



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/CP/SAM/4
8 April 1986

ORIGINAL: ENGLISH

Thirty-third session
2-27 June 1986, Geneva
Item 5 (b) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR SAMOA*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
1987-1991	IPF for 1987-1991	3 809 000
	Third cycle balance	(124 000)
	Other resources programmed	<u>278 000</u>
	Total	3 963 000

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES . . .	1 - 15	2
A. Current economic trends	1 - 6	2
B. National development strategies	7 - 12	3
C. Technical co-operation priorities	13 - 15	4
II. THE COUNTRY PROGRAMME	16 - 37	5
A. Assessment of current country programme . . .	16 - 22	5
B. New programme proposal	23 - 36	7
C. Unprogrammed reserve	37	10
Annex: Financial summary		

*Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under Authority of Administrator; (e) distribution of new country programme by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. Samoa is a least developed country that continues to make good use of external assistance in its development effort to overcome a number of constraints which include geographic isolation, limited natural resources, small domestic market, subsistence-based economy, continued emigration, lack of skilled manpower and heavy dependence on a few agricultural products for export. During the last five years, the Samoan economy has fluctuated below the level of gross domestic product (GDP) attained in 1979. There was in fact a negative growth during the period from 1980 to 1982 followed by a marginal increase in GDP of 0.5 per cent in 1983 and 2.1 per cent in 1984. As shown in the main report submitted by the Government to the UNDP Round-table Conference held at Geneva in May 1983, real GDI declined from \$WS 109.7 million in 1979 to \$WS 103.0 million in 1980 and further to \$WS 95.2 million in 1984 measured at 1980 prices, reflecting an overall negative growth rate of nearly 3 per cent in the last five years.

2. The fifth development plan of Samoa for 1985-1987 describes a diminishing market value of certain components of GDP, particularly agriculture and forestry. In contrast, aggregate consumption shows a steady rise in real value. This is made possible by the availability of foreign exchange through remittances from abroad. The volume of marketed copra, cocoa, bananas and other primary products has either remained constant or declined. The most important commodity, copra, which fetched \$US 1,050 per ton in 1984, has since fallen to an all time low of \$US 390 in late 1985. Throughout the last 15 years, earnings from exports amounted to less than one third of imports except for 1983 and 1984 when the international market prices of copra and cocoa were exceptionally high.

3. The foregoing factors, inter alia, have resulted in a large resource gap. This amounts to more than 30 per cent of the GDP although the impact of extreme negative effects on the economy has been cushioned by flows of private remittances and external assistance. These sources of finance for development remain important for Government.

4. Structural constraints are the manifestations of several factors, among which are a large subsistence-based production system and vulnerability to price fluctuations in international trade. It should be noted that small-scale agriculture, which contributes over 45 per cent of GDP and 70 per cent of export earnings, is constrained by problems at the village level. The cultural and traditional wholesomeness of community existence influences the attitudes and motivation of villagers towards productivity and income. The constraints have been acknowledged in official thinking and, rather than introducing new investment-oriented measures, the Government has addressed the situation by the mobilization of extension services for heightening awareness of husbandry and harvesting methodologies for plantations.

5. The Government recognizes as a basic constraint the vulnerability of the Samoan economy to adverse external economic forces that are beyond its control. As stated in its submission to the mid-term review of the Substantial New

Programme of Action for the Least Developed Countries, the Government's domestic policies have produced results in the fiscal and monetary fronts and in other parts of the economy which are responsive to its management control. But it must also be recognized that the contribution of unusually strong demand in world markets for Samoa's major export products was more significant than anything else in the heartening developments of recent years, especially in the area of trade and payments. It is becoming increasingly clear that the underlying problem of stagnant agricultural production and heavy reliance on a few commodities for export will place the economy under stress as export prices decline. It has become imperative that Samoa step up its efforts not only to improve agricultural productivity but also bring a shift in the export structure so that the country can cope with any sharp fall in the export price of a major commodity like copra without severe dislocation in various aspects of its economy.

6. Any restructuring of the Samoan economy requires not only import substitution and export diversification but also rational management of the economy by Samoans who are trained and skilled so that the efficiency of the economy could be improved and development resources be utilized efficiently and effectively for development purposes.

B. National development strategies

7. The development strategies of Western Samoa centre around three components:

(a) To increase economic efficiency and growth, particularly in agriculture and to achieve greater export diversification and import substitution in order to secure foreign exchange needed for development purposes;

(b) To develop skilled manpower and institutional capabilities for better economic management;

(c) To provide the people with basic welfare facilities and a congenial environment.

8. These measures should be able to meet the development objectives outlined in the fifth development plan that attaches highest importance to strengthening the productive sectors and economic self-reliance. The main objectives of the plan are:

(a) To increase production, particularly in village agriculture, by working through existing leadership and social organizations;

(b) To move towards true economic independence and self-reliance;

(c) To provide greater employment opportunities at managerial and other levels for Western Samoan citizens to participate more actively in the development process;

(d) To ensure a fair distribution of the fruits of economic development and the satisfaction of basic economic, social and cultural needs;

/...

(e) To protect the environment.

9. The existence of these objectives means the formulation of micro-economic activities to give support to programmes in the public sector as well as introducing new ideas in village agriculture in keeping with the need for increased production.

10. For agricultural development, the Government is pursuing pertinent recommendations set out in the Asian Development Bank (AsDB) agricultural sector study. Specifically the Government intends to:

(a) Meet a larger and growing proportion of the country's food requirements, including a more nutritious diet;

(b) Increase and improve the production base for the tree crops, food crops, livestock, forestry and fisheries subsectors;

(c) Increase both the volume and value of exports to generate foreign exchange earnings;

(d) Save foreign exchange through import substitution of food and energy needs where economically viable;

(e) Improve the utilization of existing resources;

(f) Raise agricultural incomes directly and thus indirectly the incomes and welfare of all Samoans;

(g) Conserve the country's natural resources and environment;

(h) Build up the institutional capability for sustained agricultural development.

11. Following the above strategy the Government proposes to utilize resources from external sources for the introduction of new varieties of tree crops and food crops and the importation of livestock. Such a move should assist in raising agricultural incomes directly, thus improving the welfare of all Samoans.

12. Another area in which Government places importance is value-adding and employment generating industrial and processing activities. The industrial sector now represents only 3 per cent of GDP. The Government is contemplating a number of initiatives for expanding industrial programmes.

C. Technical co-operation priorities

13. The development of skilled manpower received prominence in the past and will continue to do so in the next several years. With bilateral and multilateral support, the Government will endeavour to strengthen education and technical institutions. Economic planning will also be strengthened through placement of

/...

technical expertise in relevant departments in order to improve project formulation and monitoring. The Government recognizes the vital need to provide training either through mechanisms that are available in UNDP or from other sources, if possible, jointly.

14. In order to enable the people to enjoy the fruits of economic development, the Government intends to provide improved health and social facilities to the widest segments of the Samoan society. Given the severe shortage in trained manpower, foreign technicians will continue to be utilized to provide essential Government services in a cost-effective manner.

15. It is envisaged that appropriate support will be extended to public administrative functions which will strengthen the rational planning and implementation of development projects. There will be a major effort to co-ordinate activities at the central and department levels more effectively as the Government recognizes that a weak and unco-ordinated management system affects the performance of the economy as well as limits its absorptive capacity. The plan therefore is to improve the level of management competence through short-term attachments abroad as well as continuing to engage technical assistance either through UNDP or other sources.

II. THE COUNTRY PROGRAMME

A. Assessment of current country programme

16. The third country programme witnessed a marked shift in emphasis from infrastructural development to agricultural production, economic diversification and skills development. During the last two years of the third country programme, the focus of UNDP assistance was redirected to investment support and management improvement in response to emerging requirements for co-ordinated external assistance efforts and for improvement in institutional and administrative management of public corporations. In terms of inputs, relatively expensive experts were replaced by cost-effective United Nations Volunteers (UNV) technicians. Over all, it was essential to use the resources of UNDP, complementary to other donors, in such a way as to concentrate and stretch the limited amounts available.

17. The third country programme contained, inter alia, four major projects in the agricultural sector: Animal Health and Production (SAM/76/003); Plant Protection Service (SAM/76/005); Coconut Hybrid Production (SAM/76/004), and Agricultural Planning and Village Development (SAM/76/002). These projects, which were executed by the Food and Agriculture Organization of the United Nations (FAO), replaced a single major project and addressed collectively the needs of this sector. These projects provided useful training which enabled a number of Samoans to do undergraduate studies in various disciplines of agricultural science. In addition, the expert advice received by the Department of Agriculture enabled research and development activities to proceed on a sound basis. It must be stated that the existence of these projects, together with the technical back-stopping provided by FAO, made significant progress in fine-tuning those activities on which the department placed priority.

18. In view of the severe constraints of lack of trained manpower in Samoa, a project has been formulated to enable recent school-leavers to gain more advanced training and education. This umbrella project (SAM/81/003), as an example of the responsiveness on the part of UNDP to meet the requirements of Government, addressed itself to the fifth plan objective "to provide greater opportunities for Samoan citizens to participate more actively in the development process." Under this project, several students received training in such fields as public administration and have returned to take up work at senior levels in the Government. Also, within the framework of this project, executives and senior officials in the Government undertook practical study tours in Commonwealth countries.

19. Throughout previous UNDP programming cycles, the telecommunication sector received substantial assistance mainly in the areas of training and through the provision of technical personnel. The posts of telecommunication controller and traffic controller were filled by Operational Assistance (OPAS) personnel funded by UNDP. Throughout this period, the non-availability of trained counterparts continued to pose a serious question. A national who was undergoing university studies in New Zealand was earmarked to take over one of these posts but he chose not to return to Samoa. When UNDP withdrew its support to the post of telecommunication controller in 1985, it needed to be filled by an expert from the Commonwealth Fund for Technical Co-operation (CFTC).

20. The introduction of assistance to Western Samoa Trust Estates Corporation (WSTEC), the public entity that is Samoa's largest agro-industrial earner of foreign exchange, made possible by funds from the second country programme, continued into the third country programme. The project forms one component of a larger project, which received assistance from AsDB, the World Bank, the Commission of the European Economic Community (EEC), Australia and Japan. Currently the project funds a plantation manager, a coconut agronomist, study tours and equipment. The project also supports two UNVs, one taking charge of the WSTEC engineering workshop and the other, computer work. In 1985, when the donors and Government found the need to restructure the management of WSTEC, the Government decided to request UNDP to engage a consulting firm to advise the Government on specific management improvement measures to be taken. UNDP technical assistance and its co-ordinating role in the exchange of information proved most valuable.

21. In 1985 and 1986, UNDP assistance was increasingly integrated with the assistance provided by AsDB and the World Bank. As part of the Government's effort to expand and strengthen the operation of the Development Bank of Western Samoa, UNDP agreed to co-finance with AsDB the efforts to improve the administrative and financial management of the Bank. In 1986 UNDP also became a partner in a multi-project loan project funded by AsDB and the World Bank. The Government considers the close co-ordination and co-operation formed among the three major multilateral development assistance institutions in the country most encouraging.

22. The desirability of engaging fully fledged experts versus UNVs became a main source of discussion for technical assistance. Given the small amount of indicative planning figure (IPF) resources available to it, the Government has found UNVs not only professionally qualified but also cost-effective in their

performance. The trend therefore towards increased engagement of UNVs is an inevitable development. Three major UNV projects have been introduced into the country programme, namely: UNVs for Government Services (SAM/81/001), UNVs for the Health Department (SAM/84/002) and UNVs for the Education Department (SAM/85/004), the second and third of which are funded on a cost-sharing basis. The Government contributes \$US 6,000 in cash for each UNV medical doctor and \$US 4,000 for each UNV teacher, while UNDP meets the rest. This is a new development for Samoa in meeting an urgent need to do something about the acute shortage of doctors and science teachers. While this programme is expected to continue into the new country programme period, the Government is endeavouring to identify and train Samoan nationals to fill these posts as soon as possible.

B. New programme proposal

23. The national development objectives and strategies that are enunciated in the fifth national development plan and subsequent statements made by the Government were critically reviewed in 1985 during the process of preparing for the second Round-table Conference to be held in 1986. The Government and the Resident Representative were also engaged in active consultations with the representatives of FAO, the International Monetary Fund (IMF), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO) as well as the visiting officials of AsDB and the World Bank. The Government also took note of the recommendations of the agriculture sector study undertaken by AsDB in 1984 and the findings of the Industry Council for Development mission fielded by UNDP in 1985. As a result of these, four major objectives emerged for concentration, of UNDP supported activities, namely agricultural development, skilled manpower development, improvement of essential government services and technical support to investment projects.

Agricultural development

24. The paramount importance of increasing agricultural productivity and diversification was fully recognized as an urgent need of the country to generate more export earnings that would be less vulnerable to any sudden fluctuation of the international market prices of one or two commodities. Agricultural development should also aim at improving livestock and fishery production that will enhance local substitution of imported meat and fish products. To these ends, the Government finds it imperative that essential data be collected and analysed, without which planning of any rational agricultural development strategy could not take place. In reality, however, there are almost no meaningful agricultural data available in Samoa. An agricultural census as such has not taken place for lack of funds and manpower. The proposed Agricultural Census project will be undertaken jointly by the Departments of Agriculture, Lands and Survey and Statistics with the assistance of FAO. The project is expected to generate valuable data on important aspects of Samoan agriculture such as land-use patterns, and crop cultivation the number and type of livestock and agricultural machinery used in order to formulate development plans and projects.

25. In line with the strategy to expand the base of export diversification, Government will also encourage the expansion of tropical fruit production. The

/...

proposed Fruit Tree Development project will investigate (a) the technical difficulties being encountered in the production of tropical fruits and (b) overseas market potential for such fruits as mango, avocado, citrus and papaya. For these Samoan fruits, the project will investigate the exact nature of the diseases that reduce their productivity, the possibility of introducing new varieties and any quarantine requirements. It will establish demonstration plots for field husbandry experiments and identify the disease-causing severe cankering disorder in avocado and mango.

26. Thirdly, for import substitution of meat products, the Government proposes to improve the productivity of the national herd through the introduction of improved genetic material and better selection programmes. The National Cattle Improvement project will first aim at upgrading WSTEC and Government herds. Subsequently a breeding programme utilizing selected local herds and imported bulls will be undertaken with the use of artificial insemination techniques. After several years of sire introduction, improved herds will be established from which sires will be selected for distribution among small holders. The project will be carried out in three stages. First the main herds of WSTEC will be upgraded, followed by the Government's herds at Togitogiga and Lemafa farms and thirdly, a cattle-breeding farm will be established on Savaii to supply herds to local cattle farmers. For the implementation of this project, it is hoped that the United Nations Capital Development Fund (UNCDF) will meet the capital cost of importing 70 bulls, purchase cattle-weighing facilities, upgrade cattle-handling facilities and establish the Savaii cattle-breeding farm. UNDP will be requested to provide necessary technical advisory services.

27. Agricultural development will also be encouraged with UNDP's continued support of WSTEC. UNDP has been providing a plantation manager, a coconut agronomist, a computer programmer and an auto mechanic. As a follow-up to the agreement reached in November 1984 by the Inter-agency Meeting chaired by the Government and attended by representatives of the Australian Development Assistance Board, AsDB, the World Bank and UNDP, UNDP has agreed to bring in outside consultants from New Zealand to help to modernize the management structure and practices of WSTEC for the important role that it plays in agricultural production. Improved operations should directly contribute to the overall agricultural development of the country.

Skilled manpower development

28. The fifth national development plan attaches importance to providing greater employment opportunities at higher levels so that the Samoan economy could be operated and managed by the Samoans themselves. For the Samoans to take over a greater share of responsibility for the management of the economy, it is necessary that they acquire technical knowledge and managerial skills required of the functions that they must perform. For this purpose, there is a need to strengthen the capabilities of teacher training and technical institutes and to enhance the expertise of individuals at all levels. The Government, in particular the Public Service Commission, would require a comprehensive manpower development plan. In rural areas appropriate technologies could be developed and vocational training

/...

undertaken for application at the grass-roots level. Similarly management and training courses need to be undertaken in maintenance and operation of port and shipping as well as in public administration.

29. Teachers who are trained within Samoa are more likely to remain in the country than those who go to developed countries for training. In order to increase the number and quality of the teachers trained in Samoa, the Teacher Training project is designed to improve both curriculum and teaching methods. With the technical backstopping of UNESCO, the project will develop a joint programme aimed at cost-effective application of modern teaching methods.

30. Another project will aim at upgrading the Technical Institute in terms of course expansion and staff improvement. It will develop technical curriculum and upgrade teaching methods in drawing, home economics, hotel catering, painting and commercial studies. Computer studies will be introduced so that students will be trained in computer basics for application in commercial trades. In rural areas, appropriate technologies and techniques will be introduced in vocational training so that acquired skills can be meaningfully applied.

31. The Ministry of Transport is also attaching importance to training in port and harbour management in view of the growing traffic generated by increased port and shipping capacities made possible by bilateral assistance from Australia, the Federal Republic of Germany and Japan. With UNDP assistance, Government will institute a suitable programme of training both abroad and locally for personnel from public as well as private sectors. The training programme will cover port labour management, container operations, supervisory operations and port tariffs. It is envisaged that an outside institution specializing in conducting training courses be asked to undertake the training. The project will also explore institutional links that can be established with other ports in the South Pacific, Asia, Europe and North America. Similarly inland revenue courses will be held for the purpose of increasing revenue collection.

32. The Ministry of Education, Youth and Culture intends to train the trainers to ensure a large turnover of trained youth personnel. With UNDP financial assistance the Ministry will organize training courses in the concept of youth work as well as in cultural enhancement. With any other external assistance made available, the Ministry will also encourage voluntary organizations in the rehabilitation of disabled persons.

Improvement of government services

33. Next only to production increase and greater employment opportunities, the Government continues to advocate a fair distribution of the fruits of economic development and the fulfilment of people's basic economic and social needs. The Government has relied heavily on the services of foreign technicians and professionals for the operation of telecommunications facilities, hospitals, schools and other social institutions. The volunteer doctors, engineers and technicians provided by UNV were found especially cost-effective in not only maintaining but improving government services. In close consultation with UNDP, the Government is exploring various possibilities for strengthening training

activities that should help to locate and train counterparts who could replace the UNVs. Meanwhile, the Government needs to rely on the services of technical and professional UNVs on a selected basis to improve and maintain social services to the people. The Government is therefore extending the three projects SAM/81/001, SAM/82/001 and SAM/84/002 for two to four years.

34. UNDP will be requested to help to strengthen the Government's economic planning and co-ordination capabilities to permit more rational long- and medium-term development planning, and to ensure that development projects are formulated and proposed for Government or external funding in accordance with the strategies set out in the development plan.

Technical support to investment projects

35. During the last few years, the Government has appreciated the closer co-operation and co-financing of investment projects by AsDB, the World Bank and UNDP. UNDP technical assistance is now used to support the implementation of investment projects funded by the multilateral funding institutions. During the fourth country programme period, UNDP funds will be utilized to recruit supervisory and technical expertise to manage and backstop the implementation of the Multi-project Loan project designed to upgrade the Samoa Coconut Oil Mill, establish a small industrial centre, upgrade rural roads and rehabilitate the Apia Container Park at a total cost of \$US 9.5 million, co-financed by AsDB, the World Bank and the Government of Samoa.

36. Samoa has been benefiting from advisory services and equipment provided under several regional projects including the South Pacific Fisheries Development Programme (RAS/85/004); Pacific Energy Development Programme (RAS/81/097); Advisory Services for Development in the South Pacific (RAS/83/015); Telecommunication Development (RAS/81/026); Primary Health Care Development (RAS/81/015); Curriculum Development (RAS/81/012); and Regional Tourism Development (RAS/83/002). Samoans are receiving useful training in Civil Aviation (RAS/83/017); Telecommunications (RAS/81/025) and in other regional projects. In addition, several Samoans attend seminars and workshops offered by Indonesia under a technical co-operation among developing countries arrangement. During the forthcoming years, the Government wishes to see closer co-ordination of development activities to increase their effectiveness. As an example, Government is proposing to strengthen the capacity for agricultural census collection and analysis through co-ordinated funding from the UNDP national and regional IPFs as well as from the FAO Technical Co-operation Programme resources.

C. Unprogrammed reserve

37. The fifth development plan covers a period of only three years. While the priority of development objectives are expected to remain valid for the next several years and the basic structural problems will remain unchanged, there is a need to provide for unforeseen developments. In a small country like Samoa, the continuous programming process has proved an effective tool for management of UNDP resources. Therefore, about 5 per cent of available IPF resources have been kept as an unprogrammed reserve.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. <u>UNDP-administered sources</u>	\$	\$
Third cycle IPF balance	(124 000)	
Fourth cycle IPF	3 809 000	
Subtotal IPF		3 685 000
Special Measures Fund for Least Developed Countries	250 000	
Special programme resources	-	
Government cost-sharing	28 000	
Third-party cost-sharing	-	
Operational funds under the authority of the Administrator	<u>a/</u>	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds		278 000
B. <u>Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	-	
Parallel financing from non-United Nations sources	-	
Subtotal, other sources		-
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u><u>3 963 000</u></u>

II. USE OF RESOURCES

Ongoing projects	1 266 000	
New project proposals	2 300 000	
Programmed reserve	200 000	
Subtotal, programmed resources		3 766 000
Unprogrammed reserve		<u>197 000</u>
TOTAL USE OF RESOURCES		<u><u>3 963 000</u></u>

a/ UNCDF is prepared to consider up to \$600,000 subject to the availability of funds and a further UNCDF study mission.

