SECTORAL PLANNING GUIDELINES: SAMOA

GOVERNMENT OF SAMOA

MINISTRY OF FINANCE

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Preface

The *Sectoral Planning Manual: Samoa* was published in March 2000. It was endorsed by the Cabinet Development Committee as the basis for preparing Sector Plans for all sectors of the economy, and is still intended to serve that purpose. However, there is a need for a short summary of the *Manual* in Samoan, in order to make it more accessible to public officials involved in planning. There is also a need to update the *Manual* so that it reflects the Realignment of Government Departments approved by Cabinet in April 2002 and implemented in mid-2003. *Sectoral Planning Guidelines: Samoa* is intended to meet these needs.

The *Guidelines* focus on several basic questions:

- How do Sector Plans fit into Samoa's national planning and budgetary system?
- What is a sector?
- What is a Sector Plan and how is it made?
- How is a Sector Plan implemented?

It is hoped that the availability of these *Guidelines* in Samoan will facilitate the preparation of Sector Plans as a key element in the achievement of Samoa's development goals.

How do Sector Plans fit into Samoa's national planning and budgetary system?

Samoa's planning and budgetary system consists of four major components:

(1) The medium-term (three-year) **Strategy for the Development of Samoa (SDS)** presents an overall Vision ― "For every Samoan to enjoy an improved quality of life"; Key Strategic Outcomes that will help achieve the Vision; and a summary of the economic and social policies and strategies or actions that will produce these Outcomes. This summary includes key sectoral development objectives and priorities.

The Ministry of Finance is responsible for preparation of SDS in consultation with other government agencies, churches, the private sector, non-government organizations, and the public. SDS is approved by Cabinet, and its implementation is reviewed by the Ministry of Finance.

(2) **Sector Plans** provide a detailed statement of sector performance, issues and opportunities, and sectoral development objectives, policies and strategies that support SDS. These plans provide the framework for the identification of public policy initiatives and projects in the private and public sectors, including the role of the government agency in developing the sector in partnership with other government agencies, churches, the private sector, and other non-government stakeholders. Sector Plans can cover periods of up to 10 years or more.

Designated government agencies are responsible for preparation of Sector Plans through a process of stakeholder consultation and participation. The Ministry of Finance is responsible for ensuring consistency between the Sector Plans and consistency with SDS. Sector Plans are approved by the Cabinet Development Committee (CDC). In its role as planning secretariat to the CDC, the Economic Planning and Policy Division of the Ministry of Finance is responsible for monitoring and reporting on the implementation of Sector Plans; but the designated government agencies are also expected to monitor and report on progress.

(3) **Project Planning** involves the identification, formulation, appraisal, implementation, and monitoring and evaluation of projects, which are defined as a distinct set of activities that will achieve a defined objective over a specific time period. Project planning procedures are detailed in the *Manual on Project Planning and Programming*.

Projects are identified, formulated and implemented by line ministries, and should contribute to the achievement of sectoral and SDS objectives. They are appraised, monitored and evaluated by the Ministry of Finance. Public sector projects approved by the Cabinet Development Committee and above SAT$100,000 are included in the **Public Sector Investment Programme (PSIP)**, which outlines ongoing and pipeline development projects for a three-year period. PSIP is prepared by the Ministry of Finance.

(4) **Performance Budgeting** requires line ministries and other government agencies to focus on the goods and services (outputs) they produce, and to justify these in terms of clearly specified medium-term sector policies and strategies. Outputs, the activities that will produce outputs, and the measures of performance in producing outputs, are all presented in three-year corporate plans. Annual management plans focus on corporate plan outputs to be produced in the forthcoming fiscal year.

The Ministry of Finance is responsible for preparing the annual performance budget, based on line ministries' budget estimates. These budget estimates are based on output structures that include approved public sector projects, but also include routine, year-to-year activities and purposes. Cabinet approves the annual budget, which is then submitted to Parliament to be enacted into law. The Ministry of Finance is responsible for monitoring budget implementation.

What is a sector?

Sectors are groupings of economic, social, and administrative activities based on the type of goods or services produced. The United Nations 1990 *International Standard Industrial Classification of all Economic Activities (ISIC)* is used as a point of reference to define 14

sectors for the purposes of sectoral planning in Samoa.[1] These sectors can be grouped under the three broad sectoral headings used in PSIP, as follows, with the corresponding national accounts categories shown in brackets:

Economic Sectors:

- Agriculture (agriculture, fisheries and forestry)
- Manufacturing (food & beverages manufacturing and other manufacturing)
- Tourism (hotels and restaurants, wholesale and retail trade, and transport)
- Commerce (wholesale and retail trade and personal and other services)
- Finance (financial and business services)
- Public Administration (public administration)

Social Sectors:

- Education (component of public administration, and including two sub-sectors of Primary and Secondary and Post-secondary)
- Health (component of public administration)
- Welfare and Social Services (component of public administration)

Infrastructure Sectors:

- Construction (construction)
- Electricity (electricity and water)
- Water (electricity and water)
- Transport (transport and communications)
- Communications (transport and communications)

Tourism is not an industry in ISIC, but is commonly treated as one. It is included in the above list for this reason and because of its importance to Samoa's socio-economic development. (*Samoa Tourism Development Plan 2002-2006* already has been prepared).

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[1] The *Sectoral Planning Manual: Samoa* identifies 10 sectors. The additional sectors listed here arise from the fact that the infrastructure sector is broken into three specific sectors (construction, electricity and water) and

Sectors are *not* defined by the structure of public administration, which changes over time, as in Samoa in 2003. The performance, policies, strategies and projects in a particular sector may involve the activities and outputs of more than one government agency. In such cases, CDC must identify which government agency is to take the lead in preparing the Sector Plan (see next section).

What is a Sector Plan and how is it made?

The components of a Sector Plan and the basic questions to be answered for each component are shown in Table 1. The table also shows the main action required to prepare each component. Annexes 2–4 of the *Sector Planning Manual: Samoa* give more specific checklists for the three broad sector categories (economic, social, infrastructure).

It is crucial that Sector Plans are formulated through a process of consultation with all those individuals and organizations with an interest or involvement in the sector. This is because:

- The private sector, non-government organizations, churches, other government agencies, and individuals are a potential source of knowledge and ideas that are essential to identifying issues and opportunities, clarifying objectives, preparing policies and strategies, and identifying possible projects.

- A participative process of Sector Plan formulation increases ownership and acceptance of the Plan, and thus increases its chances of effective implementation since, to varying degrees, implementation relies on the actions of the private sector, churches, non-government organizations, other government agencies and individuals.

It is important that Sector Plans clearly define the role of the concerned Government agencies in contributing to the achievement of sectoral objectives, particularly in sectors in which private businesses or institutions have a major role.

It should also be noted that there are issues or themes that cut across more than one sector — for example, environmental management, urban development, and private sector

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communications and financial services are treated as separate sectors from trade and commerce.

development. Specific policy and legal frameworks and strategies may be developed to address such concerns, and may affect many or all sectors. Formulation of Sector Plans should ensure consistency between the Plans and any cross-sectoral policies.

Table 1: Formulation of a Sector Plan

Component	Key Questions	Action
Review of sectoral performance	Where have we been during the last 5-10 years and where are we now?	1. Present main statistics in charts and tables. 2. If critical statistics/info is missing, conduct survey if possible. 3. Interview knowledgeable people for other significant information. 4. Provide written historical and comparative analysis of statistics and other information.
Analysis of development potential	What are the development issues, opportunities and constraints in the sector?	1. In cooperation with stakeholders, review and assess each opportunity, issue and constraint. 2. Based on (1), give implications for setting objectives and formulating policies and strategies.
Sectoral development objectives	Where do we want to go from here?	1. With stakeholders, agree on major sectoral objectives to be included in the plan.
Sectoral policies & strategies	How are we going to get there? What problems are we likely to face on the way, and how do we deal with them?	1. With stakeholder participation, assess alternative policies and strategies for each objective, and recommend those to be included in plan. 2. In assessing strategies, identify potential projects that may be needed.
Resource requirements	What financial and human resources will be required to enable us to get there?	1. Make a preliminary assessment of resource requirements and indicate how they will be met.
Monitoring & evaluation	How will we know when we have arrived?	1. Specify performance indicators for sectoral objectives. 2. Establish a monitoring & review process, and identify who is responsible for it.

Table 2 identifies the potential lead government agencies responsible for preparing Sector Plans, and some of the other public sector agencies that would be involved.

Table 2: Agencies Responsible for Sector Planning

Sector	Potential Lead Agencies	Other Potential Agencies Involved (Examples)
Economic		
Agriculture	Ministry of Agriculture	Agriculture Stores Corporation; Samoa Trust Estates Corporation.
Manufacturing	Ministry of Commerce, Industry & Labour (MCIL)	Samoan Assocn. Of Manufacturers & Exporters; Samoa Chamber of Commerce.
Tourism	Samoa Tourism Authority	Samoa Hotel Association; Ministry of Natural Resources & Environment.
Commerce	MCIL/Foreign Affairs & Trade	Samoa Chamber of Commerce; Women in Business.
Finance	Central Bank of Samoa	Commercial banks.
Public Administration	Public Service Commission.	Public Service Association.
Social		
Education	Ministry of Education, Sports & Culture	Samoa Polytechnic, National University of Samoa.
Health	Ministry of Health	Taulasea Samoa; Medical Practitioners' Assocn.
Welfare and Social Services	Ministry of Women, Community & Social Development	National Council of Churches; MCIL; Police; Samoa Umbrella for NGOs..
Infrastructure		
Construction	Ministry of Works, Transport & Infrastructure (MWTI)	MCIL.
Electricity	Electric Power Corporation	
Water	Samoa Water Authority	
Transport	MWTI	Samoa Shipping Services, Samoa Shipping Corporation, Transport Control Board, Polynesian Airlines, Samoa Airport Authority, Ports Authority.
Communications	Ministry of Communications & Information Technology	Samoa Broadcasting Corporation, SamoaTel.

In regard to the Public Administration sector, the Office of the Public Service Commission is seen as having the role of formulating the overall policy framework for improving public service efficiency. However, it is impractical to attempt preparation of one Sector Plan for all the agencies involved in delivery of a wide range of public administration services. Rather it

is recommended that corporate plans collectively serve as a substitute, on the assumption that they are formulated explicitly to support achievement of SDS objectives. The agencies concerned are the ministries of the Prime Minister, Finance, Natural Resources & Environment, Revenue, Justice & Courts Administration, and Police, Prison & Fire Services; and some of the constitutional authorities (Attorney General's Office, Audit Office, Ombudsman's Office). Each agency in the Public Administration sector would still need to identify specific clientele groups, and other stakeholders, and take the necessary steps to gain stakeholder participation in preparing its corporate plan.

Appendix 1 presents the format to be followed in preparing policy papers for submission to CDC.

How is a Sector Plan implemented?

Preparation of a Sector Plan results in development objectives and a policy and strategy framework that in turn lead to the identification of projects and policy initiatives. Properly defined objectives, when considered collectively, should give a clear picture of what the sector will look like by the end of the planning period (in say 5 years), assuming these development objectives are achieved as a result of successful implementation of the projects and policy initiatives and an absence of unfavourable, uncontrollable factors.

Projects and policy initiatives usually constitute an important part of corporate plans, which specify how resources are to be used to produce and deliver outputs over the planning period. It is corporate plans that provide the link between sectoral planning and the annual budget. Government agencies contribute to effective implementation of Sector Plans by ensuring that their corporate plans are designed in accordance with Sector Plans, and by then ensuring that their corporate plans, as funded in annual budgets, are implemented properly. Implementation is monitored according to established procedures.

At the same time, it must be remembered that implementation of Sector Plans will also depend, to varying degrees, on the actions of those in the private sector and the community. For example, the strategy of improving the supply of credit to agricultural producers in order

to increase farmers' incomes may depend on a shift in the policies of commercial banks. Such a shift could only be encouraged by Government, not forced.

The responsible Government agencies and the Economic Planning and Policy Division of the Ministry of Finance need to monitor and report on progress in Sector Plan implementation on a regular basis (probably annually). Such monitoring and reporting may identify emerging issues and lead to desirable alterations in the Plan. Appendix 2 presents the format for preparation of a Sector Plan Status Report.

Appendix 1: Format for Policy Papers

Ref: **CDC Paper No.**

POLICY PAPER
For
CABINET DEVELOPMENT COMMITTEE

1. Title of Policy Proposal

2. Purpose of Submission

3. Previous CDC or Other Reference

4. Requesting Agency

5. Implementing Agency

6. Other Relevant Ministries/Agencies

7. Background to the Formulation of the Policy Proposal
   Analysis of current situation to justify requirement for policy initiative

8. Detailed Statement of the Proposed Policy Proposal
   8.1 Objectives
   8.2 Policy/Strategies for Achieving the Objectives
   8.3 Expected Benefits from the Policy Initiative
   8.4 Relationship to SDS and Sectoral Objectives/Strategies

9. Budgetary Implications
   9.1 Capital Investment Required
   9.2 Recurrent Costs
   9.3 Revenue Generation
   9.4 Proposed Sources and Conditions of Finance
       Local or External

10. Human Resources Implications
    Employment Creation
        Government or Private sectors
        Urban or Rural
    Training Programmes Required
        In Country
        Overseas
        Technology Transfer Implications
    Technical Assistance Requirements
        Short or Long Term

11. <u>Legislative Implications</u>

12. <u>Proposed Implementation Schedule</u>

13. <u>Comments by Other Relevant Ministries/Agencies</u>

14. <u>Recommendations to be Considered by CDC</u>

15. <u>Signature of Responsible Officer of the Initiating Agency</u>

16. <u>Date of Submission</u>

SECOND DRAFT FOR DISCUSSION – 28 MAY 2003

Appendix 2: Format for Sector Plan Status Report

CDC Paper No.

SECTOR PLAN STATUS REPORT

for

CABINET DEVELOPMENT COMMITTEE

Submitted by

(Agency)

1. **Sector**
   Sub Sector

2. **Ministry**

3. **Date of this report.**

4. **Previous CDC Reference**

5. **Summary of main Components of the Plan.**

   Sector Performance
   (Summarise whether the sector performed well or poorly relative to historical trends and international benchmarks. Provide a brief statement on whether the objective(s) were achieved or not)

   Issues
   (Summarise the main issues, opportunities and constraints that assisted or hindered the performance of the sector as outlined above)

   Objectives
   (Summarise the main objectives of the plan; state whether there was any change from the previous period and why)

   Policies and Strategies
   (What strategies are there to achieve the objectives? Are there any policy implications? Is there a need for new policies?)

6. **Name and Signature of Responsible Officer**

   Signature _____

   Name _____
   (Designation)