA.

21. The **second output** is the improvement of macroeconomic policy analysis and statistics, involving activities 2.1–2.6 (shown in Table 2). In regard to statistics improvement, it should be noted that the *Ministry of Finance Annual Organisational Capability and Management Plan 2007–2008* identifies budget analysis as an area in which staff training is needed to close a significant capability gap. It should also be noted that the TA’s focus is on GFS, and that assistance provided in this area should review and build on recent TA provided by the Pacific Financial Technical Assistance Center (PFTAC) to introduce forward estimates. Given the existence of the International

⁶ The Organisation for Economic Co-operation and Development’s Development Assistance Committee has defined capacity development as “the process whereby people, organizations, and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time”. ADB has adopted this definition.

Monetary Fund's GFS technical manual and outputs from the PFTAC TA, any local manual produced would need to be a user-friendly, procedures-oriented manual. Training will be provided to selected EPPD staff, the staff of EPPD's Statistics Unit who will move to SBS, and to selected staff of MOF's Budget Division.

22. In regard to economic modelling, the tasks are well defined: review RMSM-X, determine if it should be updated and employed as a tool for macroeconomic policy analysis and, if not, offer an alternative means of strengthening policy analysis. In completing these tasks, the focus should be on building effective capacity to model the medium and long term economic and fiscal outlook, bearing in mind that EPPD's Macroeconomics Unit has not employed RMSM-X at any stage in the last 4 years, and that training in macroeconomics and economic modelling has centred on undertaking courses in Financial Programming and Policies run by the IMF in Singapore, the Pacific region and Washington. Of the current EPPD staff, the Assistant CEO, Principal Statistician, Principal Macroeconomist and Senior Macroeconomic Policy Officer have completed such courses, and several other staff have applied for admission to courses offered in July and October 2008. It should also be noted that revenue forecasting and analysis (including estimation of donor funding) is conducted within MOF's Budget, Aid Coordination and Loans Management and State-Owned Enterprise and Monitoring Divisions, and by the Ministry for Revenue. Capacity building will cover relevant staff from these organizational units.

23. The **third output**, impact assessment of sector developments over the past 10 years, primarily involves the analysis of sector performance, issues and development opportunities and constraints for the key agriculture and tourism sectors. Policy papers on these sectors will provide the foundation for the formulation of sector plans in 2008–2009, which will specify sector objectives and intermediate indicators, sector policies and strategies, resource requirements and monitoring and evaluation arrangements. It is intended that resource requirements will be estimated and presented in a medium-term expenditure framework – of the sort currently being formulated in the water sector plan, *Water for Life, Water Sector Plan and Framework for Action (2008–2013)*. Other sector policy papers to be prepared in 2008–2009 include manufacturing and construction and communications.

24. The **fourth output** is capacity building in EPPD and relevant government agencies, which underpins the sustainable production of the first three outputs. A key element of capacity building is the institutionalization of a monitoring, reporting and evaluation system for SDS and the other components of the performance management system shown in Figure 4. The other element is knowledge acquisition and the provision of training in relevant skills. The TA design targets skills upgrading for 6 EPPD staff and 20 “sector level” planners in government agencies. This latter target should be understood to include those staff in MOF's Budget, Aid Coordination and Loans Management and SOE Monitoring Divisions and in the Ministry for Revenue who will participate in economic modelling and forecasting training, as well as MOF Budget Division and SBS staff involved in GFS-related training. A short-term training program is included in this report rather than the mid-term report, since training will commence early in TA implementation (see section 5).

25. Table 3 presents a work plan and expected scheduling of adviser inputs. The team leader is shown as having six field trips instead of the five in the TA budget. This has been agreed with the project leader and will not place pressure on the travel budget because of the use of non-business class travel Gold Coast-Sydney-Apia with Virgin Airlines and Polynesian Blue. Appendix 3 presents an initial list of equipment needs and cost estimates. The next section details a training program for counterpart staff.

Figure 4: Public Service Performance Management System

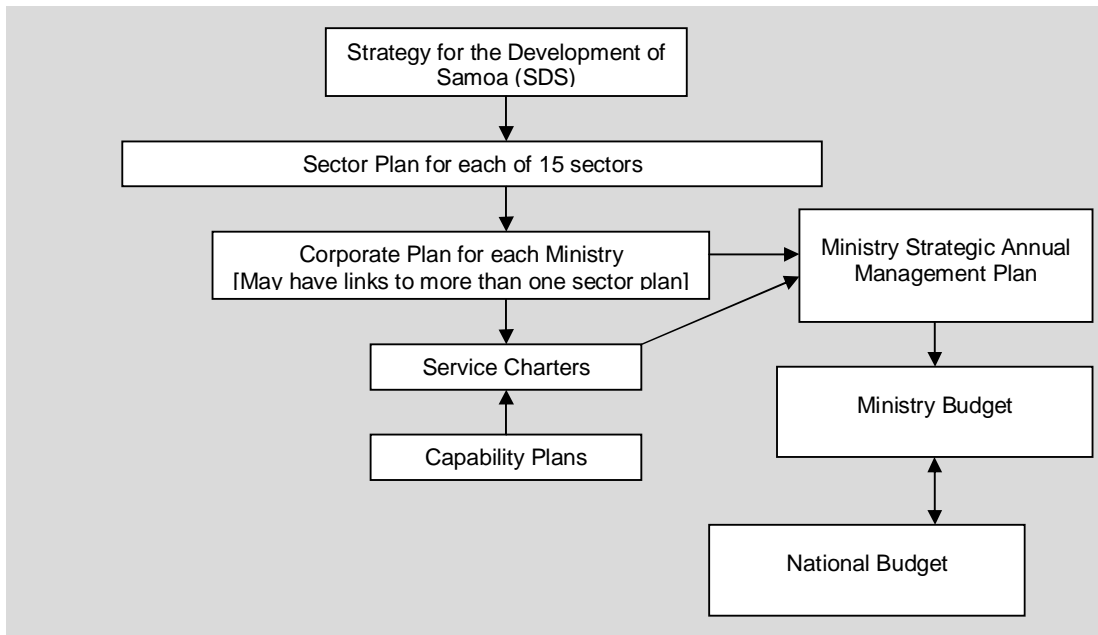


Table 2: Design and Monitoring Framework

| Design Summary | Performance Targets/Indicators | Data Sources/Reporting Mechanisms | Assumptions and Risks |
|--|---|--|--|
| <p>Impact</p> <p>Improved and sustained medium-term strategic planning and monitoring</p> | <p>Development/output indicators established through a consultative process, identified in an approved SDS 2008–2012, and reported on regularly</p> | <p>Annual national reports on attainment of development/output indicators (EPPD); and reports of relevant sector ministries and agencies</p> | <p>Assumptions</p> <p>TA implemented effectively</p> <p>Strong government commitment to institutionalize Management for Development Results (MfDR) approaches, and participation and consultation in planning and monitoring</p> <p>Risks</p> <p>Public opposition to proposed strategies and priorities</p> |

| Design Summary | Performance Targets/Indicators | Data Sources/Reporting Mechanisms | Assumptions and Risks |
|---|--|---|---|
| <p>Outcome</p> <p>Improved capacity and process for planning and MfDR</p> | <p>Harmonization between SDS 2008-2012, sector plans, government agencies' corporate plans, the medium-term fiscal framework and the annual budget, as measured by consistency of their cascading indicators</p> <p>Development of a skilled planning staff of 6 in the EPPD, and of a broader group of 20 sector level planners in government agencies by April 2009</p> | <p>SDS 2008–2012</p> <p>Medium term fiscal framework</p> <p>Sector and corporate plans</p> <p>Annual budget</p> <p>TA reports</p> | <p>Assumptions</p> <p>Well-coordinated approaches with all stakeholders</p> <p>Availability of sector plans, and corporate plans</p> <p>Risk</p> <p>Crisis that strains budget allocation and prompts a change in focus</p> |
| <p>Outputs</p> <p>1. Formulation of the SDS 2008-2012 monitoring indicators</p> <p>2. Improvements in macroeconomic policy analysis and statistics</p> | <p>Approved SDS 2008–2012 results framework with realistic target indicators by July 2008</p> <p>Adoption of a methodology for collection, analysis, and interpretation of Government Finance Statistics (GFS) by August 2008</p> <p>Timely and accurate GFS by April 2009</p> <p>Improved RMSM-X economic forecasting model or alternative by April 2009</p> <p>Manuals and training for GFS and economic modeling from June 2008-February 2009</p> | <p>Uploaded in the Government's website</p> <p>Adoption of data collection and analysis policy by August 2008.</p> <p>MfDR data sets under annual performance reports on SDS 2008-2012</p> <p>Quarterly reports on economic model/forecasting outputs</p> <p>TA reports</p> | <p>Assumptions</p> <p>Strong and timely support from all stakeholders</p> <p>Timely delivery of inputs by ADB and the Government</p> <p>Risk</p> <p>Staff turnover in key ministries</p> |

| Design Summary | Performance Targets/Indicators | Data Sources/Reporting Mechanisms | Assumptions and Risks |
|---|---|--|-----------------------|
| 3. Impact assessment of sector developments over the past 10 years | Review and incorporation of lessons learned from sector developments under past SDSs by November 2008 | Sector plans TA reports | |
| 4. Enhanced capacity of staff of EPPD and relevant sector ministries and agencies | 80% of EPPD staff trained to enhance their competence in producing future national MfDR development plans by December 2008 Options paper for staff retention by April 2009 | Training competency tests Reports on training by developed trainers TA reports | |
| Activities with Milestones | | Inputs | |
| 1.1 Review SDS 2005–2007, assess development results indicators. 1.2 Assist the Government in refining consultation strategy. 1.3 Assist the Government in formulation of monitoring indicators. 1.4 Assist in developing realistic target indicators. 1.5 Conduct research for preparation of policy papers. 1.6 Draft policy papers. 1.7. Conduct training in project planning and appraisal and monitoring and evaluation. | | Component 1: ADB: \$150,000 Government: \$31,000 Consultants: 3 person-months international – team leader. | |
| 2.1 Review current process for government finance statistics. 2.2 Develop government finance statistics manual. 2.3 Conduct training in economic statistics. 2.4 Review RMSM-X. 2.5 Recommend appropriate economic model (RMSM-X or alternative). 2.6 Develop manual for economic modeling. | | Component 2: ADB: \$100,000 Government: \$12,000 Consultants: 3 person-months international – economic statistician; economic modeller. | |
| 3.1 Review SDS impacts over the past 10 years. 3.2 Develop sector framework for costing inputs. | | Component 3: ADB: \$100,000 Government: \$56,000 Consultants: 2 person-months international – team leader | |
| 4.1 Conduct training for counterpart staff. 4.2 Develop short-term training program for counterpart staff. 4.3 Assist the Government to prepare an options paper on staff retention, including a pilot program for young professionals for MOF. | | Component 4: ADB: \$150,000 Government: \$26,000 Consultants: 4 person-months international – 3 team members | |

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Table 3: TA 7003 Work Plan

| Outputs and Activities | | 2008 | | | | | | | | | | | | 2009 | | | | | | |
|---|---|------|-----|-----|-----|------|-----|------|-----|-----|-----|-----|-----|------|-----|-------|------|--------------|---|----|
| | | Mar | Apr | May | Jun | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | | | | | |
| Inception | Situation Analysis | ■ | ■ | | | | | | | | | | | | | | | | | |
| | Workplan | ■ | ■ | | | | | | | | | | | | | | | | | |
| Inception Report | | | ■ | | | | | | | | | | | | | | | | | |
| 1. Formulation of the SDS 2008-2012 monitoring indicators | Activities 1.1-1.4: SDS formulation/monitoring indicators | ■ | ■ | | | | | | | | | ■ | | ■ | | ■ | ■ | | | |
| | Activities 1.5-1.6: Policy Analysis | | | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | | | |
| | Activity 1.7: Project planning, appraisal, monitoring and evaluation | | | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | | | |
| | SDS 2008-2012 posted on web | | ■ | | | | | | | | | | | | | | | | | |
| SDS six-monthly review | | | | | | | | | | | | | ■ | | | | | | | |
| 2. Improvements in macroeconomic policy analysis and statistics | Activities 2.1-2.3: Government Finance Statistics | | | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | | | |
| | Activities 2.4-2.6: Economic modelling and forecasting | | | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | | | |
| | GFS operations manual | | | | | | | | ■ | | | | | | | | | | | |
| Economic modelling manual | | | | | | | | | | | ■ | | | | | | | | | |
| 3. Impact assessment of sector developments over the past 10 years | Activities 3.1-3.2: Sector analysis and plans | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | ■ | | | ■ | | ■ | ■ | ■ | | | |
| | Monthly Reports | | | | | | ■ | | ■ | | ■ | | ■ | | ■ | | | | | |
| | Mid-Term Report | | | | | | | ■ | | | | | | | | | | | | |
| 4. Enhanced capacity of staff of EPPD and relevant sector ministries and agencies | Activities 4.1-4.2: Counterpart training | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | ■ | | | ■ | | ■ | ■ | ■ | | | |
| | Activity 4.3: Options paper on staff retention; young professional pilot training program | | | | | | | | | | | | | | | | | | | |
| | Options paper | | | | | | | | | | | | | | | | ■ | | | |
| Draft Final Report | | | | | | | | | | | | | | | | | ■ | | | |
| Personnel Schedule | | | | | | | | | | | | | | | | | | | | |
| Name | Position | 2008 | | | | | | | | | | | | 2009 | | | | Months Input | | |
| | | Mar | Apr | May | Jun | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | Field | Home | Total | | |
| International | | | | | | | | | | | | | | | | | | | | |
| Bruce Knapman | Development Planning and Economic Sector Specialist/Team Leader | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | ■ | | | ■ | | ■ | ■ | ■ | 7 | 1 | 8 |
| Karen Incher | Economic Statistician | | | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | 2 | 0 | 2 |
| Bruce Taplin | Economic Modelling Specialist | | | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | 2 | 0 | 2 |
| Total | | | | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | 11 | 1 | 12 |

Legend: Field work
 Home Office

5. Skills Transfer

26. An in-house assessment of EPPD's training needs was made in late 2007 by EPPD management in consultation with staff. The assessment identified the following training priorities: (1) financial programming (that is, formulating a comprehensive set of policy measures to achieve macroeconomic goals); (2) analysis of macroeconomic issues; (3) statistical analysis; (4) applications of database software (Microsoft Access); (5) report writing; and (6) research skills. Other training needs that were identified as specific to EPPD Units include: strengthening the Statistical Unit's capacity to compile, analyse and report on GFS; and strengthening the Energy Unit's capacity to conduct policy evaluation and negotiations, energy analysis and reporting and appraisal of renewable energy projects. Discussions between the team leader and EPPD management and individual staff have confirmed that there is also a need for training in project planning amongst the six staff who have joined EPPD in the last three years; and that the Assistant CEO of EPPD would appreciate an opportunity to undertake short-term intensive training in leadership and management.

27. The training program to be provided as part of TA 7033 will address most of the identified needs by addressing (3)-(6) above as elements of training in SDS monitoring and reporting, macroeconomic and microeconomic policy analysis, project planning, GFS, economic modelling and forecasting, and sector analysis and planning. The specific needs of the Energy Unit may be addressed partially through including appraisal of renewable energy projects in training in project planning. However, training in leadership and management would have to be provided from another source.

28. Table 4 presents a preliminary training program that may be modified according to circumstances at the time of the advisers' inputs. It is expected that the training budget of US\$5,000 (approximately SAT12,800) will permit the funding of the equivalent of approximately 20 half-day workshops. All seminars and workshops involving expenditure under the TA budget will be planned individually, and the workshop approval format presented in Appendix 4 will be used.

29. On-the-job training will be provided throughout the TA period as appropriate. In addition to ensuring availability of counterpart staff, MOF will provide office accommodation, office supplies and support services, and any data or documentation required for implementation of the TA. MOF will also support consultations by advisers and workshops run as part of the TA training program.

30. There is always a concern about the durability of capacity building in a small island economy where significant staff turnover may occur and the availability of adequately-skilled replacements may be limited by the small labor pool. The response to this concern is twofold. First, a "train the trainer" approach will be adopted, so that the senior staff in the two EPPD units are able to pass on their newly acquired skills to junior staff and new recruits. Second, training in the designated areas will be provided to more people than presently are required to undertake specific jobs. Such multi-skilling will provide backup in the event of any staff departures.

Appendix 1: Terms of Reference for Advisers

A. General

1. The technical assistance (TA) will require the services of a team of international and national consultants in development planning and economic sector policy formulation, economic statistics and economic modeling. The assistant chief executive officer of the Economic Planning and Policy Division (EPPD) in the Ministry of Finance (MOF) will be the project leader for implementing the TA.

B. Specific

Development Planning and Economic Sector Policy Specialist – Team Leader (international, 8 person-months)

2. The specialist will be a macroeconomist with a strong background in development planning as well as broad experience in the Pacific and other regions.

3. In addition to overall coordination of all TA activities, the specialist will do the following:

- (i) In close consultation with MOF, prepare a time-bound detailed TA implementation work plan, including a training program with clear milestones. Support MOF and relevant line ministries to prepare and implement seminars and workshops, including stakeholder workshops.
- (ii) Help MOF to prepare develop realistic target indicators under an appropriate results framework in order to utilize the Strategy for the Development of Samoa (SDS) as a suitable mechanism for management for development results.
- (iii) Help to prepare policy papers on economic performance and policy prescriptions in support of the SDS.
- (iv) Support MOF and line ministries in key economic sectors to improve budget output definitions and performance indicators in support of the SDS and sector plans.
- (v) Support MOF and line ministries to conduct an impact assessment of sector developments over the past 10 years.
- (vi) Assist and strengthen the capacity of MOF and relevant line ministries in monitoring (a) progress in achieving specific performance indicators, and (b) overall economic performance at macro and sector levels. This will include monitoring of progress of SDS.
- (vii) Support and strengthen the capacity of staff in MOF and relevant line ministries in analysis of output from national accounts and economic models.
- (viii) Assist in designing and conducting relevant training in strategic development planning and macroeconomics and policy analysis, including a training of trainers program.
- (ix) Assist in developing a medium to long-term training program for consideration of the Government.
- (x) Help to prepare an options paper to address staff retention, including a proposed program for young professionals to be piloted in MOF.
- (xi) Provide regular progress reports to the Asian Development Bank and the Government in accordance with the TA implementation work plan.

Economic Statistics Specialist (international, 2 person-months)

4. The specialist will do the following:

- (i) Provide advice on how to maintain or improve the integrity and reliability of the national accounts model, including support to counterpart staff in research and

surveys to improve the quality of data.

- (ii) Develop a simple and cost-effective methodology for preparing statistics on employment, national savings and investment on a sustainable basis, preferably based on the existing national accounts model.
- (iii) Identify gaps in other key economic statistics that are critical for policy analysis and modeling, and develop a simple and cost-effective methodology for their preparation, preferably based on the existing national accounts model.
- (iv) Provide advisory and hands-on training to build the capacity of MOF and relevant agencies to prepare the statistics on a sustainable basis.
- (v) Support the establishment of a system of data collection from new sources, as necessary, and build the capacity of these new suppliers of data.
- (vi) Prepare detailed documentation and manuals, as needed, to institutionalize the new techniques and methodologies.
- (vii) Design and conduct relevant staff training on development and treatment of economic statistics to enable more accurate forecasting.

Economic Modeling Specialist (international, 2 person-months)

5. The specialist will do the following:

- (i) Review and refine the models (including the Revised Minimum Standard Model – Extended) for macroeconomic analysis and forecasting and develop new models, as necessary, for MOF as well as line ministries in key economic sectors.
- (ii) Assist counterparts in research and surveys to improve the quality of data input to the model and analysis of outputs.
- (iii) Provide training to build the capacity of MOF and line ministries in key economic sectors to understand and use these models effectively and on a sustainable basis.

Planning and Facilitation Specialist (national, 12 person-months)

6. The national consultant will have a background and experience in macroeconomics, development planning and consultation processes. The consultant will undertake but will not be limited to the following tasks:

- (i) Work closely with the international consultants and MOF to refine and implement a participatory consultative process for SDS formulation and implementation.
- (ii) Assist MOF in managing and liquidating funds for procurement of equipment, information technology development, training, seminars and workshops.
- (iii) Support MOF and the international consultants in preparing the SDS and coordinate inputs from the budget, sectoral and corporate plans (with links to the Millennium Development Goals and other regional and international commitments).
- (iv) Coordinate inputs from the preparation and outcomes of the participatory consultative process.
- (v) Provide ground support to the international consultants and MOF in implementing the four TA components.

Appendix 2: List of Persons Met

Ministry of Finance

Hinauri Petana, Chief Executive Officer.

Justina Evile Sa'u, Assistant CEO, State-Owned Enterprise Monitoring Division

Noumea Simi, Assistant CEO, Aid Coordination and Management Division

Economic Policy and Planning Division

Benjamin Pereira, Assistant CEO

Seira Fuimaono, Principal Macroeconomist

Sili'a Ualesi, Energy Co-ordinator

Aliielua Salani, Principal Statistician

Litara Tauilealo, Principal Planning Officer

Jeannie Isitolo, Senior Research Officer

Lae Siliva, Senior Research Officer

Abigail Lee Hang, Senior Research Officer

Uaina Kitiona, Senior Research Officer

Heremoni Suapaia, Research Officer

Siaituvao Talataina, Research Officer

Allan Hunt, Research Officer

Sarona Esera, Research Officer

Maliliga Peseta, Research Officer.

Corporate and Strategic Services Division

Soane Leota, Assistant Chief Executive Officer

Budget Division

Viane Tagiilima, Assistant Chief Executive Officer

Ministry for Revenue

Silafau Paul Meredith, Chief Executive Officer

Appendix 3: TA7033 Equipment Requirements

| | <u>SAT\$</u> |
|---|-----------------|
| HP Mono LaserJet P1505n 23PPM Network Ready | 1,252 |
| HP AiO Mono LaserJet 3052 18PPM Network Ready | 1,758 |
| Dell Latitude D830 Notebook | 6,870 |
| Dell D/dock Expansion Station and Monitor Stand | 1,288 |
| Dell 22" LCD Monitor, Keyboard and Mouse | 1,750 |
| 2 Dell Desktop Computers (Optiplex GX 280) + monitors | 12,000 |
| Total | \$24,918 |

Appendix 4: Approval Format for Workshops

| | | | |
|-----------------------------|---------------------------|-------------|--------------|
| Workshop etc No. | Date(s) of Workshop | | |
| Title : | | | |
| Purpose : | | | |
| | | | |
| Venue : | No. of Days : | | |
| No. of Participants : | | | |
| BUDGET | | | |
| | Unit | Unit | Total |
| | | Cost | Cost |
| Honoraria | | | |
| Resource Persons | | | |
| Hire of Equipment | | | |
| Accommodation | | | |
| Food | | | |
| Office Supplies | | | |
| Other Consumables | | | |
| etc | | | |
| etc | | | |
| Total Cost | | | |