



FINANCE SECTOR PLAN

**FINANCIAL
YEAR
2023-2027**

*“Resilient macroeconomic
framework that is
transparent and accountable
to support a sustainable
economy”*



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FOREWORD



The Sector Wide Approach is a key framework that ensures sector priorities, resources, issues and challenges are considered in a coordinated and holistic manner and are aligned to the Pathway for the Development of Samoa (PDS) which sets Samoa's main priorities in the next five years. The Finance Sector Plan for the period 2022/23-2026/27 is the product of numerous consultations with stakeholders to ensure it remains relevant in supporting the achievement of the development objectives articulated in the PDS and implemented through the annual budgets.

The mission for the next five years is to ensure a **“resilient macroeconomic framework that is transparent and accountable to support a sustainable economy”**. A resilient macroeconomic framework will be underpinned by the four End of Sector Plan Outcomes of Fiscal Resilience and Sustainability; Monetary and Financial Stability; Competitive and Sound Relationships with Foreign Markets; and having a Robust Financial Reporting and Independent Scrutiny. Given all government activities have financial implications, the Finance Sector Plan contributes in varying measures to most Key Priority Areas of the PDS. Identifying the Significant and Important contributions of these Priority Areas enables establishing appropriate monitoring and evaluation processes for tracking progress while improving governance.

It is my great pleasure to endorse the Finance Sector Plan for the period 2022/23-2026/27. I acknowledge the contribution of all stakeholders towards the formulation of this document, despite numerous setbacks due to unprecedented circumstances. To ensure its continued relevance, the Plan will be reviewed annually providing the opportunity to evaluate and assess progress and re-focus to respond to changing economic conditions and emerging developmental challenges.

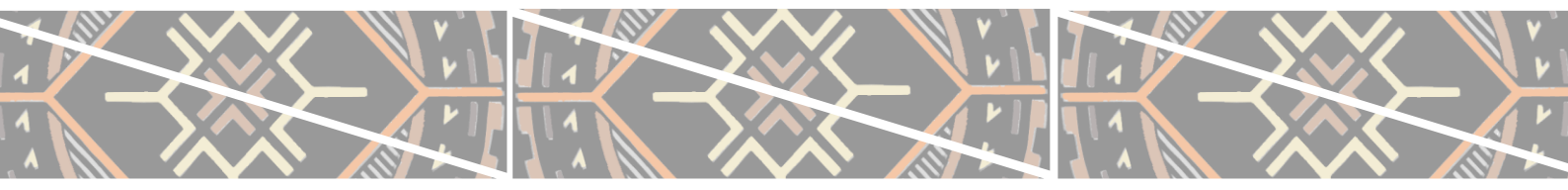
I acknowledge the support of the development partners towards the preparation of this Plan. I call on all stakeholders for their continued support during implementation of this Finance Sector Plan to ensure effective contribution to the development of Samoa.

Ma le fa'aaloalo tele,

(Mulipola Anaroša Ale Molioo)
MINISTER OF FINANCE

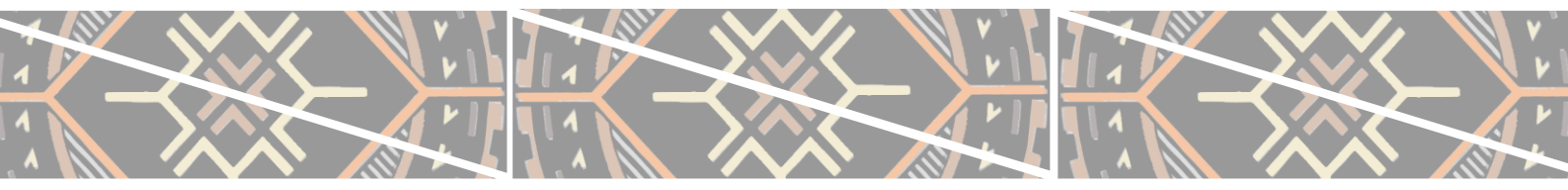
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LIST OF ACRONYMS

ADB	Asian Development Bank	MESC	Ministry of Education, Sports and Culture
AML/ CFT	Anti-Money Laundering/Counter-Financing of Terrorism	MCR	Ministry for Customs and Revenue
ANS	Assessment of National Systems	MoF	Ministry of Finance
ATS	Automatic Transfer System	MPE	Ministry of Public Enterprises
BOP	Balance of Payments	MSME	Micro Small Medium Enterprises
CAATs	Computer-Assisted Audit Techniques	MTDS	Medium Term Debt Strategy
CAG	Controller and Auditor General	MTEF	Medium-Term Expenditure Framework
CBA	Cost Benefit Analysis	NEER	Nominal effective exchange rate
CBS	Central Bank of Samoa	NGO	Non-Government Organisation
CDC	Cabinet Development Committee	NPCC	National Policy Coordination Committee
CEO	Chief Executive Officer-	OMO	Open Market Operations
COVID-19	Coronavirus Disease of 2019	OIP	On lending Policy
CSD	Central Security Depository	PDS	Pathway for the Development of Samoa
CPI	Consumer Price Index	PEFA	Public Expenditure and Financial Accountability
DBS	Development Bank of Samoa	PER	Public Expenditure Review
DFA	Development Finance Assessment	PFM	Public Finance Management
DFAT	Department of Foreign Affairs and Trade (Australia)	PFMA	Public Finance Management Act
DMU	Debt Management Unit (MOF)	PFTAC	Pacific Financial Technical Assistance Centre
EFT	Electronic fund transfer	PPPM	Project Planning & Programming Manual
EPC	Electric Power Corporation	PRCM	Procurement Review Complaints Mechanism
EPIC	Every Policy is Connected	PSC	Public Service Commission
EPPD	Economic Policy and Planning Division	PSIP	Public Sector Investment Programme
ESPO	End of Sector Plan Outcome	REER	Real Effective Exchange Rate
EU	European Union	RMS	Revenue Management System
FMIS	Finance Management Information System	SAT\$	Samoa Tala
FSS	Fiscal Strategy Statement	SAI PMF	Supreme Audit Institution Performance Measurement Framework
FSAC	Finance Sector Advisory Committee	SAO	Samoa Audit Office
FSP	Finance Sector Plan	SBS	Samoa Bureau of Statistics
FY	Fiscal / Financial Year	SDG	Sustainable Development Goals
GCF	Green Climate Fund	SDS	Strategy for the Development of Samoa
GDP	Gross Domestic Product	SERF	Samoa's Economic and Revenue Forecasting
GFS	Government Finance Statistics	SHC	Samoa Housing Corporation
GGP	Government Guarantee Policy	SIFA	Samoa International Finance Authority
GOS	Government of Samoa	SLAC	Samoa Life Assurance Corporation
IA	Implementing Agencies	SNPF	Samoa National Provident Fund
IAID	Internal Audit and Investigation Division	SOE	State of Emergency
IMF	International Monetary Fund	SOEs	State Owned Enterprises
IO	Intermediate Outcome	SPM	Sector Planning Manual
IT	Information Technology	TA	Technical Assistance
JPAM	Joint Policy Action Matrix	TIMS	Tax Invoice Monitoring System
KPA	Key Priority Area	UNDP	United Nations Development Programme
KSO	Key Strategic Outcome	UTOS	Unit Trust of Samoa
KYC	Know Your Client	WB	World Bank





SECTION I: INTRODUCTION AND BACKGROUND

Introduction

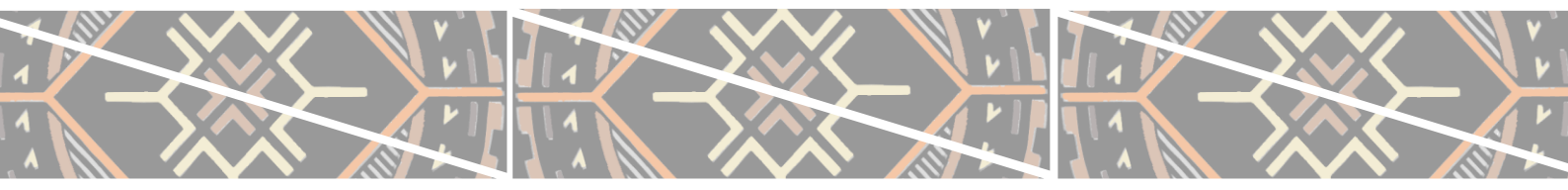
The COVID-19 pandemic has meant that achieving our broader objectives has become much more difficult. The Government is committed to supporting affected businesses and households as well as providing safety nets to our most vulnerable and heavily impacted during this difficult period. At the same time, we recognize the need to balance the immediate need for financial support with the need to maintain longer term macroeconomic sustainability. Therefore, our policy response reflects the resources that are currently available along with the additional assistance provided by the development partners.

Since the beginning of the COVID-19 pandemic in March 2020, Samoa declared a State of Emergency (SOE), closed its borders from the World and only allowed cabinet approved repatriation flights to repatriate Samoan citizens from around the World. Unfortunately, travel restrictions and other public health measures imposed as part of the ongoing SOE have had severe economic impacts. Gross Domestic Product (GDP) in FY2020 recorded a decline of -2.8%, and further contracted in FY2021 to -7.4%. Current projections for FY2022 is estimated at -3% due mainly to the effect on our tourism and hospitality industry, and the spill over effects on related sectors. It is anticipated that the economy will gradually recover in FY2023 with a growth of 0.6% due to the opening of our international borders and the resumption of project implementations that were delayed due to the lockdowns and restrictions.

With this backdrop, Government through the Finance Sector is committed to ***“Sustain Macroeconomic Stability for Samoa’s Resilient and Inclusive Growth”*** during the lifetime of this Plan and will be underpinned by four key End of Sector Plan Outcomes namely Fiscal Resilience and Sustainability, Monetary and Financial Stability, Competitive and Sound Relationships with Foreign Markets and Robust Financial Report and Independent Scrutiny.

To ensure Fiscal Resilience and Sustainability, listed below are key areas pertaining to public finance management (PFM) reforms that have presented challenges during the past financial years and continue to demand assistance and improvement going forward:

- i. effective coordination and use of external development assistance and improvement in budgeting processes, budget documentation and reporting;
- ii. strengthen national planning and budget to be informed by climate and disaster risk analysis
- iii. procurement guidelines and systems to improve the public sector’s transparency and capacity to provide better procurement outcomes;



- iv. effective coordination of external development partner support to ensure funds are received as budgeted for project implementation;
- v. sustainable debt management through on-going analysis and implementation of medium term debt strategy (MTDS);
- vi. improved private investment programming and analysis on cost-benefits and appraisals for investment returns of proposed programmes;
- vii. effective collection systems and processes to improve revenues;
- viii. proper internal controls and external auditing (reflected in ESPO 4);
- ix. improvement of cash flow management and forecasting; and
- x. prudent management of government assets by including information on risk and vulnerability to climate change and disasters and so protect public assets

The monetary policy continues to aim at achieving and maintaining price stability as well as fostering and maintaining stable financial systems in order to achieve sustainable real economic growth and a comfortable level of international reserves. The monetary policy decisions are conducted through open market operations (OMO) through the issuance and trading of Central Bank of Samoa (CBS) securities to achieve these objectives. Notwithstanding that, the sector is also committed to strengthening the regulatory compliance framework, modernization of financial infrastructure, and enhancing financial inclusion literacy to ensure accurate and efficient economic advice to Government. This will also include raising public awareness to better inform the public on the monetary policy stance over time.

Sound and competitive relationships with foreign markets is anticipated to be strengthened by using of the interest rate, exchange rate and payment instruments more frequently which in turn will encourage export of goods and services as well as prepare and manage access to the international capital markets. The sector will continue to strengthen foreign reserves management, improve international compliance in line with constant changes in financial standards as well as enhance existing and discover new investment opportunities. These investment opportunities can be better utilized now that the Government has more access to climate change funds such as the Catastrophe-Deferred Drawdown Option (Cat-DDO) through the World Bank (WB), the Pacific Disaster Resilience Program through Asian Development Bank (ADB) and others. This will provide cushioning against natural disasters and health emergencies and will compliment Government efforts in response to these external shocks.

Ensuring our financial systems are transparent and accountable continues to be a priority for the Sector and this is expected to be achieved through Robust Financial Reporting and Independent Scrutiny which also contribute to the overarching national priority. The sector commits to strengthening internal audit functions across Government by focusing on more risk-based audits, the update of the internal audit strategic plan and improving capacity amongst internal audit professionals. Additionally, improving the quality in our financial reporting is crucial to accountability and transparency of the use of public resources; therefore, publishing

in-year budget reports and budget execution reports ensures we address this. Independent scrutiny will also need to be strengthened by ensuring the timeliness of reporting and responses to audit observations which will help achieve overall sector and national priorities.

Even though there have been notable achievements in the past years reflected in [Section IV](#), there is still room for improvements noting the unprecedented times we currently face with the COVID-19 pandemic, the increasing price on goods and services such as oil as well as the continuous impact of climate change. The initiatives and reforms proposed for this Plan builds upon the solid basis laid out in the last Finance Sector Plan and are also closely linked to Government priorities already set out in the Pathway for the Development of Samoa (PDS).

Pathway for the Development of Samoa - Linkages

The PDS outlines the people's vision of ***“Fostering social harmony, safety, and freedom for all”***, that will guide the Governments priorities for FY2022/23 to FY2026/27. As stated in the PDS the Government aspires to nurture growth that benefits all of our people. The Finance Sector Plan is an integrated sector wide approach to the development and management of public finance, monetary policy and financial services. It provides the platform for stabilizing the national macroeconomic framework given its centralized monetary role for all public monies and economic policies, therefore playing a key role in facilitating all other sectors' activities and priorities which help achieve the 5 key strategic outcomes (KSO) of the PDS stated below:

1. Improved Social Development
2. Diversified and Sustainable Economy
3. Security and Trusted Governance
4. Secured Environment and Climate Change
5. Structured Public Works and Infrastructure

However, the Sector's priorities outlined in this plan has significant and direct contributions to achieving KSO 2: Diversified and Sustainable Economy specifically KPA 11: Macroeconomic Stability and KSO 3 Security and Trusted Governance looking specifically at KPA 13: Improved Accountability.

[Annex 5](#) provides the link between the KPAs and the contributing FSP IOs. While all IOs are important, certain IOs play a more significant role in the attainment of the KPAs as follows:

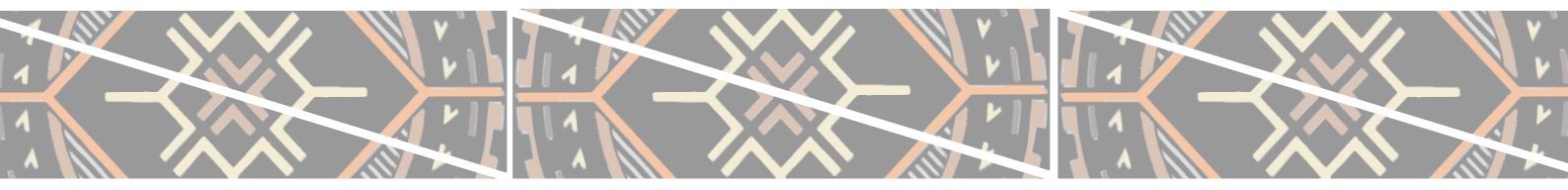
KPAs	PDS	KPAs to Contributing FSP IOs ¹	Finance Sector Roles to Support PDS	Impact of Actions [S / I]
	KSO 2: Diversified and Sustainable Economy			
11	Macroeconomic Stability	1 - 21	Key function of MOF and CBS - Covers all aspects of the PDS Objectives with varying levels of Impact. Overall, the most significant of the Objectives.	S
	KSO 3: Security and Trusted Governance			
13	Improved Accountability	1, 19-21	Budget preparation, execution and reporting Internal and external audit checks for improved governance and accountability	S
S = Significant I = Important				

Purpose of the Finance Sector Plan

The purpose of the sector plan is to link the sector goals (ESPOs) with the development and implementation of intermediate outcomes (IOs) which demonstrate the achievement of the ESPOs over the next 5 years. Determining how the goals are implemented and achieved at the ministry level and successfully completing them will help contribute to achieving the PDS expected outcomes, KPAs and KSOs as follows:

- Providing Samoa with the macroeconomic stability and resilience to promote inclusive growth, improve economic performance while enabling us to benefit from and enjoy our shared values.
- Ability to maintain and enhance the existing institutions that promote strong public finance management and governance over government operations and functions.
- Developing budgets that reflect the national needs and outcomes especially in human and social development, while funding and monitoring their execution to unlock opportunities for all.
- Contribute to growing a diversified economy in a sustainable manner able to withstand external shocks, health emergencies and natural calamities.
- Improve national financial capacity and facilitate development of natural resources to ensure the timely availability of funds from revenue generation, access to capital markets and development partner support. This in turn ensures funding availability for government public works including infrastructure construction and maintenance, provision of services and social support.

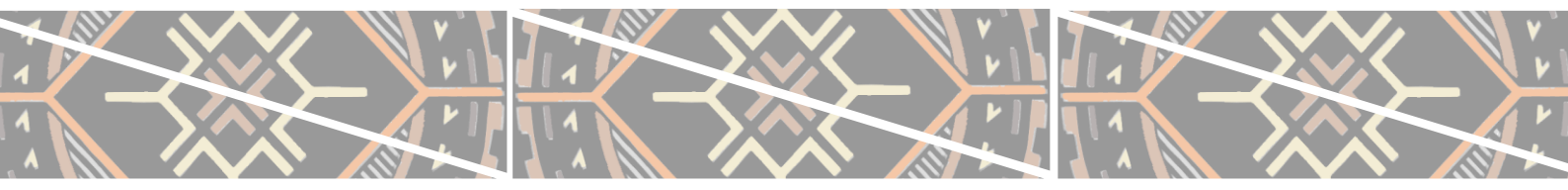
¹ Details of IOs can be found in [Section II](#) and [Annex 5](#)





Methodology and Approach

The updated Sector Plan was formulated through a consultative approach led by the Finance Sector Coordination Division of MOF. All sector agencies including key Government agencies, stakeholders in the NGOs and private sector space, development partners and organisations that are key in facilitating and supporting macroeconomic stability through economic development activities in the country. The team also reviewed published annual reviews of the previous sector plan, recommendations from various external assessments by development partners, as well as workshops and outcomes mapping sessions to assist in the formulation of this sector plan.



SECTION II: A RESILIENT MACROECONOMIC FRAMEWORK THAT IS TRANSPARENT AND ACCOUNTABLE TO SUPPORT A SUSTAINABLE ECONOMY

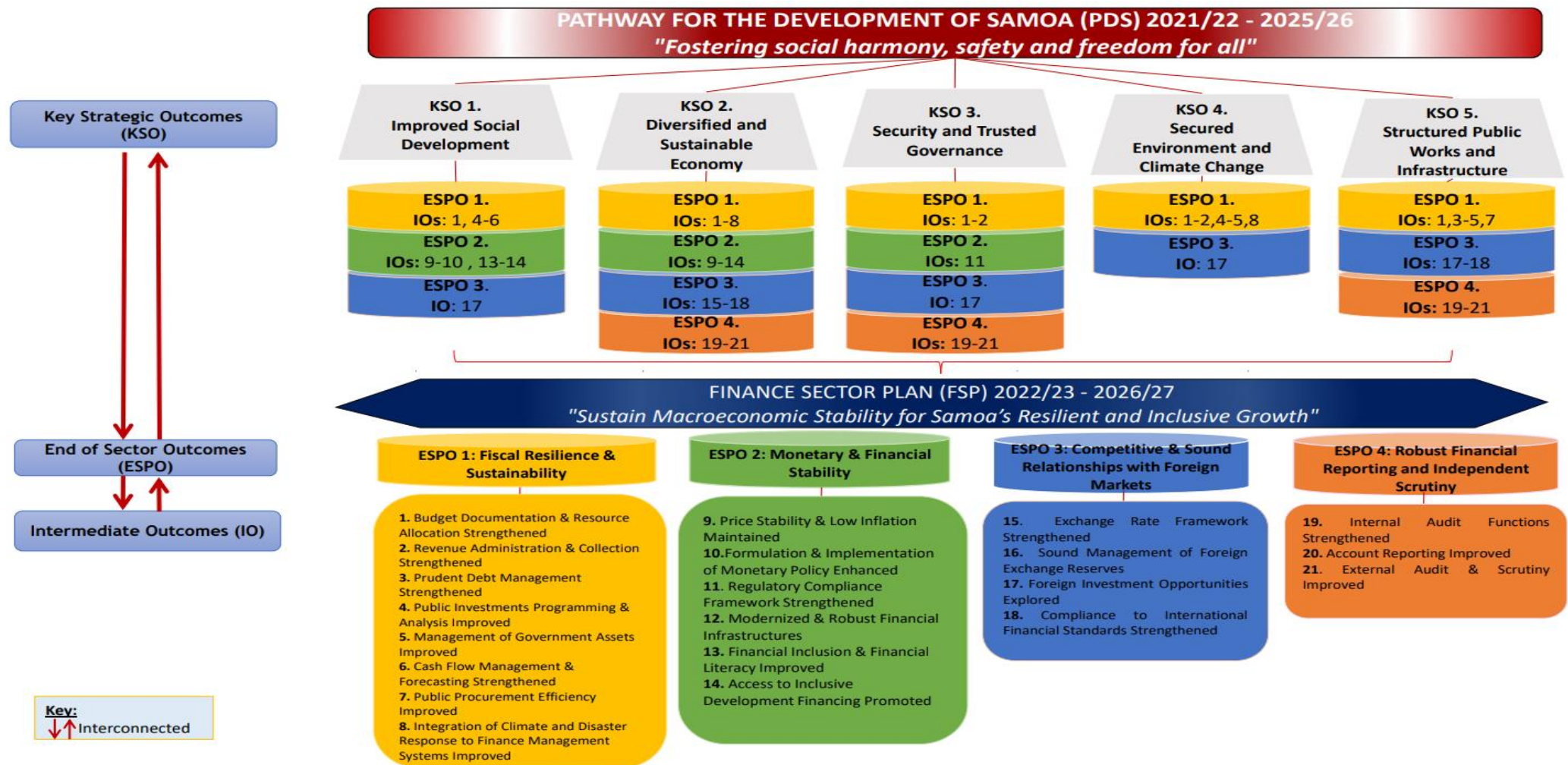


FIGURE 1 FINANCE SECTOR FRAMEWORK MAPPED TO PDS

Where will we be in the next 5 years?

Our Vision

The Sector's Vision is to ***“Sustain Macroeconomic Stability for Samoa's Resilient and Inclusive Growth”***.

This Vision reflects the theme of the PDS 2022-2026 of ***“empowering communities, building resilience and inspiring growth”*** through providing macroeconomic stability and governance.

Our Mission

To build a ***“Resilient macroeconomic framework that is transparent and accountable to support a sustainable economy”*** providing a platform of equal opportunities and community prosperity.

Key Policy Objectives

Four (4) key policy objectives that will drive the Sector's achievements in the next 5 years, underpin the vision and theme stated. These are:

- i. Attain a resilient and sustainable fiscal position
- ii. Develop and implement a monetary policy that is accommodative while supported by a robust framework
- iii. Assist the improvement of national competitiveness while strengthening and creating beneficial relationships in foreign markets
- iv. Attain stronger financial transparency and scrutiny of all activities so that government operations are fully accountable

What will we do to get there?

Four (4) End of Sector Plan Outcome (ESPO) developed with twenty-one (21) Intermediate Outcomes (IOs) to be implemented to achieve the stated outcomes.

End of Sector Plan Outcome I: Fiscal Resilience and Sustainability

The Sector continues to prioritize and emphasize the need for fiscal resilience and sustainability over the next 5 years. Fiscal policy continues to be an essential tool the Government uses to influence the direction of the economy through strategies tied to government spending and taxation to influence economic activity. Consequently, any fiscal policy that proposes changes to Government spending and revenue in the Samoan economy is governed and regulated by the Public Finance Management Act (PFM Act) 2001 and its subsidiary legislation. Additionally, the Pathway for the Development of Samoa (PDS) underscores the need to improve economic performance and ensure that we are accountable and transparent in how we achieve our development agenda.



FIGURE 2 ESPO 1 FISCAL RESILIENCE AND SUSTAINABILITY

While strengthened PFM systems and related sound economic and financial policy responses cannot address all of the challenges (largely externally driven), they can make an important contribution, thus highlighting the importance of continuing to strengthen and enhance both the policy and technical aspects of PFM reforms through the challenging times for the sake of broader and longer-term benefits to the economy. An integral part of this is to ensure the government has the ability to efficiently manage expenditures and revenue collection, strengthen the

management of Government assets and public investments, and maintain a sustainable debt position, providing the fiscal space to meet commitments. It will also provide a buffer to withstand the negative impacts of economic shocks and major unforeseen events.

To attain the Sector's goal of fiscal resilience and sustainability in the medium-term, the FSP identifies eight (8) IOs that will require consistent improvement in order to reach this outcome. The IOs also reflect the Governments PFM reform agenda, to strengthen fiscal resilience and sustainability. Figure 2 illustrates the relationships between the IOs for ESPO1 and the flow of information and data within the Sector.

IO 1: Budget Documentation & Resource Allocation strengthened:

Strengthening of budget documentation and formulation means that Government is able to effectively allocate its resources to facilitate all of its planned activities annually; consequently the Sector is also financially enabling all other sectors in implementing their prioritized activities. In doing this, the whole of Government will be able to achieve its national priorities as outlined in the PDS.

The Sector aims to strengthen its role in monitoring the Government's budget performance by ensuring that variances between estimates and actual are in line with the available resources planned for each fiscal year. Additionally, the assistance from our development partners contributes largely to our annual budget. Therefore, continuous collaborative work with donors will ensure that aid program estimates in the approved budget are received as estimated.

IO 2: Revenue Administration and Collection Strengthened:

Strengthening of revenue administration and collection will be prioritized through the timely reviewing of relevant legislations and policies as well as effective implementations, to improve collection of revenues, tax arrears, and debt. This will greatly assist the financing of Governments initiatives set out for the next 5 years as outlined in the PDS. Such reviews can incorporate imposing relevant taxes such as excise on unhealthy foods and fatty foods. The recent increase in excise tax has not only increase revenue but it has also assist Government push its Non-Communicable Disease priorities and therefore achieve its other development agenda for the Health Sector.

Additionally, developing and updating the compliance improvement plan is a valuable tool that will help increase taxpayer's compliance and also boost tax revenue. One compliance tool that Government has implemented is the Tax Invoice Monitoring System (TIMS) which will ensure cooperativeness from businesses and also enhance enforcement.

IO 3: Prudent Debt Management strengthened

The Government's debt management objective is to ensure that the Governments financing needs are met at all times and on a timely basis, and that our borrowing costs are as low as possible within a prudent risk level. There is already a sound legal framework to govern debt management, including the debt management objectives, borrowing purposes, requirements of debt strategy and the annual debt reporting to Parliament. The compliance and effective implementation of the approved debt policies would strengthen prudent debt management. The Medium Term Debt Strategy (MTDS) 2022-2026 focused borrowing strategy on highly concessional borrowing in the medium term for financing needs when needed, which consist of low interest rates and longer maturity loans. The MTDS also stated risks indicators and targets to monitor implementation and manage risks exposure to the debt portfolio.

The Government Guarantee Policy (GGP) and the Onlending Policy (OLP) provides guidance and a robust credit risk assessment framework to assess new requests for guarantees and on-lending to manage and monitor contingent liabilities. Other initiatives will focus on managing the operational risks and strengthen capacity of the Ministry to manage and monitor debt portfolio by establishment of a fully functional debt management division including additional staff with relevant expertise and skills sets, as well as continued capacity development for the Ministry.

Furthermore, the increased capacity of the Ministry would ensure regular and annual debt sustainability analysis is conducted to assess the sustainability and debt repayment capacity of the Government, and to maintaining the debt ratio within manageable limits to support fiscal resilience and sustainability. The impact of a well-managed debt portfolio reflects on how the Governments economic and social welfare is improving as well.

IO 4: Public Investments Programming and Analysis Improved:

The Sector understands the crucial role our public investments and programmes play in generating both social and economic growth to ensure fiscal resilience. This means focusing on the timely review of the Governments project, planning and programming manual (PPPM). A key element of the PPPM is the appraisal which requires cost benefit analysis (CBA) for all major public investments and projects and the need to ensure the value for money investments, benefits outweigh the costs of investments, and the investments are well aligned to the Government development priorities in the PDS.

Moreover, this will assist on the budget prioritization for investments and appropriate selection of projects to be implemented as well as strengthen the capacity of Government agencies to analyze and evaluate the value and impact of investments for sustainable development. The capacity development would require

a technical assistance to sit with the EPPD to provide hands on support and training for the staff, as well as related capacity building opportunities to further improve the knowledge and capacity of the Ministry staff.

The Public Sector Investment Programme (PSIP) document will be updated and published to support the Government's commitment to transparency and accountability. The PSIP is a stock take of all Government's investment programmes for the next 3 years and is intended to provide information to ensure well informed planning and implementation of projects. The tool seeks to improve harmonization of efforts across all sectors and to guarantee the full utilization of resources efficiently and effectively to improve management for development.

IO 5: Management of Government Assets Improved:

Crucial to IO 5 is gaining assurance that Government assets are being properly managed through sound policies and transparent systems. This will be achieved by the consolidation of Government assets via creation of a Centralized Asset Register at the Ministry of Finance to obtain a clear and comprehensive view of the asset portfolio. Developing an Asset Management Policy Framework will be the first phase, it will adopt best practices in managing assets and provide a guide on the type of information needed to be incorporated in the proposed centralized asset register. A new asset management division will be established with the relevant skill set and expertise to support this critical function of the Ministry of Finance.

IO 6: Cash Flow Management and Forecasting Strengthened:

This intermediate outcome provides a solid basis to align spending with revenue capacity, which ensures Government financial position remains strong and adequate to meet its payments obligations and commitments. Consolidating Government cash balances in a timely manner provides a clear picture of its cash position in order to meet daily commitments and plan for the immediate and long term.

The Sector is also evaluating the practicality of introducing quarterly warrants and other cash flow management mechanisms. While their implementation will provide additional information of cash flow requirements, the impact of these initiatives will also need to be considered. Only when adverse impacts have been addressed will the proposed changes proceed.

Additionally, cashflow forecasting will strengthen facilitation and predictability of Government's cash inflows and outflows. Accurate forecasting strengthens the Government's cash management process and, effective cash flow planning, monitoring and management is critical to ensure that funds are available within the year to execute and implement activities under the Government budget specific for that period. The regular cash management committee meetings will also strengthen monitoring and inform sound and timely advice on Government finances.

IO 7: Public Procurement Efficiency Improved:

Adopting a procurement system that is transparent and accountable is absolutely critical to ensure quality control in the tender process, awarding of contracts and provide best value for money for Government. Procurement information such as the legal framework, tender advertisements and tender awards are published to ensure that the public has access to information and can bid on any of the projects being tendered. Government aims to improve enforcement of these procurement policies and processes to ensure competitive bidding and fair evaluation of goods and services rendered.

The availability of the updated suite of Standard Bidding Documents (SBDs) for major and minor procurements and their application affords efficiency within Government as practitioners will focus on the non-standard data to complete the SBD, whilst those reviewing or approving will be assured of the standard elements. The suppliers will be familiar with the structure and approach which will result in a reduction of minor queries and focus on serious clarifications.

Improving efficiency of public procurement also includes implementation of the Procurement Review Complaints Mechanism (PRCM) through the appointment of an independent adjudicator and alternate adjudicator. The mechanism is set out for reviewing any grievances or complaint lodged by an actual bidder who was/is part of a procurement proceeding at issue. It aims to ensure that Government through the sector considers and responds promptly to a complaint to sustain the integrity, transparency, accountability, credibility and legality of Government procurement systems and processes. Furthermore, to maintain all stakeholders' confidence with the Government procurement systems and processes and to ensure bidders have access to a fair transparent mechanism for resolving complaints while meeting the Government procurement needs.

The recently launched e-tendering portal is a tool that will not only improve and make easier access to procurement information but it will also ensure timely submissions of bids from suppliers, as well as expand the reach of information to potential and interested bidders locally and internationally. The tendering process and contract awarding will be accelerated by this tool. There is an apparent increase in efficiency that will ultimately expedite the tendering process as we move towards electronic submission

The Sector envisages establishing a procurement community of practitioners to strengthened the dialogue surrounding procurement through interactions and shared knowledge. In order to assist the Government better manage its cash and funding requirements, consistent and reliable procurement plans will aid the budgeting process by identifying the deadlines for high-value payments.

IO 8: Integration of Climate and Disaster Response to Finance Management Systems Improved:

The Sector will continue to improve Governments PFM systems and policies to meet its environmental obligations and assist Samoa's efforts in securing climate financing to support its climate agenda. Collaboration will also be strengthened with partners to identify and mitigate economic and fiscal risks associated with climate change and natural disasters as a critical step in the Government's efforts to managing potential impacts.

The onset of the COVID-19 pandemic (2020) and the measles outbreak in 2019 has elevated the need to devise appropriate PFM measures to respond to these types of emergencies. With such events becoming more frequent, it is critical to have in the planning phase, measures that the government can resort to, to minimize the negative impacts of these shocks. The approved Disaster Risks Financing Policy (DRFP) helps to identify potential resourcing and financing instruments to support responses and recovery from impact of disaster, in addition to the unforeseen vote in the Government's annual budget. The AMF expected will consider the insurance element for main Government assets to safeguard as well as asset maintenance fund. In addition, the Ministry will continue to negotiate with the development partners on readily available facility such as the Contingency Disaster Facility (CDF), Catastrophe Deferred Drawdown Options (CAT-DDO) in the event of disaster. Furthermore, the Ministry will finalize a Social Protection Framework (SPF) including social protection policies that supports vulnerable people, but also conducive to disaster responses.

Additionally, the PFTAC in collaboration with other development partners conducted a PEFA Climate Change assessment in 2020 specifically focusing on the responsiveness of Samoa's PFM systems to climate change policies. The assessment covered all the key PFM indicators and it identified the weaknesses and gaps in the current PFM framework in supporting climate change policies in terms of adaptation and mitigation. The assessment findings is expected to facilitate Samoa's efforts to directly access GCF funding as well as strengthen our National Designated Authority role thereby improving disaster responsiveness.

End of Sector Plan Outcome II: Monetary and Financial Stability

Monetary and Financial Stability aims to achieve and maintain lower prices, while at the same time building a robust financial institutional system that is resilient to economic shocks and is sound and adequate to accomplish its basic functions such as intermediation of funds, risks management and payments arrangement. Moreover, the CBS will continue to monitor and ensure the Samoan Tala exchange rate continues to be valued appropriately, so that export-oriented industries remain

competitive in the international markets whilst minimizing prices of imported products.

Another critical focus is to strengthen the formulation and application of monetary policy decisions by the Central Bank of Samoa (CBS). This will include reinforcing forecasting frameworks where appropriate as well as identifying other relevant monetary transmission instruments that would also be conducive and reflective of efforts to explore, develop and modernize Samoa's banking sector in line with the modern digital age. The aim to modernize Samoa's financial infrastructure may also take into account the growing digital markets (shopping on line etc.) by ensuring sound payment gateways are established and effectively regulated. Furthermore, the expansion of the financial supervision and regulation in order to safeguard the sustainability of the financial system has been identified as one of the priorities towards the development of a relevant, effective and sustainable financial system in support of the monetary policy stance. Figure 3 outlines the monetary and financial stability intermediate outcomes that CBS is solely responsible for in terms of managing and monitoring related strategies and actions.

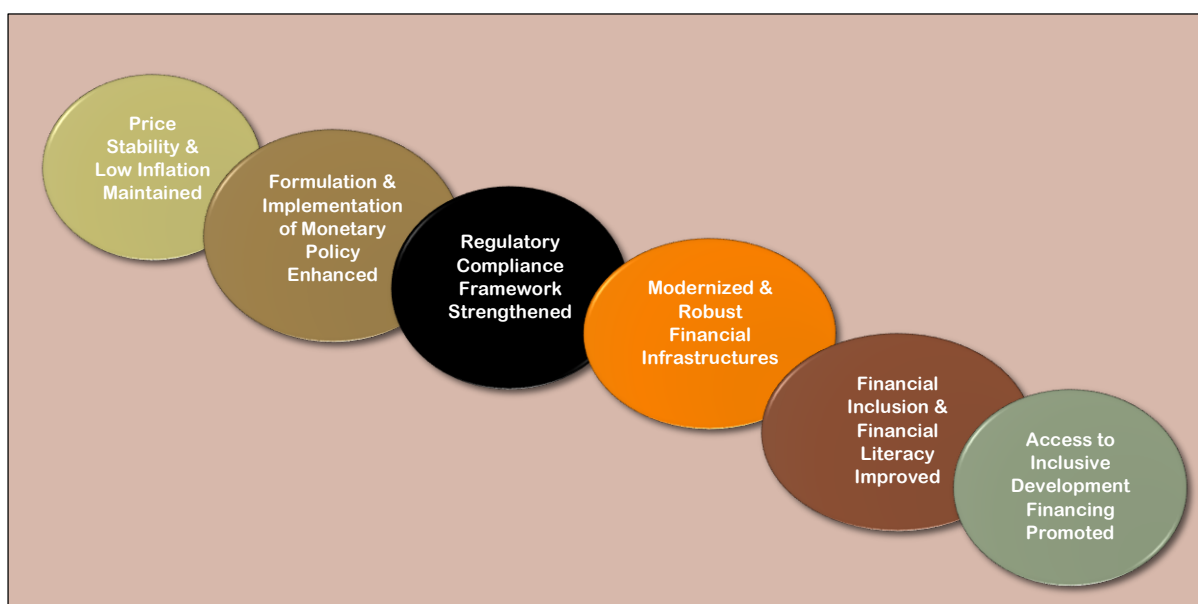


FIGURE 3: ESPO 2 MONETARY AND FINANCIAL STABILITY

IO 9: Price Stability & Low Inflation Maintained:

Maintaining low inflation and steady prices remain crucial and an ongoing strategy to enhancing monetary and financial stability. The Central Bank of Samoa (CBS) over the years continued to pursue price stability in Samoa in spite of significant price volatility in the international commodity markets, which exert pressure on the local prices of petroleum and imported food items. The exchange rate framework is regularly reviewed and monitored on a daily and weekly basis, and is complementary to the assessment of the Bank's Monetary Policy in order to keep inflation in line with its medium-term target of 3 percent whilst sustaining its current monetary policy stance.

IO 10: Formulation & Implementation of Monetary Policy Enhanced:

The CBS will continue to focus on strengthening the formulation and implementation of Monetary Policy through identifying new instruments, enhancing forecasting models, improving the management of financial system liquidity and minimize associated risks with the transition towards the electronic Central Securities Depository system.

IO 11: Regulatory Compliance Framework Strengthened:

CBS also aims at consolidating its regulatory framework to improve on compliance and supervision by reviewing and updating the existing regulations and legislation to reflect not only prevailing conditions and international standards but provide the appropriate legal framework as well for potential or new systems in place. Moreover, works remain focused on finalizing the process for the establishment of a credit bureau alongside the enforcement of the new Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) legislation.

IO 12: Modernized and Robust Financial Infrastructures:

The CBS strategically aims to have robust and modernized financial infrastructures through the establishment of the credit bureau and the Know Your Client (KYC) utility to support the implementation of monetary policy and financial system mechanisms. Furthermore, the implementation of the Automatic Transfer System (ATS) is a critical foundation to strengthen and/or innovate new digital financial service offerings and be fully compliant with international standards. It is an electronic payments system that will provide a more secure, modernized and real time settlement of funds transfer between the participants of the system, and will ultimately mean secure and fast settlement of funds transfer for our people and entities. The Central Bank also introduces the use of Central Securities Depository (CSD) which allows the electronic management of Central Bank securities and government issued bonds/bills to be connected to the ATS for settlement. The roll-out of the new National Payment system (ATS+) will be conducted in phases in which the first phase will include the commercial banks and two selected government ministries, Ministry of Finance (MoF) and Ministry of Customs and Revenue (MCR).

IO 13: Financial Inclusion & Financial Literacy Improved:

Advanced financial inclusion and financial literacy is another ongoing outcome from the previous sector plan and still remains crucial to improving financial services in the market. Initiatives under this function ensures the unbanked population in Samoa are banked and ultimately their access to finance is facilitated or enabled. Consequently, the Central Bank continues to collaborate with the Ministry of Education, Sports and Culture (MESC) in implementing the integration of financial education into the national curricula. Through strengthening partnerships with active stakeholders and new innovations for the financial system, this will further contribute to enhancing financial inclusion and literacy across the community level.

IO 14: Access to Inclusive Development Financing Promoted:

Initiatives to encourage inclusive development financing for Micro, Small, and Medium Enterprises (MSME) in close collaboration with the Government of Samoa (GoS) and Development Partners will be prioritized. Such initiatives pave the pathway towards the promotion of green finance and practices in the financial market which are sustainable and accessible to the MSME.

End of Sector Plan Outcome III: Competitiveness and Sound Relationships with Foreign Markets

The external sector is expected to be strengthened by a more active use of interest rate, exchange rate and payment instruments in encouraging export of goods and services and also to prepare and manage access to the international capital markets.

Management and monitoring of the strategies and actions specifically related to the outcome areas of ESPO 3 (shown in Figure 4) will partly be the responsibility of the CBS, in collaboration with the Ministry of Finance (MoF) and other stakeholders.

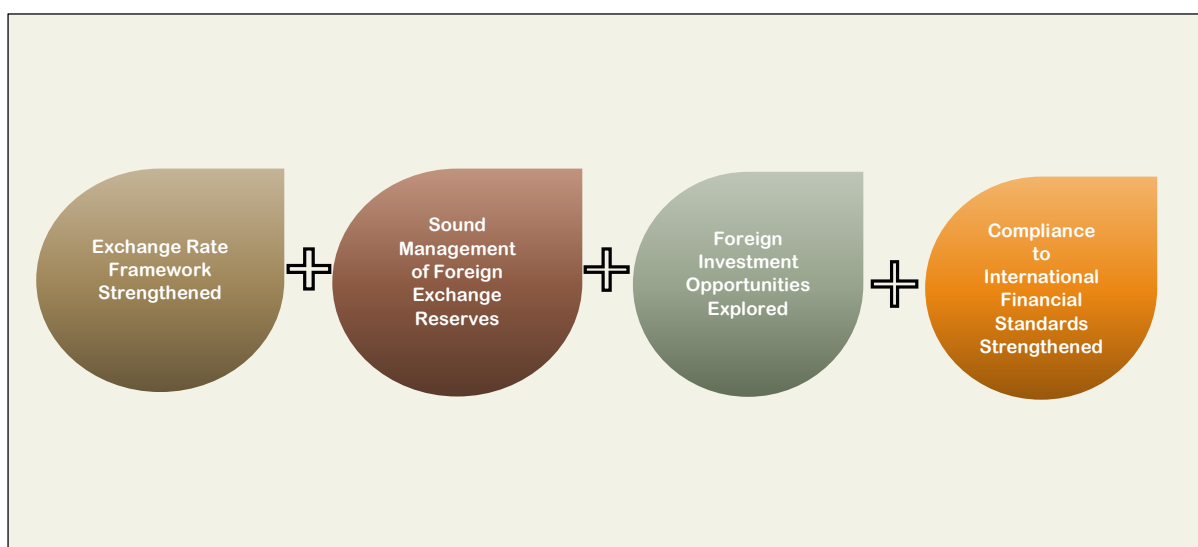


FIGURE 4 ESPO 3 COMPETITIVENESS AND SOUND RELATIONSHIPS WITH FOREIGN MARKETS

IO 15: Exchange Rate Framework Strengthened:

Improving exchange rate policy options to ensure appropriate policies underpin any restructuring of the financial situation in the event of a major financial crisis, has been identified as one of the priorities to ensure the development of a relevant and effective institutional and policy framework for maintaining a competitive and stable position in international trade and reserves

IO 16: Sound Management of Foreign Exchange Reserves:

Exchange rate policy is reviewed annually, subject to the assessment of any adverse impact on the domestic economic indicators from external developments, the adjustment of the Samoa Tala within a specific percentage range can be undertaken

with the Governor's discretion. Any other alteration beyond this level requires the CBS Board and Cabinet approvals.

IO 17: Foreign Investment Opportunities Explored:

The initiative to source funding for a potential country risk rating is currently on-going with this strategy. While it may be a costly exercise, Government aims to ensure that the net benefits from this particular activity will generate long term gains for Samoa. This will include identifying and allocating adequate resources to carry out the effective and applicable measures for reporting. A diagnostic study will be conducted to ensure that the high recurrent costs for assessments do not exceed the likely benefits which includes achieving low interest rates that may assist with potential foreign investors' decisions to invest in Samoa, and most likely the issuance of Government bonds and securities abroad where appropriate and applicable, subject to economic and financial conditions over time.

Samoa has access to Asian Development Bank and World Bank financing standby facilities through the implementation of disaster resilience program to trigger funds. In addition, the Disaster Risk Financing Policy will guide government in deciding when and how to trigger diverse financing instruments and options available in the event of a natural disaster or a health emergency.

IO 18: Compliance to International Financial Standards Strengthened:

The launching of SIFA's promotional brand has helped realize its goal in having a broad platform to market our international financial services. This Strategy aims to continue strengthening SIFA's international compliance and enhance the promotion for registered international banks.

End of Sector Plan Outcome IV: Government Financial Reporting and Independent Scrutiny Improved

This outcome focuses on the role of the legislative assembly and audit functions (internal and external) in ensuring transparency in the Sector's operations and implementation to ensure good governance and best practices are followed in the operation, management and reporting of government financial and non-financial resources.



FIGURE 5: ESPO 4 GOVERNMENT FINANCIAL REPORTING AND INDEPENDENT SCRUTINY IMPROVED

IO 19: Internal Audit Functions Strengthened:

Part of this is to strengthen the role of internal audit across Government services. The risk of increasing irregularities in the management of Government resources due to gaps in systems and controls has called for a more active role from the internal audit functions within the Public Service. Government has adopted international internal auditing standards with the formulation of its Internal Audit Manual that provides the necessary tools, techniques and methodology for the completion of Internal Audit assignments. Risk based methodology will also be applied consistently across the Government to conform to the International Standards for the Professional Practice of Internal Audit (Standards). The activation of a high level Audit Committee will provide oversight, to ensure the smooth progress of internal audit functions across government.

IO 20: Account Reporting Improved:

Timely submission of audited financial statements completed and submitted to Parliament as regulated is important. The Sector support will focus on ensuring the Ministry of Finance is sufficiently resourced to provide the Samoa Audit Office (SAO) with Government financial statements that are timely, comprehensive and the International Public Sector Accounting Standards (IPSAS).

The recommendations included in the reviews conducted by the SAO have to be addressed, implemented and reported to the full satisfaction of the SAO. This area needs additional resources for complete and timely implementation of recommendations.

IO 21: External Audit & Scrutiny Improved:

External audit and scrutiny is a requirement to ensure the use of public funds are in line with the governing legislations, policies and instructions. This is the final check point in the PFM process to demonstrate a robust PFM framework giving confidence to the public that the Government is managing national resources in the best interest of the country and will also encourage transparency and accountability from the Government ministries and SOEs.

Parliamentary scrutiny is also critical in holding the Government accountable for its fiscal policies and implementation, and management of all public monies and assets. Compromising this role would elevate the risk of financial mismanagement and corruption. Parliamentary scrutiny and external audit functions need to be strengthened to provide a high level of confidence to the public that Government is operating in the best interest of the people.

SECTION III: INSTITUTIONAL ARRANGEMENT FOR MONITORING AND EVALUATION

How will it work?

The successful implementation of the FSP is dependent on the commitment of the Finance Sector Advisory Committee in driving the planned agenda. Close coordination and collaboration amongst the committee is absolutely critical. Individual members have to demonstrate and take leadership in driving their agenda so that jointly the Plan vision and objectives are achieved. No doubt there will be risks and challenges along the way, but with an effective working relationship amongst the sector agencies, these risks can be managed and minimised.

In this section, the focus is on how effective coordination could be harnessed identifying the key instruments that need to be in place to support the implementation of the sector activities.

Five (5) components have been identified that can drive the successful implementation of the Plan. These are:

- i. an effective institutional framework;
- ii. an effective communication strategy for the sector stakeholders;
- iii. consistent and improved monitoring and reporting framework;
- iv. identification of capacity needs; and
- v. available opportunities for investments.

Institutional Framework

The successful implementation of the FSP and the key to achieving the ESPOs over the next 5 years is dependent primarily on the strong leadership role and collaboration between the CBS and the MoF. The interaction between the fiscal framework and the monetary policies is significant in determining macroeconomic stability.

The Sector's operations are governed by the following laws, regulations and policies:

- PFM Act 2001 (amended 2005, 2008, 2015, 2020) (Administered by MoF)
- Public Bodies (Performance and Accountability) Act 2001 (Administered by MoF)
- Samoa Institute of Accountants Act 2006 (Administered by MoF)
- Public Service Act 2004 (Administered by PSC)
- Tax Administration Act 2012 (Administered by MCR)
- Samoa International Finance Authority Act 2005 (Administered by SIFA)
- Central Bank of Samoa Act 2015 (Administered by MoF, Implemented by CBS)
- National Payment Systems Act 2014 (Administered by CBS)
- Money Laundering Prevention Act 2007 (Administered by CBS)

- Insurance Act 2007 (Administered by CBS)
- Financial Institutions Act 1996 (Administered by MoF; Implemented by CBS)
- International Banking Act 2005 (Administered by CBS)
- Exchange Control Regulations 1999 (Administered by CBS)
- Audit Act 2013 (Administered by SAO)
- Statistics Act 2015 (Administered by SBS)

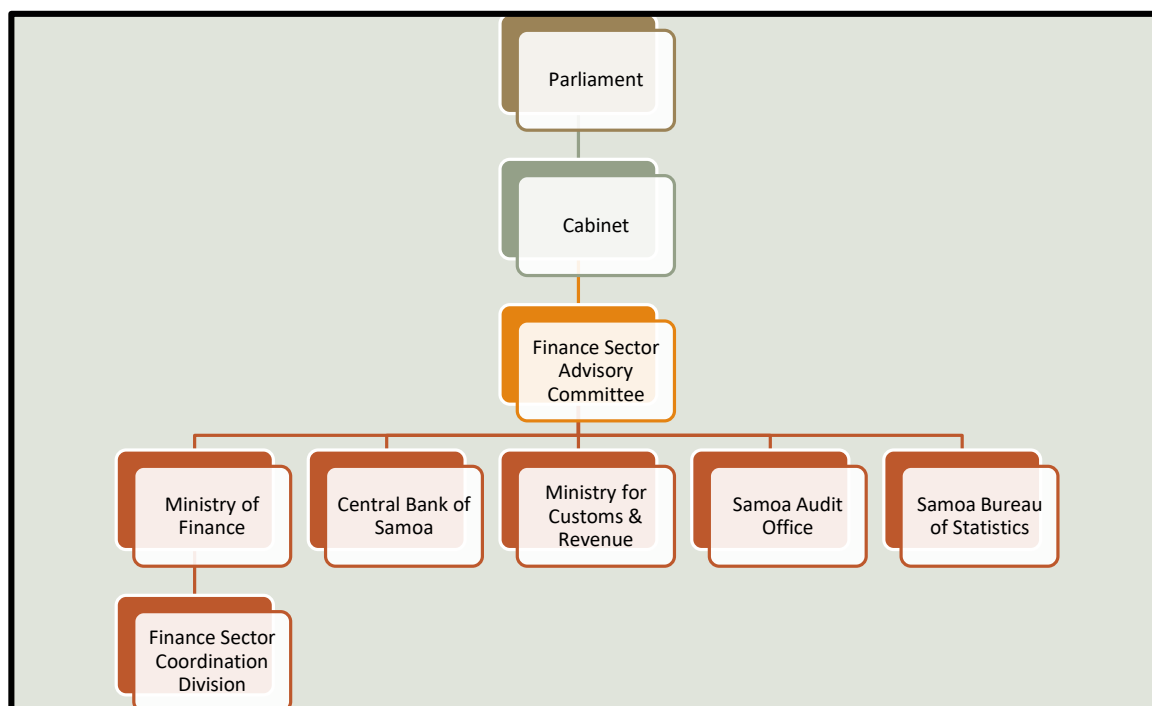


FIGURE 6 SECTOR GOVERNANCE STRUCTURE

Figure 6 illustrates the structure of the Sector and depicting its core implementing agencies. The role of Parliament like all democratic governances oversees and passes legislations and regulations necessary for the functions of the Sector overall. Prior to parliamentary scrutiny, any new or revised legislation, regulations and policies need to be endorsed by Cabinet. The co-lead agencies for the implementation of the Finance Sector Plan are CBS and MoF under the guidance of the Finance Sector Advisory Committee (FSAC).

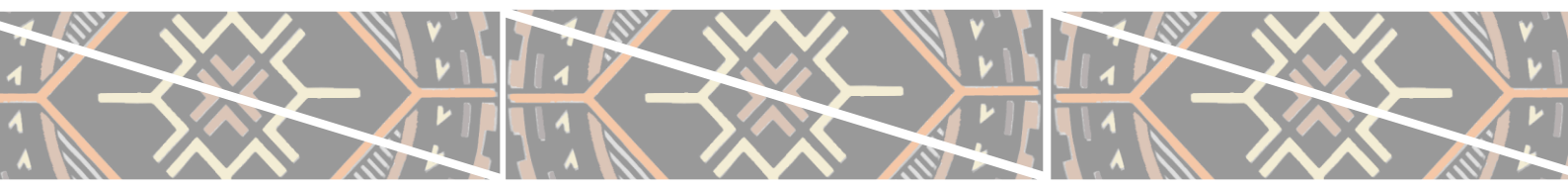
Finance Sector Advisory Committee and Key Sector Stakeholders

The roles and responsibilities of the core implementing agencies are briefly outlined:

- Ministry of Finance** - one of the lead agencies for the Finance Sector and focuses on the implementation of the fiscal sustainability of policies and its resilience to economic shocks. The functions of MOF include the policy and operational management of PFM reforms and systems, which include the coordination of aid, debt management, economic planning, budgeting and forecasting, accounting and financial reporting as well as managing the Government's FMIS. Although MOF is the lead agency for ESPO 1 and ESPO 4 of

the FSP, it is not the sole implementing agency as it works closely with the MCR for revenue collection, SAO for external scrutiny, MPE for financial performance of public bodies, SAO for external auditing as well as SBS for statistical data and information. Move's functions are not limited to those outlined in the FSP as it is the central agency that coordinates, monitors and implements the PFM Act.

- (ii) **Central Bank of Samoa** - as one of the co-lead agencies for the sector CBS takes on a regulatory role in the monitoring of commercial banks and financial institutions. Its main functions include regulating the international exchange of money, acting as the advisory for the Government on banking and monetary matters and promoting secure financial structures. In implementing the FSP, their role remains as the responsible agency for ESPO 2 and ESPO 3 components outlined. Their contribution to the FSP will not sway their mandate as an independent body for monetary policy.
- (iii) **Ministry for Customs and Revenue** - has two mandates in that it monitors the customs services at the border and domestic tax revenue collection and compliance. The Inland Revenue department of the MCR will assist in the implementation of the FSP. It deals with ensuring our revenue systems are comprehensive to manage collection and monitor and enforce compliance. There are three strategic areas in the MCR's corporate plan 2017-2022 that applies to the FSP:
 - Effective client services with active compliance management
 - Modernized revenue mobilization services
 - Post assessment and law enforcement management
- (iv) **Samoa Audit Office** - is mandated to independently scrutinize the systems, processes and implementation of the financial activities of Government. The Audit Office has an important role in ensuring the integrity and transparency of the Finance Sector. The core functions of the Samoa Audit Office are:
 - Auditing Government departments, including public accounts and public bodies;
 - Audit of loan and grant funded development projects; and
 - Audit of daily treasury cheque listings and quarterly statements of receipts and payments from Treasury.
- (v) **Samoa Bureau of Statistics** - aims to reassure users of statistical information of the independence and integrity of statistics. The SBS is responsible for the collection and compilation of key statistical data that assists in monitoring and evaluating the performances of various sectors of the economy including the Finance Sector. The type of statistics includes the provision of key income and expenditure, public finances, production and employment and other socio-



economic data. These datasets will be vital in monitoring the progress of key components and outcomes of the FSP. In recognising the contribution of statistics, the Finance Sector is committed to support programs that strengthens the capacity to compile reliable statistical data for better programmes and policy formulation.

Communication Strategy

In order to effectively execute the FSP, it is greatly encouraged to engage views and contributions from various key players of the sector. For that reason, having a communication strategy ensures that there is consistency of information being shared within the sector and publicly.

In addition, the communication strategy also aims at building meaningful and productive partnerships amongst personnel of sector agencies both internal and external. This will result in stakeholders taking ownership of their responsibilities to the development and implementation of the FSP.

Under the guidance of the FSAC, awareness and consultations will certainly form the main elements of the communication strategy to further elaborate on the sector objectives and activities being carried out in the plan.

These include the following:

- Awareness and Publication of the FSP: Presentation of the FSP to the sector stakeholders including Cabinet, implementing agencies, and development partners, private sector outlining vision and priorities of the sector challenges and the support require.
- Presentation of the FSP at relevant seminars with the private sector to ensure they are aware of the plan and the importance of their commitment to the implementation process. This will make sure that a systematic flow of information and dialogue on the progress, activities, complications and limitations is continued.
- A series of workshops and missions are planned throughout the course of the FSP; which include participation of relevant line Ministries to increase awareness and understanding of the overall reform process as well as the management of specific change actions;
- A briefing session will be arranged with development partners to initiate discussions on the content of the FSP, the priorities, the coordination of capacity building support and the monitoring arrangements, including future dialogue with partners in the Donor roundtable meeting;

- Annual review of the FSP will be conducted at which annual progress reports will be discussed. These reports and FSP will be made available online through the Ministry of Finance Website for all stakeholders and other interested parties.

Monitoring and Evaluation Framework

- The M&E framework is one of the requirements in the Sector Planning Manual 2015 for developing sector plans which essentially provides guidance through the course of implementation to ensure that operations are proceeding to the right direction according to the plan. It is also known and used as a reporting mechanism for the sector to closely monitor and review progress of single activities towards achievement of the overall sector outcomes.
- Annual Review and Mid-Term Review: Reviews will be done annually by the Finance Sector coordinated by the PFM and Finance Sector Coordination Division within the Ministry of Finance to monitor the progress of implementation of Finance Sector initiatives and ascertain if there is a need to update the framework base on the situation or issues identified in the review.
- Other Independent Assessments: Moreover, there will be other forms of assessment on PFM systems carried out by development partners and international organisations including the Public Expenditure & Financial Accountability (PEFA), Assessment of National Systems (ANS), Development Finance Assessment (DFA), UNDP Micro Assessment and so forth. These assessment outcomes and annual progress reports will determine the performance of the sector whilst continuing to monitor improvements in the reforms process.

Sector Capacity Needs and Investment Opportunities

An inclusive capacity needs assessment will help map out existing skills that are available in the sector and also evaluate any knowledge gaps within the implementing agencies. In order to address these breaches, the sector continues to improve and strengthen staff capacity through daily on-the-job training, workshops and consultations for key personnel. This would significantly involve accessing data, sharing information and exchanging technical expertise to achieve specified sector objectives.

Additionally, there are areas of reform that need technical support and this remains a challenge for the sector to implement these change actions as referred to in [Annex 2](#). Through close collaboration and continuous support from various development partners, the sector has access to TA facilities from which sector agencies request technical assistance related to different reforms. These opportunities will continue

to improve and strengthen IA capacities to facilitate a smooth implementation of the FSP.

Identification of Gaps, Risks and Challenges

The Sector will continue to assess its current situation and where it needs to be in the next 5 years in order to effectively adapt to changes. By identifying the gaps, risks and challenges in our proposed strategies, the Sector will be able to develop solutions to address them. Across the four ESPOs in the FSP, there are commonalities in the gaps identified, the challenges that can hinder resolutions and the risks associated as illustrated in Figure 7.

Some of the key questions we will address in the identification of gaps for the proposed strategies are:

- *What challenges are faced with the Sector in bridging these gaps?*
- *What are the opportunities to overcome these challenges?*
- *What are the posed risks associated if these challenges are not addressed?*

Gaps from the Identified Risks:

Most of the risks identified are an accumulation of many contributing factors, and one of the most impactful is the capacity in terms of staff knowledge, skills and expertise. There is also needs to be strengthened coordination amongst key Sector stakeholders; given the crucial function each key stakeholder plays in the Sector such as CBS, MCR, SAO, MOF and SBS there will always be competing priorities.

Additionally, the under-utilized fiscal and monetary systems create more workload for the limited staff capacity and the lack of integration of such systems. A consolidation of scattered information for all Sector reforms is also a result of the gaps identified and risks impacting all areas of Government. Furthermore, the Sector also needs to address the lack of financial buffers for unforeseen national emergencies such as the recent COVID19 pandemic & Measles epidemic.

Challenges and Bridging the Gaps:

Although capacity restraints continue to be a challenge, the Sector will ensure the proper coordination of its limited resources as well as funding assistance and opportunities to address this gap. Upskilling of human capacity is a necessary step towards the sustainability of information and expertise in the Sector and can also help minimize the risk of staff turnover. A key to avoiding brain drain of expertise can be upgrading compensation based on skills available within the Sector.

The FSAC will play a key role in the coordination and the effective communication of reforms for the Sector. This platform will be the oversight for the implementation of the Sectors activities and key reforms.

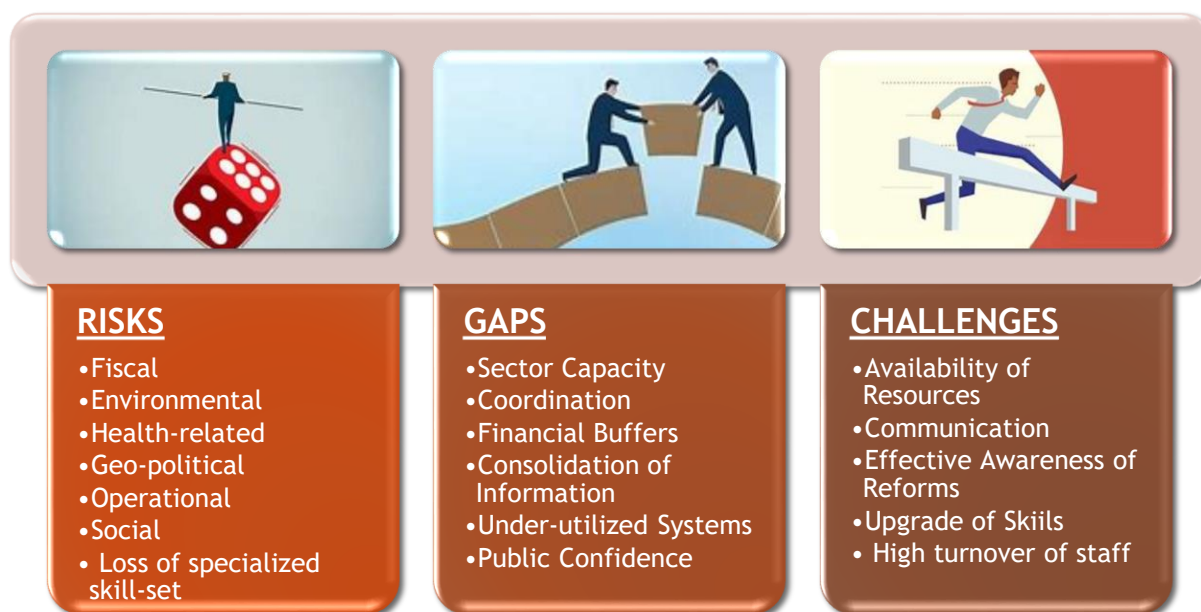


FIGURE 7: GAPS, RISKS AND CHALLENGES

SECTION IV: PAST PERFORMANCE AND CURRENT SITUATION

What have we achieved?

Sector Achievements

The government recognises that reforms to debt management, procurement and revenue collection will help the sector achieve fiscal consolidation objectives and rebuild the fiscal buffers it needs in the event of future external shocks. It also recognised the importance of returning the economy to a more robust growth path and boosting resilience to the effects of climate change and natural disasters if it is to achieve the vision stated in the Strategy for the Development of Samoa 2016-2020(SDS) ²of an ‘improved quality of life for all’.

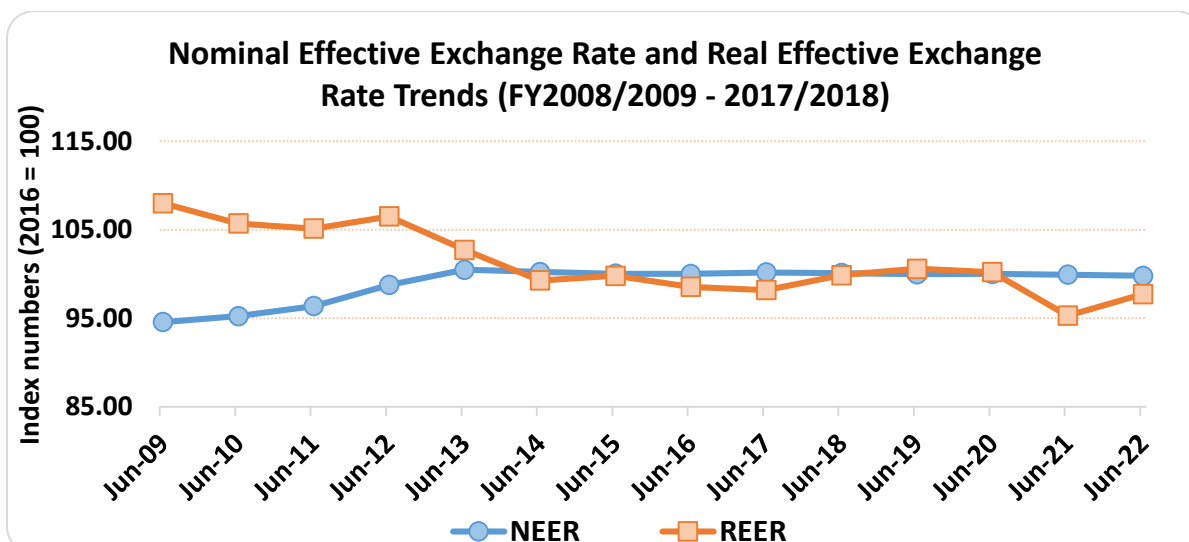
In addition, developments on PFM Reform Plan were also prioritized as it has an underlying effect on improving poverty alleviation by increasing the efficiency of PFM systems and improving the linkages between policy making and government spending.

For SOE development, the Return-on-equity (ROE) and dividend policy along with Private-Public Partnership (PPP) business plans to be finalized was a priority. This was closely linked to debt management and the first approved On-lending policy required for SOE borrowings.

A revenue review conducted in 2016-2017 recommended to adopt an Income Tax Amendment Act to incorporate a revision to non-tax fees & charges, the cessation of tax holidays and the tourism tax scheme and other tax reforms. The emphasis was on the Compliance Improvement Plan to strengthen revenue collection efforts. In addition, MCR promoted the Alcohol Control Bill to raise alcohol based taxes to curb the demand for and consumption of alcohol to minimize its abuse and occurrence of related incidents. In addition to revenue reforms, the government also introduced procurement reform initiatives such as the adoption of the Procurement Independent Complaints Review Mechanism.

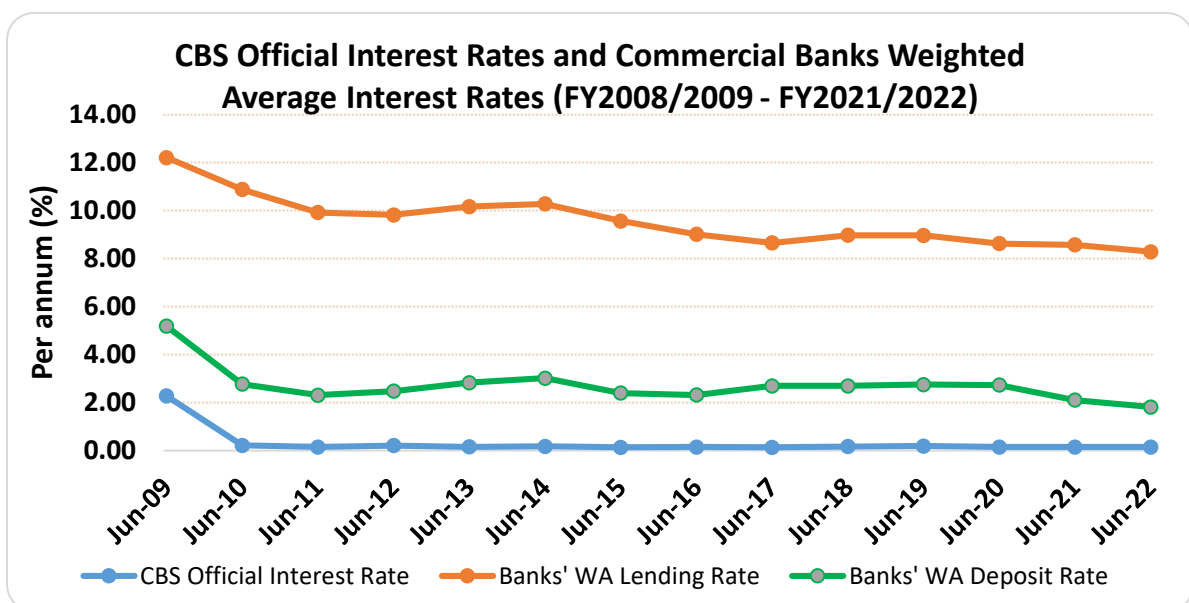
On the Monetary Side, price stability and low inflation was maintained over the years. The annual review of the TALA basket has significantly supported the stable trend in the Nominal Effective Exchange Rate (NEER) and rebasing the NEER consistent with the Consumer Price Index. This provides a good reflection of the latest market and financial conditions.

²Now renamed the Pathway for the Development of Samoa (PDS) 2022-2026



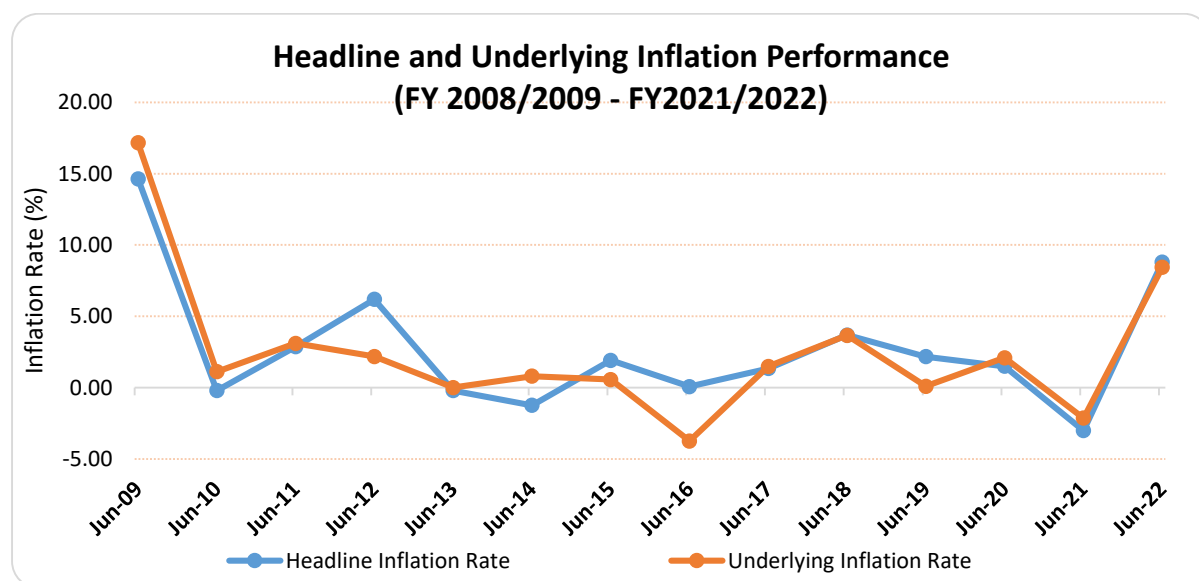
Graph 1: Nominal Effective Rate and Real Effective Exchange Rate Trends (FY2008/2009 - 2021/2022)

Consistent with the generally accommodative monetary policy stance over the period, lower market interest rates were recorded. Commercial banks' lending rates averaged 9.39 percent in the 5 FY ending 2017/2018 and 9.08 percent in the 9 FY ending FY2021/2022, when including the period without a Finance Sector Plan (i.e. FY2018/2019 to FY2021/2022). This compared to 10.79 percent in the 5 FY ending 2012/2013. Similarly, commercial banks' average deposit rates were recorded at 2.67 percent in the 5 FY ending 2017/2018 and even lower at 2.56 percent for the extended period ending FY2021/2022, compared to 3.29 percent in the 5 FY ending 2012/2013. (See Graph 2). The decreased average bank rates in the reviewed period reflected the commercial banks' efforts to maintain deposit rates below a 3 percent limit since December 2020, in view of adverse economic conditions from the COVID-19 pandemic.



Graph 2: CBS Official Interest Rates and Commercial Banks Weighted Average Interest Rates

Similarly, inflation rates have been sustainably low in the 5 FY ending FY2017/2018 with the headline inflation rate averaging 1.16 percent and the underlying inflation rate at 0.56 percent in the same period. However, when including the period without a Finance Sector plan i.e. extended to end FY2021/2022, the headline inflation rate averaged 1.69 percent, with the underlying inflation rate recorded at 1.26 percent. This pickup reflected the strong inflationary pressures worldwide since the start of 2022 as a result of global supply disruptions due to the Ukraine war and COVID-19 developments. Nonetheless, these were lower than the headline and underlying inflation rates of 4.66 percent and 4.72 percent respectively in the 5FY ending FY2012/2013, which included the adverse effects of the international food and fuel price hikes in 2008/2009.



Graph 3: Headline and Underlying Inflation Rate Performance

Other major achievements led by CBS include the incorporation of the Financial Literacy into the National Financial Inclusion Strategy 2017 - 2020, with the main initiative of integrating financial education in the national curricula. There have been notable improvements in the financial system supervision using the revised Prudential Guidelines and Standards which aligned with the updated international standards. In addition, the enactment of the Money Laundering Prevention Amendment Act 2018 has provided CBS legal authority to regulate Anti-Money Laundering (AML) practices.

Some of the key reforms led by CBS are currently on-going and are to be completed within the life of this sector plan. These include expanding coverage for banking supervision to include micro money lenders, establishment of the credit bureau, and updating Samoa's National Risk Assessment necessary to identify Money Laundering risks and sectors that are affected.

On the outlook of sound external position, the exchange rate policy options have been explored and reviewed on an annual basis as part of the yearly assessment of the currency basket. The level of foreign reserves has also been adequately maintained to facilitate our trading needs.

ANNEX 1: Sector Monitoring and Evaluation Matrix

ESPO	Key Performance Indicators	Unit	Baseline	Target	Verification	Responsible Monitoring Agency
1	Fiscal Resilience & Sustainability					
	Budget Deficit as % of GDP	%	1.9	Within -3.5% pa	SBS/MOF	MOF
	Official Public Debt to GDP	%	49.6	Within 50%	MOF	MOF
	Debt Servicing as % of Ordinary Receipts	%	6.6	Within 20%	MOF & IMF	MOF
	Tax Revenue Collection	% change	-3.7	≥ 3%	SBS/MOF	MOF
2	Monetary & Financial Stability					
	Headline Price Inflation p.a.	%	3.0 ³	Around 3%	SBS	CBS
	Annual Average growth in private sector / public institutions credit	%	2.1 ⁴	In line with Monetary policy stance	CBS	CBS
	Annual average growth in Broad Money (M2)	%	5.5 ⁵	In line with Monetary Policy stance	CBS and IMF	CBS
	Non-performing loans ratios of:					
	- <i>Commercial Banks</i>	%	34.8		CBS Estimates	CBS

³ CPI(period average); Source: Central Bank of Samoa – Annual Average

⁴ Private Sector credit, Commercial banks; Central Bank of Samoa

⁵ Source: Central Bank of Samoa

	- NPF	%	2.4		CBS Estimates	CBS
	- DBS	%	62.8		CBS Estimates	CBS
3	Competitive and Sound Relationships with Foreign Markets					
	Stable nominal effective exchange rate	Index Level	99.93 ⁶		CBS and IMF	CBS
	Official reserves of import coverage	Months	10.7 ⁷	Above 4.0 months of imports only	CBS and IMF	CBS
4	Robust Financial Reporting and Independent Scrutiny					
	Timely completion of Investigation/Irregularity Report done by IAID	Annual		Within 2-3 months	MOF	MOF
	Audit Report to Parliament	Annual		Within 3 months	SAO/OCLA	SAO
	Audited Public Accounts	Annual		Audit opinion by Dec of FY	SAO/OCLA	MOF

⁶ Source: Central Bank of Samoa – Annual average

⁷ Months of Imports: Source: Central Bank of Samoa

ANNEX 2: Sector Capacity Needs

CAPACITY NEEDS ASSESSMENT MATRIX FOR ESPO 1 - ESPO 4

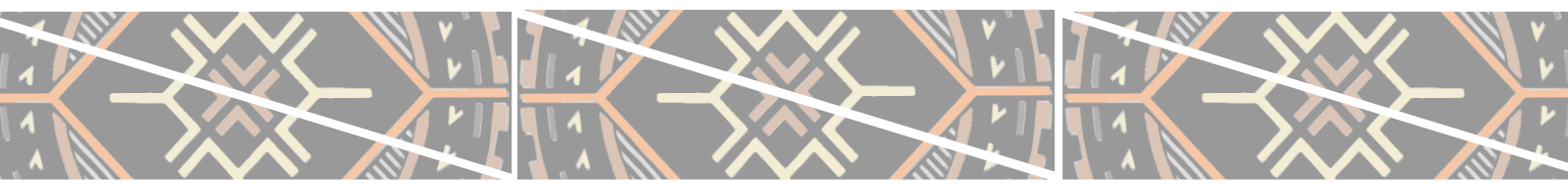
FY2023 - FY2027

No.	Capacity Building Initiatives
ESPO 1: FISCAL RESILIENCE & SUSTAINABILITY	
IO 1: Budget Documentation & Resource Allocation Strengthened	
1.1	Further refinements of forward estimates
1.2	Development of medium term expenditure frameworks (MTEF) for the sectors and linking them to the budget
1.3	Strengthen Revenue Policy including revenue projections (Ministries) and revenue options analysis (e.g. Excise, Stamp Duty etc.)
1.4	GFS training/running Fiscal Consolidation (Budget, ACDMD, Accounts, Planning)
1.5	Macroeconomic forecasting and macro-fiscal sensitivity analysis
1.6	System support on the Samoa Economic and Revenue Forecasting (SERF) Model
IO 2: Revenue Administration & Collection Strengthened	
2.1	Taxpayer compliance
2.2	Enhanced data entry and analysis of RMS and Tax Core as well as the TIMS system
IO 3: Prudent Debt Management Strengthened	
3.1	Debt Analysis and Performance assessment - Credit Risk assessments on Government debt portfolio and financing instruments
3.2	Market research and development of the domestic debt market
3.3	Fiscal risks analysis and reporting - review financial exposure and risks (ACDMD, Accounts, MPE, Budget, Planning)
3.4	Management and evaluation of the ODA program project management, policy development and reviews
3.5	Consolidated Monitoring and Reporting Framework for the ODA program
IO 4: Public Investment Programming & Analysis Improved	
4.1	Cost Benefit Analysis of major proposed projects as part of the appraisal process under the Project Planning and Programming Manual
4.2	Project Planning and Programming Manual (PPPM) and Sector Planning Manual (SPM) Updates

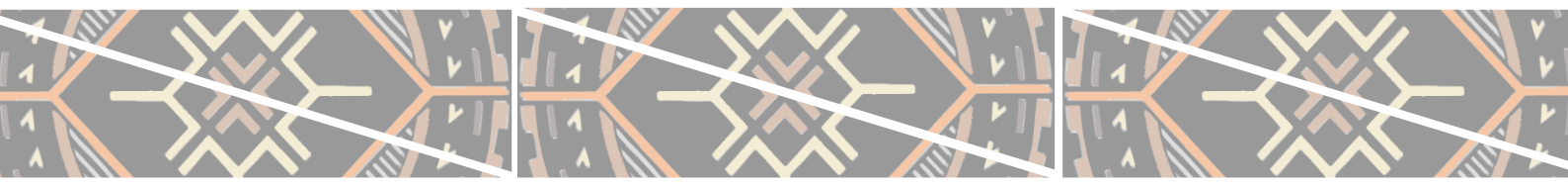
No.	Capacity Building Initiatives
4.3	Climate Public Investment Management Assessment (CPIMA)
4.4	Review and update the Public Sector Investment Programme (PSIP)
IO 5: Management of Government Assets Improved	
5.1	Tech-One training on asset module to improve asset management and reporting
5.2	Improve controls of Payroll Module and linkages to the People One (HR) Module
5.3	Tech-One training on financial reporting, formats, operations etc. for configuration into the Finance One System
5.4	Formulating of the Asset Management Policy Framework
IO 6: Cash Flow Management & Forecasting Strengthened	
6.1	Cash Flow Management Forecasting
6.2	Knowledge of cash management instruments
IO 7. Procurement Processes Improved	
7.1	Appraisal techniques on procurement submissions to the National Tenders Board
7.2	Development of the Public Procurement Career Pathway (PPCP)
7.3	Review and update the Procurement Operating Manual (POM)
IO 8. Disaster Responsiveness of Fiscal Policy Improved	
8.1	Disaster-related contingent liability, including outputs of available probabilistic catastrophe risk models
Cross-cutting Needs:	
i.	Review Finance One Sustainability
ii.	Finance One System Administration trainings on Technical Reporting
iii.	Understanding fiscal and economic risks to inform policy decisions on retention and risk training in the market
iv.	National planning policy issues paper formulation
ESPO 2: MONETARY AND FINANCIAL STABILITY	
IO 9: Price Stability and Low Inflation Maintained	
9.1	Forecasting and Policy Analysis System (FPAS) which could look into monetary policy issues and challenges
IO 10: Formulation and Implementation of Monetary Policy Enhanced	

No.	Capacity Building Initiatives
10.1	Forecasting and Policy Analysis System (FPAS) which could look into monetary policy issues and challenges
10.2	Ongoing BOP assistance and specialized virtual workshops and training courses for Monetary and Financial (MFS) and BOP compliers
10.3	Independent review of the ELA framework being designed internally by CBS
10.4	National Payment System
IO 11: Regulatory Compliance Framework Strengthened	
11.1	Review of the Financial Institutions Act
11.2	Review and Implement Exchange Control Regulations
11.3	Enforcement of Prudential Guidelines
11.4	Implementation of AML/CFT standards
11.5	Prudential and AML standards (consistent with changing international standards)
11.6	Review of non-banks supervisory coverage to include credit institutions and micro-money lenders
11.7	National Payment System regulations, procedures and guidelines
11.8	Regulatory framework for establishing Credit Bureau
IO 12: Modernized and Robust Financial Infrastructures	
12.1	Establishment of the National Payment System (NPS)
12.2	Establishment of the Credit Bureau
12.3	Establishment of the Know Your Client (KYC) facility
IO 13: Advanced Financial Inclusion and Financial Literacy Improved	
13.1	Complete integration of Financial Education into educational curriculum (in collaboration with MESCC)
13.2	Implementation of the National Financial Inclusion Strategy II (2021-2025)
13.3	Assessment of new innovative financial services to facilitate financial system
IO 14: Access to Inclusive Development Financing Promoted	
14.1	Promote availability of green finance and sustainable practices in the financial system
14.2	Conduct of a full Micro Small Medium Enterprises (MSME) landscape assessment
ESPO 3: COMPETITIVE AND SOUND RELATIONSHIPS WITH FOREIGN MARKETS	

No.	Capacity Building Initiatives
IO 15: Exchange Rate Framework Strengthened	
15.1	Regular reviews and assessment of the Samoa TALA exchange rate framework
IO 16: Sound Management of Foreign Exchange Reserves	
16.1	Strengthen the forecasting and foreign exchange reserves
16.2	Review of Exchange control policies to be in line with changing conditions from time to time
IO 17: Foreign Investment Opportunities Explored	
17.1	Establish country risk rating
17.2	Foreign reserves management and Open Market Operations (OMO)
17.3	Assess conditions and requirements for a potential sovereign borrowing from the Capital Markets
IO 18: Compliance to International Financial Standards Strengthened	
18.1	Strengthen SIFA's international compliance and promote Samoa as centre for global financial services
ESPO 4: ROBUST FINANCIAL REPORTING AND INDEPENDENT SCRUTINY	
IO 19: Internal Audit Functions Strengthened	
19.1	Risk Based Audits
19.2	Computer-Assisted Audit Techniques (CAATs) System Support - such as IDEA Audit and TeamMate Software
19.3	Review and Development of Strategic Plan for Internal Audit function
19.4	Development and implementation of a risk management framework and matrix
19.5	Support to improve the professional framework of the internal audit, in particular the effectiveness of subcommittees roles (Professional Practice Sub-Committee, Quality Assurance Sub-Committee & Education Sub-Committee)
19.6	Investigation function strengthening (certified fraud examiners)
IO 20: Accounting Reporting Improved	
20.1	Enhancement of financial management reporting
20.2	Implementation of Audit Report Recommendations
IO 21: External Scrutiny and Audit Strengthened	
21.1	Legislation Review, Design and Implementation of <i>Financial and Complete Independence of the Samoa Audit Office</i>



No.	Capacity Building Initiatives
21.2	Legislative Review, Design and Implementation of a <i>National Integrity Function</i>
21.3	Full International Public Sector Accounting Standards (IPSAS) or International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS) bases Financial Statements
21.4	Audit of Progression and Implementation of Quality of Government Goals, Quality Of Life Goals, Sustainable Development Goals And Quality Of Audit Goals
21.5	Annual External Financial and Performance Audit of SAO (SAI Samoa) - Competitive Procurement with Australia National Audit Office (ANAO) and AG of Australian States
21.6	International Standards of Supreme Audit Institutions (ISSAI) Certification of Manual for <i>Financial Audit, Compliance Audit, Performance Audit, Environmental Audit, IT Audit and Special audit of Fraud, Waste, Abuse & Corruption</i>
21.7	ISSAI Certification of Teammate and Practice for <i>Financial Audit, Compliance Audit, Performance Audit, Environmental Audit, IT Audit and Special audit of Fraud, Waste, Abuse & Corruption</i>
21.8	Supreme Audit Institute Performance Management Framework (SAI PMF)
21.9	Audit of Implementation of Sustainable Development Goals
STRENGTHENED STATISTICAL DATA COLLECTION AND ANALYSIS	
1.0 Effective implementation of the Samoa Strategy for the Development of Statistics (SSDS)	
1.1	Organizational review of the Samoa Bureau of Statistics
1.2	Enhancement of disaggregated data for policy formulation and evaluation



ANNEX 3: Review Matrix of the Finance Sector Plan 2013/14 - 2017/18

GOAL 1: FISCAL SUSTAINABILITY

1. PLANNING AND PERFORMANCE MONITORING

ACTIONS	FY2013/14 - FY2017/18
1.1 Completion of the Mid-Term Review of SDS 2012 - 2016.	Public consultations in 2015 and officially launched in 2016. Mid-term Review of the SDS 2017-2020 conducted in 2018 Continued implementation of the SDS monitoring through SMERF
1.2 Continuous support for the remaining sectors: Transport, Communication and Tourism.	New Transport Sector Plan 2014 -2019, New Tourism Sector Plan 2014 - 2019, Communication Sector Plan FY2018 - FY21, launched September 2017. Communication Sector Plan was launched on the 2nd week of September for FY2017/18 - 2020/21
1.3 Strengthened EPPD staff capacity in macro-economic modelling of the national economy via SERF model.	Continual assistance from PFTAC for TA to assist the team in SERF model by developing a Manual
1.4 Update of the Sector Planning Manual 2009.	Sector Planning Manual (SPM) updated in 2015
1.5 Quality assurance checks on all completed sector plans by means of annual sector reviews in compliance with the Sector Planning Manual, together with updating the respective sector Monitoring & Evaluation frameworks, which will be heavily linked to the budget process.	Quality checks for 7 sectors plans showed compliance and annual sector reviews on progress of implementation along with MTEF linked to budget and monitoring of SDS Integration of the Every Policy Is Connected (EPIC) tool into our current SMERF
1.6 The Public Sector Investment Programme (PSIP) will be a summary of the capital investment and technical assistance programmes for all sectors.	PSIP published in 2016, 2017 and 2018 Collaborative work in strengthening our PSIP database

2. IMPROVING BUDGETING

ACTIONS	FY2013/14 - FY2017/18
2.1 Full publication of forward estimates at the detailed Ministry level considering that the vast improvements are made to the quality of the forward estimates collated	Training on the GFS for all the staff of the Budget Division should revive the Forward Estimates along with the going Live of the Budget Module;
2.2 Inclusion of the prior year's actual budget outturn within the Approved Budget documentation, adhering to the same reporting format as the estimates.	This remains difficult to achieve as Budget is wary of printing any information that is inaccurate of the actual considering that the Public Accounts goes through a rigorous process and is usually not finalized until the end of the new financial year (for the previous year). Spending to date is provided to the Parliamentary Committee but is not in the Estimates document as it cannot be made public information until it is audited and passed by Parliament;

2.3 Development partner funding to improve accuracy, timeliness and comprehensiveness of the data as required by the Ministry of Finance.	<p>The FY2016/17 Budget Template incorporated the 'Development Expenditure' sheet for the Ministry to input the value of assistance expected from development partners including two forward years.</p> <p>Reporting system for the actuals will be re-assessed in the short term</p>
2.4 Further investment into the linkages between the budget and the national and sector strategies and plans. Also continual coordination is vital through the Budget and Planning Committee.	Possibly a consultation roll out on Performance Measures compilation to be led by the EPPD - Budget Division does not have the manpower nor the time to concentrate on each Ministry's KPIs when they are reviewing financials from year to year;
2.5 Development of the Non Tax Revenue Guide.	<p>NTR Guide completed in 2015</p> <p>Roll out of the Revenue Review of 2016/17 as well as consistent monitoring of the implementation of revisions to NTRs of all Government Ministries and Corporations as per Fees and Charges Act;</p>
2.6 Continue implementing the Communication Strategy to provide more information to the public and key stakeholders on policy reforms, the budget process and the annual and medium term budget estimates including mid-term reviews	<p>Public consultations conducted in 2016 and 2018</p> <p>Continues with the Chamber or as per direction of the CEO and Minister;</p>

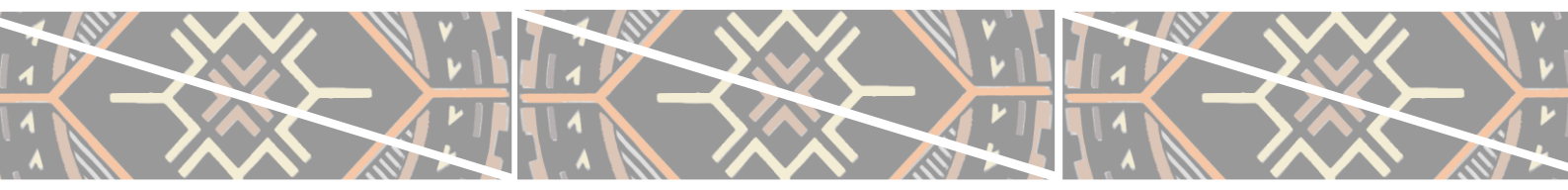
3. PROCUREMENT

ACTIONS	FY2013/14 - FY2017/18
3.1 Providing short term support to the Procurement Division in preparation for its enhanced role as a regulatory/normative body. Recruitment of additional staff, training of the staff and provision of tools (software) and technical assistance.	<p>A more-hands-on training regime on procurement rolled to Ministries and SOEs so that they can fully realize the benefits of good procurement planning</p> <p>The Procurement staffs (3) have completed the on-line course on Public Procurement by the World Bank and have received their Certificate Program in Public Procurement.</p> <p>Submitted Annual Procurement Plans from some Line Ministries as part of their budget bid submissions (MCIL, MNRE, MfR, MOP, MWTI).</p>
3.2 Completing a basic suite of Standard Tender Documents (STD) and obtaining AGO approval.	Further review to be made on the tender documents for simplicity. The Ministry in collaboration with the Office of the Attorney General and the assistance of the TA under the DFAT support is carrying out this review.
3.3 Develop an Annual Training Program for the Procurement Framework and Mandatory Practices.	Training program is in place for a symposium to be carried in the first half of the FY18/19 for Line Ministries, Public Bodies, Contractors, Suppliers and Consultants.
3.4 Short term compliance and competence training to the whole of government (Ministries and Public Bodies) with the possibilities already available. This would include awareness training based on the Part K of the Treasury Instructions 2013.	Continued training by the development partners through a proposal from the Ministry.

3.5 Providing guidance and templates for the use of framework agreements and as a mechanism during emergency situations.	<p>The Framework Agreement has been implemented and used for the procurement of medical consumable supplies for the laboratory, pharmacy</p> <p>Continue with the implementation of the framework through identified commodities and services suitable for the approach.</p>
3.6 Developing a complaints mechanism.	<p>The Tenders Board has approved the Procurement Independent Complaints Review (PICR) Procedures</p> <p>Establish and implement the procedure through the recruitment of an Independent Adjudicator to handle disputes and challenges on procurement related issues.</p>
3.7 Strengthening the integrity provisions to maintain a deterrence effect and promote greater integrity tools for e.g. conflict of interest declarations	<p>Implement the Independent Complaints Procedure.</p> <p>Continued with the current process of evaluation members signing the declaration form.</p>

4. AID COORDINATION AND DEBT MANAGEMENT

ACTIONS	FY2013/14 - FY2017/18
4.1 Continued development for an online and functioning Finance One project module for improved monitoring and reporting on development cooperation funding.	<p>Improved monitoring and reporting by devolving to line ministries the posting and printing of POs for funded projects, whilst ACDMD focuses more on the daily monitoring of funded projects.</p> <p>A functioning project module on Finance One system needs to be in place.</p>
4.2 Sustaining the mechanisms (e.g. joint policy action matrix) in place for open dialogue with development partners on development policies, strategies and priorities at both sector and national level to facilitate the transition to budget support.	<p>Continuous meaningful engagement between Government and development partners in policy actions being implemented, and providing budget support financing for Government</p> <p>Recommendations from the recently completed PEFA and ANS should be considered and as relevant for any further policy areas for JPAM</p>
4.3 Continual collaboration with the Budget Division and the commitment to facilitate a more precise/accurate integration of development partner funding in Line-Ministry/agency budget estimates further strengthening the budget process.	Integration of funded projects performance indicators into line ministries KPIs to further improve on budget process and performance budgeting
4.4 Further investment into the MTDS process.	<p>MTDS 2016-2020 approved by Cabinet for implementation.</p> <p>Annual review of the MTDS for FY1617 has been completed</p> <p>Midterm review of the MTDS - to determine if targets are still relevant and to review T-bonds program as potential financing sources in future.</p>
4.5 Strengthening Cash Management Practices via closer collaboration between MOF and CBS with regards to daily CBS data on Government accounts.	Efficiency and cost effective transactions approach need to be looked at. Ongoing collaboration with CBS regarding Government accounts update including options for account setup for Budget Support funding.



	Obtaining daily data from CBS would continue to be a challenge as CBS manually update the statements and data, minimum of 5days lapse in receiving information
4.6 Validate and introduce regular updates of domestic debt in CSDRMS and establish linkages with Finance One.	<p>Continuous Capacity building on CS-DRMS</p> <p>A new system “Meridian” has been developed by ComSEC to replace the CS-DRMS in 2years time. The system’s improved functionality on recording, accounting, and specifically on the analysis and reporting requirements and needs of the user countries.</p>
4.7 Debt management staff capacity further developed to assist EPPD to undertake and update annual debt sustainability analysis.	Strengthen cooperation and capacity of DMU and EPPD to undertake in-house DSA for Government.

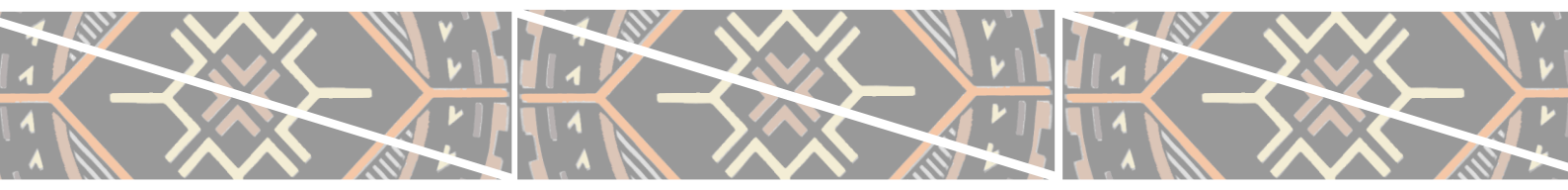
5. ACCOUNTING AND REPORTING

ACTIONS	FY2013/14 - FY2017/18
5.1 Develop an Annual Training Program for the updated Treasury Instructions 2013	Updating Manuals and Policies and training for the updating changes.
5.2 Ensure that public accounts are submitted within the legally defined deadline of 4 months from the end of each financial year.	Complete
5.3 Strengthen the capacity for cash flow forecasting and monitoring centrally within the Accounts Division and at the Ministry level. In-year updates of cash flow forecasts should be completed by line ministries on a quarterly basis.	<p>Electronic payments; 98% of payments were disbursed through EFT system.</p> <p>Annual cash plans; annual cash flow forecast on expenditure was based on the actual from previous year, in particular the Below the Line Items. The Revenue forecast was based on the projections from the Ministry for Revenue, and forecasts from concerned parties like SIFA and MoF. Only a few government ministries and SOEs are able to submit their annual cash flow forecasts for our annual compilation.</p> <p>Daily circulation of Cash balances/position and ongoing review link to the GL Actuals. A need of a consistent active discussion of the Committee on the variance/seasonality outcome to identify risk before issues raised in the management team.</p>
5.4 Continued strengthening of the data quality in the Finance One accounting system and improvement made to the Asset Registration within Ministries.	A TA PFTAC to assist in putting in place some Fixed Asset Policy related to the Financial Reporting and its general operation.
5.5 Further improvements to the mechanisms in place so that regular reconciliations of payroll and the human resource system are efficient and effective.	An upgrade was financed on the HR Module to realise some changes on the existing PSC policies. This is yet to flow through

	from PSC so that payroll staff can review changes to Ministries that are not under PSC
5.6 Continual developments to the Project data entry to be devolved to Ministries with the inclusion of budget and funding allocation.	System Support has now set a Fund Ledger for Fund Loading. It still needs more months for the Aid and Loan Division/Ministries to be familiar to the change. Some of these changes has made some impact to the Project presentation in Public Account 2017 and PA2018.
5.7 Continual development of the reporting framework in the Public Account Report to be compliant to International Public Sector Accounting Standards and the PFM Act.	Currently using IPSAS Cash as we are transitioning to Accrual Basis from Cash Basis, to be compliant to IPSAS as recommended

6. INTERNAL AUDIT AND INTERNAL CONTROL FRAMEWORK

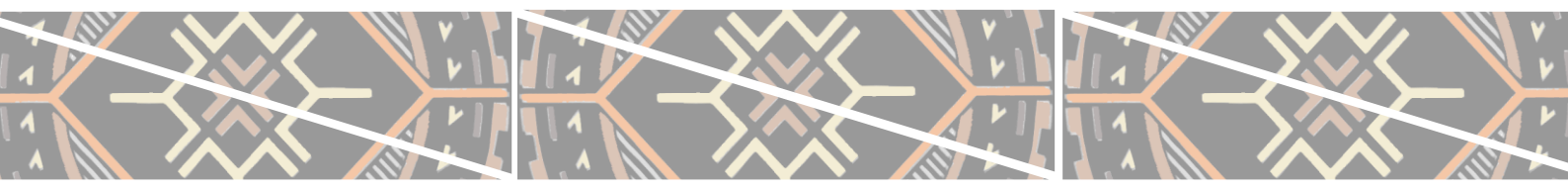
ACTIONS	FY2013/14 - FY2017/18
6.1 Implementation of the internal audit strategic plan for internal audit across Government.	80% of the Strategic Plan 2012-2016 have been completed. Outstanding strategies will be included in the new Strategic Plan which will be developed with the assistance of PFTAC in March 2019.
6.2 Implementation of the Ministries Internal Audit Committee to provide effective oversight over the internal audit function across Government Ministries.	Still pending until the Internal Audit Regulation (Regulation) is finalized and approved by Cabinet.
6.3 Develop a comprehensive resource plan for the internal audit function across Government including the design of an internal audit career path.	Resource Plan not approved by PSC. Need to re-submit proposal, specifically for MOF-IAID with more justifications of proposed additional staffs.
6.4 Implementation of Resource Plan including approval and funding of new positions to effectively address resource issues identified in Internal Audit.	Resource Plan not approved by PSC.
6.5 Strengthening of the internal audit forum for effective progress of the Strategic Plan and of knowledge sharing on challenges and opportunities in moving internal audit function forward.	Internal Audit Forum continued with finalization of the Resource Plan, basic training on system and IT audits, and awareness on the implementation of the IA Strategic Plan 2012 - 2016.
6.6 Development of cross Government Risk Assessments and Ministry Level Risk Assessments to be used as a base for Internal Audit Annual Work Plans with increased emphasis on systems audits.	Risk Assessment and Annual Work Plan templates now used and rolled out to IAF members for use in their respective Ministries/Public Bodies.



6.7 Monitoring and evaluating the implementation of the annual work plans with increased emphasis on compliance and systems audits using a risk-based framework.	<p>System based audit for Procurement across the Government deferred until assistance by a TA is available to cover technical aspects of procurement process.</p> <p>PPQA is currently reviewing the QA process currently in the Internal Audit Manual. This will be used by the IAF to monitor and evaluate the System Based Audits.</p>
6.8 Development of Internal Audit capability to use IT Resources in reviewing and performing audit tasks including accessing and analysing data from Finance 1.	<p>Trainings on basic functions of the IDEA software were performed by Internal Auditors with IDEA experiences from Samoa Audit Office.</p> <p>There's a need for the Team Mate software to assist with the efficiency of Internal Audit work across the Government. A proposal for financial assistance will be prepared soon for submission to the GIZ for consideration.</p>

7. MANAGEMENT OF STATE OWNED ENTERPRISES

ACTIONS	FY2013/14 - FY2017/18
7.1 Continual capacity development for the SOE Monitoring Division Staff, so that the in-house expertise on finance/business analysis and project appraisal is sufficient to support and monitor the performance of all SOEs.	Implementation of Fiscal Risk Indicators - incorporating in the performance reports for all Public Bodies.
7.2 Further strengthening of the corporate governance of SOEs building upon increasing private sector participation, especially for public trading bodies.	Most of the new governance related frameworks and guidelines are in their final stages. Once Cabinet approval has been given, then it will involve the rolling out, implementation and monitoring for compliance.
7.3 Constant improvements to recent initiatives to address audit timeliness stemming from the timely submission and clearance of financial statements to reduce potential fiscal risk to SOEs and having this information readily available for public access.	Push Public Bodies to update Annual reports submission and not just Audited Accounts.
7.4 Reinforce and maintain strict procedures for the approval of loan guarantees and taking into consideration the Debt Sustainability Analysis before cabinet approval is sought.	100% Compliance of SOEs to Guarantee fees imposed under PFMA.
7.5 Continue privatisation of non-strategic SOEs as well as improvements and	<p>Complete business plan for SPL.</p> <p>Screen SHC and MNRE landfill under PPP Framework.</p>



developments to the Private Public Partnerships programme

Screen Government printing operations under the Divestment policy and PPP Framework.

8. CROSS CUTTING SUPPORT

ACTIONS	FY2013/14 - FY2017/18
8.1 The Corporate Service Division will further develop its role with regards to human resource management (HRM) and human resource development (HRD) with the objective of continuous induction training, job design and evaluation, performance management, performance monitoring and use of manuals to support and contribute to sustainable PFM systems.	<p>Customer Service Charter has been updated.</p> <p>Training conducted yearly for those employees who have been identified as employees in need of the training.</p> <p>Employees are also being selected to participate in in-country training sessions with PSC and other have been able to attend overseas training in their specific technical areas.</p>
8.2 The IT Division will continue to strengthen the management, organisation and security of electronic data.	<p>Upgrade Firewall Hardware and security protection for LAN and GWAN.</p> <p>Enhance Email Server Security and MOF Website: Purchases and applied SSL encryptions to MOF website and email; Working with CSL to create spf and dmarc record this will help authorize MOF email server to send out MoF.gov.ws domain.</p>
8.3 The IT Division will focus on harnessing the impending benefits (i.e. cost efficiencies) which can be obtained and realized through the newly established SNBH Broadband network.	<p>100 % of Line Ministries are on SNBH.</p> <p>Redundant Environment installed two physical servers for MOF backups.</p> <p>MOF QNAP (Storages) Backup and Recovery storage installed for MOF OFFSITE BACKUP upgrade</p>

9. REVENUE COLLECTION

ACTIONS	FY2013/14 - FY2017/18
9.1 The legislative framework for tax administration will be reviewed and amendments proposed and implemented including the consideration of presumptive tax for very small businesses.	<p>Ongoing observation of the practical application of the amended and newly introduced provisions (Amendment Acts 2017) introduced in the Income Tax Act 2012</p> <p>Capital Gains tax is expected to be passed by cabinet on the 14th September 2018 for its implementation effective on the 1st January 2019</p> <p>Export Tax Credit application targets all Export tax credit returns in year 2018 expected to due in March 2019</p> <p>Tax Expenditure Report will be considered and used as a tool for policy changes/review.</p> <p>Increased by 60% of business license fees from 01 Jan 2018.</p>
9.2 Continuous capacity enhancements on tax policy advice, research and analysis within the Ministry for Revenue.	<p>Continue seeking opportunities for funded trainings/workshops for more staffs to develop capacity in areas of Policy, Forecasting, Audit, etc.</p>

9.3 Improved procedures, systems and service functions for tax administration in operation. This will include customer sub-segmentation and the introduction of account management for large taxpayers.	Ongoing educational and advisory workshops on Samoa E-Tax ('SET') service managed by Taxpayer Services Division ('TSD') to Large Enterprises ('LE' segment) and Small-Medium Enterprises ('SME').
9.4 Improved accessibility and quality of information for tax payers and the introduction of taxpayer education campaigns for specific industries and/or services e.g. online services.	IRS continued to monitor compliance of taxpayers through its CIP and set up task force team (Revenue Review Team: 'RRT') to monitor the compliance of Ministers of Religion.
9.5 Continue implementation of the Strategic IT Plan. This will include improvements to the database systems through upgrade of RMS and planned linkages with ASYCUDA World.	The last 5 years IT Strategic Plan is yet to be reviewed and was due to commence when the new MfR Corporate Plan 2017-2022 was finalized and launched on July 2017.
9.6 Improved procedures and systems for tax and customs enforcement including strengthened enforcement of offences.	<p>Increased numbers of Customs cases been penalized with not only administrative penalty but with other legislative penalties compounded by Comptroller for undervaluation, discrepancies between manifest/bill of laden info, etc.</p> <p>Increased number of deferred cases been fully settled after repeated reminders, seizure of vehicles or court recovery especially for cases with dishonored cheques.</p> <p>Had successfully done two combined comprehensive audits between Customs and IRS which resulted in almost \$2million tax revenues</p>
9.7 Strengthened systems will be developed for monitoring and reporting on tax arrears and improved debt collection.	IRS had already put in place Operational Statements, Business Plans, Compliance Improvement Plans and Processes
9.8 The planning and monitoring of the tax audit programme will be strengthened including the use of more sophisticated risk analysis with greater emphasis on evasion and avoidance.	<p>Ongoing work on the Risk Management by manual extraction of the data for risk assessment. With the division to be on board in the mid of this FY will enable this function to be fully implemented.</p> <p>TA from PIFTAC will also assist in training and capacity building of this team.</p> <p>Ongoing CRMC meeting as per TOR (i.e. to be held every second Thursday of every month). Review of the MfR CIP is on plan within the FY by a TA from PFTAC</p>
9.9 Programme of staff development in place for the IRS including delivery of mentoring, training and leadership programmes and the introduction of comprehensive induction training for new recruits.	Continue to seek assistance from PFTAC, IMF, PITAA, OCO, WCO and other international & regional organizations for more tax and customs related workshops/trainings to continue build and develop staff capacity.
9.10 A functioning reconciliation system in place covering tax assessments, amounts collected, arrears and transfers to MOF.	The RMS Database records all tax assessments made by the Commissioner (in terms of tax audit reassessments) as well as taxpayers' self-assessed taxes for each Tax Identification Number (TIN). It records all payments made for tax liabilities for each TIN. Finance One system is accessible by Ministry for Revenue to record daily payments. All daily collection is banked under one bank account controlled by MOF.

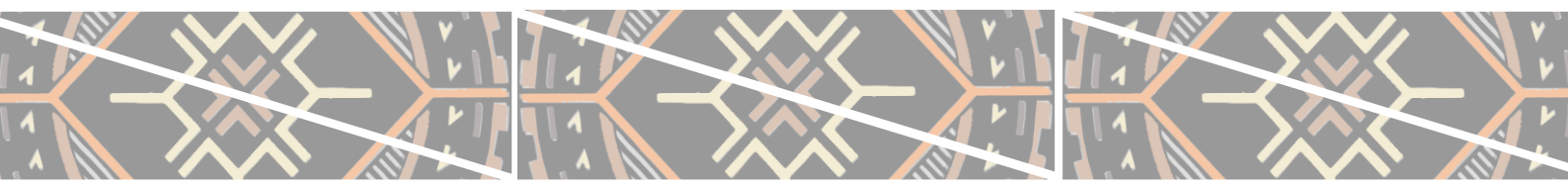
10. EXTERNAL AUDIT

ACTIONS	FY2013/14 - FY2017/18
10.1 Submission of Audit Reports to parliament within 8 months of the end of the period covered. In the case of reports on the Public Accounts these will be submitted within 6 months from the end of the period covered.	The Main Report for FY2016 was presented to the Speaker of the Legislative Assembly on the 17 th August 2018. The Main and Irregularity Reports for FY2017 will be submitted to the Speaker in September and the Main and Irregularity Reports for FY2018 will be submitted to the Speaker in October 2018. Thereafter the Samoa Audit Office will report every 6 months commencing of the 6 months ending 31 December 2018.
10.2 Expand coverage of Government Ministries such that at least 100% of total expenditures are audited annually including both revenue and expenditure.	To maintain the work done for all Ministries audits to be completed within FY. This will also assist with the efficient auditing of Public Accounts each year.
10.3 Improved evidence of systematic follow-up on audit recommendations including a standard requirement for a formal response from the entity concerned.	Maintain the follow up actions on recommendations done and obtaining of formal responses from the audited entities. The formal responses from entities concerned are again provided to be revised when compilation process of Audit office report on operations is conducted.
10.4 Enhance capacity for performance and IT audits and will undertake at least 2 performance audits and 2 IT audits each year in 2014/15 and 2015/16.	However, there is still the need for more Performance & IT Audit training. ICISA and PASAI are the main providers of trainings on Performance and IT audits. For this FY 18-19 we have now been advised on the approved funding assistance for secondment, therefore negotiations with Audit NZ on the work programs will be finalized soon
10.5 Implement an ongoing training/awareness programme for staff and stakeholders on legislation and all developments under the ISP and the ongoing Capacity Supplementation Project, and will maintain an up to date succession planning system with mentoring and training/awareness activities.	Under the PASAI twinning programs, Samoa audit office has been receiving technical assistance from the Audit New Zealand on the review of its manuals and capacity supplementation assistance in the conduct of its audits as well (mainly Public Accounts, Performance Audits). However, Secondment of SAO staff to understudy Audit NZ have been in the pipe line to be revived pending on the availability of funding
10.6 Implement an appropriate Institutional restructuring to further improve the effectiveness and efficiency of operation, management and performance of the Audit Office.	Continual implementation of the Audit Strategic Plan 2014 - 2024 and acquisition and implementation of Team Mate. (Financial Independence).

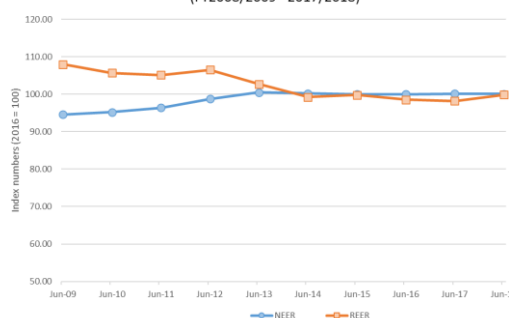
GOAL 2: MONETARY AND FINANCIAL STABILITY

1. MAINTAIN PRICE STABILITY AND LOW INFLATION

ACTIONS	FY2013/14 - FY2017/18
a. Review exchange rate and interest rate policies and market interventions to minimize impacts of rising fuel prices and imported food products and domestic price movements so as to promote investment.	The annual review of the Samoa Tala currency basket has supported the largely stable trend for the Nominal Effective Exchange Rate (NEER) during the 5 years covered in the review. This has included the rebasing of the NEER to March 2016, consistent with the rebase of the Consumer Price Index and reflective of latest financial conditions and developments.



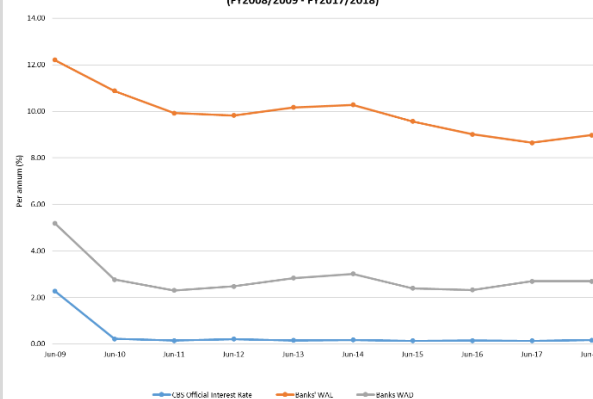
Nominal Effective Exchange Rate and Real Effective Exchange Rate Trends
(FY2008/2009 - 2017/2018)



Consistent with the generally accommodative monetary policy stance during the FSP period, lower market interest rates were recorded as follows:

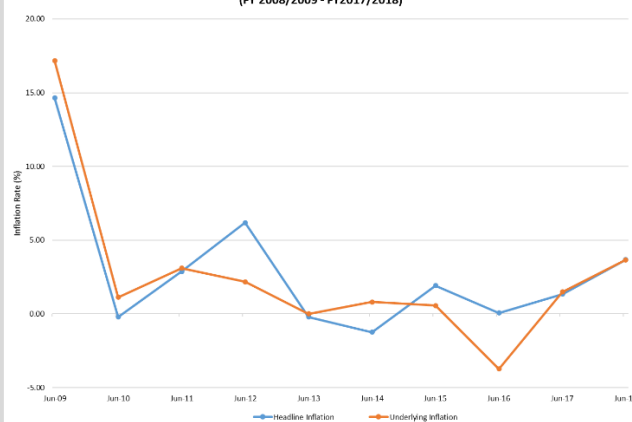
- Commercial banks' average lending rates = 9.39% (compared to 10.79% in the previous 5 FY)
- Commercial banks' average deposit rates = 2.67% (compared to 3.29% in the previous 5 FY)

CBS Official Interest Rates and Commercial Banks Weighted Average Interest Rates
(FY2008/2009 - FY2017/2018)



Similarly, inflation rates have been low with the headline inflation rate averaging 1.16% during the 5 FY of the FSP and the underlying inflation rate averaging 0.56% over the same period (compared to 4.66% and 4.72% in the previous 5FY)

Headline and Underlying Inflation Performance
(FY 2008/2009 - FY2017/2018)



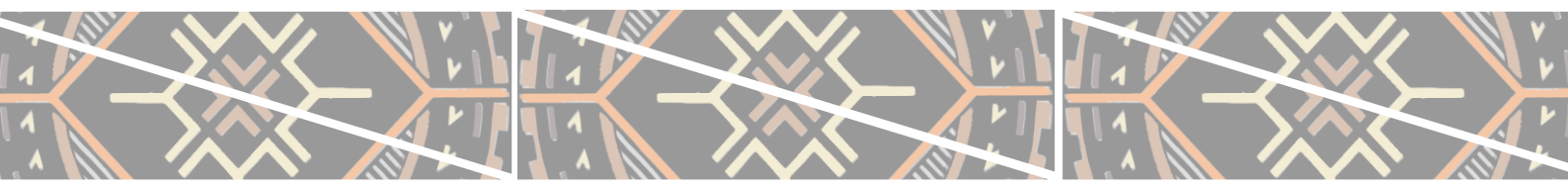
2. STRENGTHEN MONETARY POLICY IMPLEMENTATION

ACTIONS	FY2013/14 - FY2017/18
a. Develop national strategy on financial literacy; and	Financial literacy has been absorbed into the National Financial Inclusion Strategy 2017 - 2020, with the major initiative of integrating financial education in the national curricula.
b. Develop a credit bureau to provide credit assessments so as to reduce the cost of capital associated with high risks and transactions costs	CBS is engaging ADB for assistance to develop a credit bureau model best fit for Samoa. There have been several missions including a diagnostic assessment mission done in 2018. Delay has been due to financing, which was just recently confirmed by ADB in Dec 2019/Jan 2020. CBS continues to work collaboratively with ADB (through PSDI) to develop the relevant legislative framework for the establishment of a credit bureau in the country.

3. IMPROVE FINANCIAL SYSTEM SUPERVISION

DOMESTIC BANKING

ACTIONS	FY2013/14 - FY2017/18
a. Strengthen prudential supervision by CBS over commercial banks;	<p>Prudential Standards (PS) were revised in line with updated international standards and distributed to all the commercial banks. The PS are as follows:</p> <ul style="list-style-type: none"> • PS1 - Governance and Risk Management • PS2 - Capital Adequacy • PS3 - Credit Risk • PS4 - Large Exposures • PS5 - Connected Lending Activities and Direct Ownership • PS6 - Liquidity Risk • PS7 - Business Continuity Management (BCM) • PS8 - Outsourcing • PS9 - Audit • PS10 - Foreign Exchange Risk • PS11 - Cyber Risk <p>These have now been finalised and took effect on 1st January 2021.</p> <p>Onsite inspections of the 4 commercial banks were also undertaken, every two years.</p>
b. Broaden banking supervision to include SNPF, ACC and UTOS, as well as non-bank financial institutions i.e., money transfers, etc.;	<p>The Non-banks like SNPF, UTOS, DBS have been under the supervisory umbrella since the CBS Amendment Act came in to effect in 2001.</p> <p>CBS is also gradually working towards including small money lenders or finance companies under our supervisory framework, subject to legislative frameworks to be in place first. Draft legislations were designed in 2020 and is currently being reviewed internally.</p>
c. Issue more detailed guidance on banks' credit policies;	Refer to response in section 3.1 above



d. Strengthen monitoring and compliance of related / connected lending and large exposures;	It is all covered in the revised prudential guidelines.
e. Introduce a requirement that banks have in place comprehensive risk management policies to control their non-credit risks (e.g. interest rate, market, operational and country risks);	Refer to response in section 3.1 above
f. Provide guidance to banks on establishment of corporate governance policies and procedures	Refer to response in section 3.1 above
g. Consider amending legislation to provide CBS with the authority in extreme circumstances to effect changes in banks' Board of Directors and senior management	This has been incorporated in the Financial Institutions Act, which is currently being revised.
h. Implement the new AML/CFT legislative framework by issuing the supporting regulations and guidelines;	<p>The Money Laundering Prevention Amendment Bill 2018 was presented in Parliament and enacted on 22nd June 2018. This creates the new framework for money laundering.</p> <ul style="list-style-type: none"> • Continuous clarifications and interpretations are given to the financial institutions in order to ensure that the application of the money laundering legislation is accurate and also in conformity with international standards. • New Cash Transaction Reporting (\$20,000 threshold) system took effect in December 2019. The offence of money laundering now increased to 15 years' imprisonment from the previous 7 years' imprisonment maximum sentence, in view of the latest version of the AML legislation. • SFIU working with ADB to update Samoa's National Risk Assessment (NRA); this is necessary to identify ML risks and Sectors affected, this should be completed in June 2021. • SFIU also engaging consultant who is addressing Samoa's compliance with the FATF standards and to identify potential amendments, this is ongoing.
i. Explore the concept of establishing a Financial Sector Ombudsman to provide an avenue for satisfactory settlement and resolution of complaints/disputes between customers and commercial banks	The Competition and Consumer Act 2016 with MCIL, now covers consumer protection for Banking and Insurance services.
j. Restructure DBS to focus on providing credit to SMEs and to improve key sectors such as Agriculture.	DBS working closely with ADB on the restructure and overall system improvement. Improve access to financing mechanisms for MSME developments to include Micro Financing schemes already in place.

INTERNATIONAL BANKING



ACTIONS	FY2013/14 - FY2017/18
3.1 Continue and expand monitoring of banks' activities and risk exposures through on-site examinations;	<p>This has been the process in conducting onsite examination so far. On site examination gives the supervisor the chance to validate reports and ensure the risk exposure of the bank is strictly monitored and controlled.</p> <p>Commercial banks are all required to maintain capital adequacy ratio in line with the banks risk weighted assets. This practice is in accordance with Basel Core Principles that are internationally recognized.</p>
3.2 Introduce minimum capital requirements for each bank based on its risk profile;	
3.3 Issue guidance of banks' policies, procedures and systems related risk management as well as on their corporate governance.	Refer to response in section 3.1 above

CAPITAL MARKETS

ACTIONS	FY2013/14 - FY2017/18
3.1 Develop oversight by the CBS of the unit trust investment vehicles and their related trustee supervision guidelines;	<p>The Unit Trust Guidelines came into effect in 2015 covering the following areas:</p> <ol style="list-style-type: none"> 1. Market Participants 2. The Management Company 3. The Trustee 4. Investment Fund; and 5. Audit and Reporting <p>Since then, CBS has conducted 2 onsite inspections on UTOS during the period.</p> <p>From UTOS perspective, with there being only one-unit trust investment vehicle, the oversight from CBS exists however the regulatory oversight appears to be lacking in added value. Consider constructive criticism to be provided to the Trust based on the regular reporting if any.</p>
3.2 Develop policies and legislative framework for a Capital Markets Authority to oversee development and regulation of the new capital markets initiative;	No work was undertaken in this area during the period.
3.3 Review the Unit Trust of Samoa project and identify how it could be expanded into facilitating mobilisation of equity investments into private sector projects.	<p>There was an on-site review carried out in 2018, however to date we have not received formal communication of any recommendations that ought to be implemented following this review. Perhaps this report can be shared with the Unit Trust of Samoa so they work on this implementation as proposed.</p> <p>The Unit Trust continues to actively seek out investment opportunities and meets frequently with those seeking investment in private sector projects but doesn't quite reach the due diligence phase of the process.</p>

GOAL 3: SOUND EXTERNAL POSITION

1. STRENGTHEN EXCHANGE RATE POLICY OPTIONS



ACTIONS	FY2013/14 - FY2017/18
1.1 Review appropriateness of more active use of the exchange rate policy;	The exchange rate policy is reviewed on an annual basis as part of the annual review of the Tala currency basket. Furthermore, a regular long run equilibrium assessment of the Tala currency since 2015 is undertaken by CBS ahead of the IMF's Article IV Mission each year. These assessments continue to indicate no significant misalignment of the Tala and the current exchange rate system and policy remains appropriate for Samoa, as also confirmed by the IMF during the annual Article IV reports.

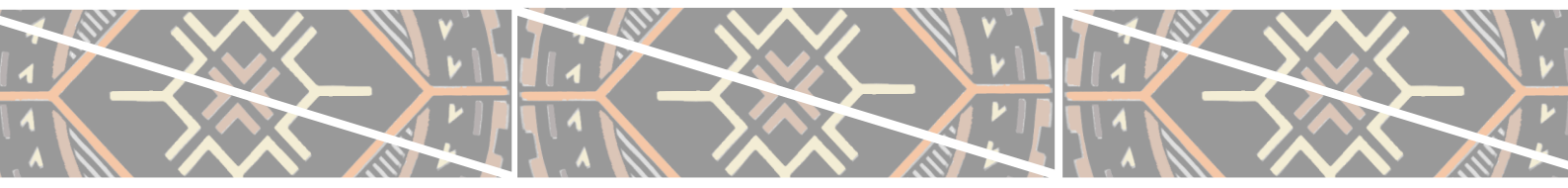
2. ESTABLISH COUNTRY RISK RATING

ACTIONS	FY2013/14 - FY2017/18
2.1 Identify and secure a reputable international risk rating agency to undertake a full country risk rating during 2014;	CBS submitted an information paper to the Ministry of Finance in late 2015.
2.2 Provide resources for implementing measures identified as necessary in the country risk report.	It is a comprehensive exercise and very costly.

3. DEVELOP ACCESS TO CAPITAL MARKETS

ACTIONS	FY2013/14 - FY2017/18
3.1 Develop a capacity development programme to up skill and train key personnel involved in Capital Markets operations;	No relevant training opportunity was available to CBS staff to develop capacity in capital markets operations.
3.2 Activate a sovereign borrowing from Capital Markets for CBS orientation purposes;	Considered as not necessary given government's current debt sustainability efforts; although CBS is to be guided by MOF on this.
3.3 Pursue a private bond placement	Considered as not necessary given government's current debt sustainability efforts; although CBS is to be guided by MOF on this.
3.4 Gradually pursue a public bond placement -	Considered as not necessary given government's current debt sustainability efforts; although CBS is to be guided by MOF on this.

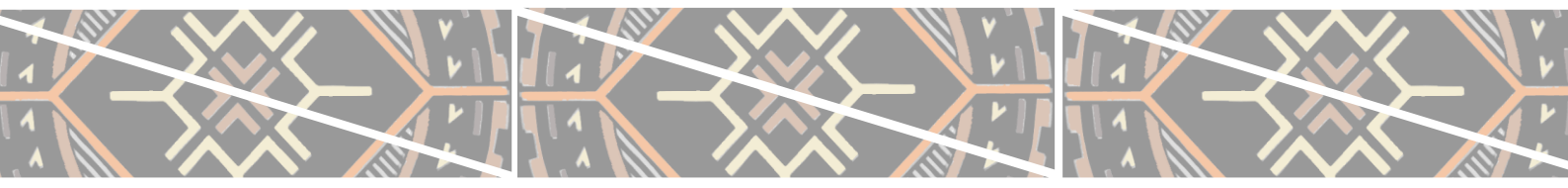
4. STRENGTHEN ACCESS TO EMERGENCY FINANCING FACILITIES



ACTIONS	FY2013/14 - FY2017/18
4.1 Identify and design measures for accessing emergency financing from international multilateral financial organisations in the event that the need arises;	<p>CBS discussed the possibility of an emergency credit facility at various meetings with international development partners.</p> <p>The ADB subsequently designed and implemented the Pacific Disaster Resilience Program in December 2017 of which Samoa, Tonga and Tuvalu are the only Pacific member countries entitled to access it.</p> <p>The World Bank also designed a similar facility in October 2018 known as the Development Policy Loan with a Catastrophe Deferred Drawdown Option (Cat DDO).</p>
4.2 Consider pooling national resources or appropriate financing mechanisms to establish a basis for a catastrophe insurance scheme in the future, either at international or regional levels.	<p>Samoa is party the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) under the auspices of the World Bank in a bid to more disaster risk financing for PICs. Further dialogue with other development partners for similar initiatives while Government policies are being developed to ensure an immediate financing option for recover and relief efforts. Such policies include the DRF policy that assess the financing options available to government in the event of a natural disaster and provides guidance to government on the circumstances under which could be used and the allocation resources as post-disaster recovery response.</p>

5. STRENGTHEN ACCESS TO INTERNATIONAL COMMERCIAL BANKS

ACTIONS	FY2013/14 - FY2017/18
5.1 Develop and explore mechanisms for accessing foreign currency commercial loans for meeting possible financing needs;	No work done in this area given current status of concessionality available to Government's financing needs
5.2 Provide resources for enhancing the role of the SIFA in strengthening access to international banks.	SIFA continues to strengthen its compliance with international standards and continue to promote Samoa as a Centre for international financial services



ANNEX 4: Implementation Matrix

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions	Milestones & Targets	Indicators	Timeframe	Lead Agency
IO 1: Budget Documentation and Resource Allocation Strengthened				
1.1.1 Strengthen monitoring of budget execution and tracking performance	Ratio of Ordinary Receipts to Total Current Payments to be at least 70%	Variance between budget execution reporting and forecasts	Annually	MOF
	Personnel Cost to be maintained within 35% of Total Current Expenditure			
	Total current payments to be maintained within 40% of GDP			
1.1.2 Improve predictability of Aid Program Estimates in the Approved Budget estimates to ensure comparability with the end of year report	Reduce variance between estimates and outturn annually by 2% by ensuring prediction of development partner flows and budget expenditure outturn is close to the budgeted accounts	Variance between estimates and outturn	Annually	MOF
1.1.3 Strengthen the Fiscal Strategy Statement	Update the SERF Model on a bi-annual basis	Forecasting (SERF), Forward Estimates and Macro-fiscal sensitivity analysis strengthened	Bi-annual	
	Present an update to the Macroeconomic Forecasting Committee	Timeliness of presentations of reports on bi-annual basis of scenarios derived from SERF	Bi-annual	

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions	Milestones & Targets	Indicators	Timeframe	Lead Agency
	Include the estimated fiscal impact of proposed policy changes and fiscal risks in the Fiscal Strategy	Number of proposed policy changes reviewed and identified for the budget year	Bi-annual / Annually	
		Fiscal risk reported in the fiscal strategy	FY2023-2024	
1.1.4 Strengthen Statement of Forward Estimates	Conduct training for at least 50% of key staff in GFS classification, compilation and reporting	Percentage of key staff trained in GFS to assist with the formulation of the Statement of Forward Estimates	Annually	MOF
1.1.5 Strengthen development of Medium Term Expenditure Framework (MTEF) across all sectors	Link sector plans MTEF to the Government budget	Number of relevant Sector Plans MTEF developed and linked to the Government Budget	Bi-annual	MOF
IO 2: Revenue Administration and Collection Strengthened				
1.2.1 Boost Revenue Collection	Regular review of tax base and legislation to improve revenue collection	Impose excise and other taxes such as those approved on unhealthy foods	Annually	MCR
	Strengthen collection of tax arrears and debt collection	Debt turnover period improved	Annually	
1.2.2 Develop and Implement the Revenue Compliance Plan	Develop new Compliance Improvement Plan (CIP)	Compliance Improvement Plan published and implemented	FY2022/2023	MCR

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions	Milestones & Targets	Indicators	Timeframe	Lead Agency
	Roll out of Tax Invoice Monitoring System (TIMS)	TIMS Implementation progress/status	FY2021-2022	
1.2.3 Integrate Revenue Management Information System (RMIS) to the Finance Management Information System (FMIS)	Discuss with system vendors the available options for integrating RMS to Finance One	RMIS integrated with the Finance One (FMIS)	3 - 6 months	MCR
	Finalize Operating Procedures for integrated system		3 - 4 months	
	Statement of Works (SOW) developed for integration of RMS and Tax core systems	Integration of RMS and Tax Core	3 - 6 months	
IO 3: Prudent Debt Management Strengthened				
1.3.1 Prudent management of Government Debt Portfolio	Implementation and monitoring of the approved Medium Term Debt Management Strategy (MDTS) FY2021/22 - FY2025/26	Compliance to the borrowing strategy	Annually	MOF
	Effective implement the Government Guarantee Policy and the On-lending Policy	Compliance to the policies	Annually	
1.3.2 Develop a team to provide robust and quality debt policy advice	Establish Debt management division established and functional	Establishment of fully functional Debt Management Division established and functional by start of FY2023	FY 2022/2023	MOF

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions	Milestones & Targets	Indicators	Timeframe	Lead Agency
1.3.3 Prudent management and monitoring of risks arising from contingent liabilities	Credit risks assessment conducted for request for new guarantees and on-lending	Effective implementation of the Credit Risk assessment framework to manage and monitor risks associated with contingent liabilities as Government on-lending policy 2020, Government Guarantee Policy 2022	Annually	MOF
IO 4: Public Investment Programming and Analysis Improved				
1.4.1 Improve analysis for major public investment projects	Review and update the Project Planning and Programming Manual (PPM)	Inclusion of Cost Benefit Analysis (CBA) in the review of PPPM	FY 2022/2023	MOF
		Review of current project proposals that have incorporated CBA	FY 2022/2023	
	Conduct capacity building on CBA	Number of CBA trainings conducted and percentage of staff trained	Annually	
1.4.2 Timely publication of updated investment projects (PSIP)	Update and publish PSIP report on website for public information	Monitoring reports of investment projects published to ensure transparency of project progress and costings	Annually	MOF

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions	Milestones & Targets	Indicators	Timeframe	Lead Agency
IO 5: Management of Government Assets Improved				
1.5.1 Enhance disclosure of Governments fixed assets in the Public Accounts	Increased Fixed Assets reporting that is in the Annual Public Accounts (%)	Level of fixed assets reporting in Public Accounts	Annually	MOF/ MWTI
1.5.2 Development of an Asset Management Framework	Develop an Asset Management Policy Framework	Asset Management Policy Framework in place	FY 2022/2023	
IO 6: Cash Flow Management and Forecasting Strengthened				
1.6.1 Enhance consolidation of cash balances including Mission accounts	Access Mission Bank Account online (preferably NZ, Australia, American Samoa initially)	Access Operational Foreign Bank Accounts granted	Annually	MOF
1.6.2 Strengthen cash flow management and forecasting	Cash flow Management & forecasting improved	Proper forecasting of cash flow to accommodate daily expenditures	Annually	
		Compliance with cash management controls	Annually	
IO 7: Public Procurement Efficiency Improved				
1.7.1 Increase transparency through public access to procurement information	Publication of the updated procurement legal framework, tender advertisement and tender awards.	Regular update of the MOF website with publications of procurement notices, tender advertisements and tender awards	FY2022-2023	MOF
	Electronic submission of bids via the GoS e-Tendering Portal			

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions	Milestones & Targets	Indicators	Timeframe	Lead Agency
		Use of GoS e-Tendering Portal for publication and submission of tenders and bids on-line	Annually	
	Publication of Annual Procurement Plans (APP)	The Annual Procurement Plan (APP) is published on the MOF website	Annually	
1.7.2 Continue implementation of the procurement review complaints mechanism	The Procurement Independent Complaints Review Procedure (PICRP) is developed and operational	Implementation of the PICRP	FY 2022/2023	MOF
	Tenders Board appoint a prime Independent Adjudicator and Alternate Adjudicator	Appointment of the Independent Adjudicator	FY 2022/2023	
	# of procurements related complaints resolved	# of Complaints referred to the PICRP for resolutions	Annually	
1.7.3 Strengthen the usage of procurement standard templates in the Procurement Manual 2020 by all ministries and agencies	The complete suite of SBDs is developed and made available on the MOF website for use	Complete suite of Standard Bidding Documents (SBDs), Major & Minor Templates for all categories: (i) Goods, (ii) Works, (iii) General Services, (iv) Consulting Services	FY 2022/2023	MOF
1.7.4 Strengthen the Procurement Team to provide technical advice and support to the Government	Formulate proposal for establishment of 2 nd Principal Procurement Officer and 2 nd	Efficient and effective procurement technical advice and support	FY 2021/2022	MOF

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions			Milestones & Targets	Indicators	Timeframe	Lead Agency
Tenders Board, Independent Adjudicator and the Cabinet Sub-Committee	Senior procurement Officer including Job Descriptions (JD)					
	Obtain necessary approvals from PSC and commencement of recruitment and selection process				FY2022-2023	MOF
1.7.5 Increase awareness and use of e-tendering portal for submission of online bidding documents	Conduct trainings/awareness programs on using of the procurements e-tendering portal		# of tender advertisement posted on the e-tendering portal	Annually	MOF	
			# of bids submitted through the e-portal	Annually		
			% of users of the Procurements e-tendering portal	Annually		
1.7.6 Establishment of a Community of Procurement Practitioners	PPCP Framework endorsed by the Public Service Commission (PSC)		# of piloted Government Agencies for the PPCP	FY 2023/2024	MOF	
	Establishment of the Public Procurement Career Pathway			FY 2024/2025		
IO 8: Disaster Responsiveness of Fiscal Policy Improved						
1.8.1 Strengthen access and coordinate financial resources in		Implement and monitor the Disaster Risk Financing Policy	Approved Disaster Risk Financing Policy	FY2021-2022	MOF	

ESPO 1: FISCAL RESILIENCE AND SUSTAINABILITY

Key Policy Objective: Ensure resilience and sustainable fiscal position

Actions	Milestones & Targets	Indicators	Timeframe	Lead Agency
response to impacts of national emergencies	Financial protection for the Governments major assets affected by climate change and natural disasters	Insurance Policy and Coverage for Government's major assets	FY2022-2023	
1.8.2 Develop and implement sector response plan to prepare for any impacts from national emergencies.	Implement and monitor the Finance Sector Response plan	Approved Finance Sector Emergency Response plan	FY2022-2023	MOF

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
IO 9: Price Stability And Low Inflation Maintained				
2.9.1 Regular review of monetary policy and effective monitoring of the exchange rate policy	<ul style="list-style-type: none"> Complete forecasts of monetary, real and external sector Monetary Policy Stance presented to and endorsed by CBS Board Complete annual Currency Basket Review Currency Basket Review results presented to and endorsed by CBS Board 	<ul style="list-style-type: none"> Headline inflation is at or below 3.0 percent target; Nominal Effective Exchange Rate (NEER) is stable with minimal volatility in the Real Effective Exchange Rate (REER) 	Monetary policy is reviewed annually (June/July) Exchange rate policy is reviewed annually within March quarter	CBS (ED & FMD)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
IO 10: Formulation and Implementation of Monetary Policy Enhanced				
2.10.1 Review and identify ways to strengthen the transmission and/or new instruments to be considered	<ul style="list-style-type: none"> Assessment and review of current monetary policy framework Identify relevant instruments for monetary policy operations 	<ul style="list-style-type: none"> Monetary Policy framework review completed Relevant instruments for monetary policy operations introduced 	Ongoing (before end FY2024)	CBS (ED & FMD)
2.10.2 Enhance data collection and expand coverage to strengthen forecasting models of core CBS mandated economic statistics	<ul style="list-style-type: none"> BOP and IIP statistics compilation improved with continued TA support from IMF (CDOT or HQ) and regular submissions to the IMF Identification of areas to improve and enhance liquidity projections for Monthly Reserve Money Program Financial institutions (Banks/NFIs) monthly reporting, with inclusion of Green Finance credit data for future analysis and reporting Enhanced data coverage of financial system with anticipated supervisory changes currently underway 	<ul style="list-style-type: none"> Ongoing expansion of BOP and IIP surveys to reduce data gaps and improve data submissions and publication Reporting of monetary and financial statistics and coverage of all financial institutions in Samoa enhanced through expansion of CBS supervisory role to include other non-banks (micro lenders, credit 	Ongoing	CBS (ED)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
		unions and small credit institutions) • ED technical staff knowledge enhanced through IMF assistance on forecasting model • ED forecasting of main economic indicators enhanced		
2.10.3 Manage financial system liquidity	• Regular consultations with the major stakeholders (banks and major wholesale depositors) • Effective utilisation of Open Market Operations (OMO) by market participants	• Domestic liquidity is ample and prudently managed (at system and institutional level), above proposed minimum requirement of 10 percent ratio (internal monitoring)	Ongoing	CBS (FMD, ED, FSRSD)
2.10.4 Manage and minimize any associated risks with the transition towards the Central Securities Depository System.	• All OMO data and manual procedures readily available for a smooth transition to the CSD system;	• Existing controls and OMO mechanisms to manage technical risks reviewed • Reduced number of operational risks in the	Ongoing (in association with the National Payment System ATS+)	CBS (FMD)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
	<ul style="list-style-type: none"> OMO staff adequately trained on the CSD system ahead of its implementation 	implementation of monetary policy	project implementation	
IO 11: Regulatory Compliance Framework Strengthened				
2.11.1 Amend, update and implement Financial Institutions Act	<ul style="list-style-type: none"> Policy paper on proposed legislative changes prepared and finalized Consultations with major stakeholders Legal review (CBS Legal and AG's office) completed Submitted to Cabinet Submitted to Parliament 	<ul style="list-style-type: none"> Financial Institutions Act endorsed by Parliament 	Unknown (subject to legal and legislative process)	CBS (FSRSD & LSD)
2.11.2 Amend, update and implement Exchange Control Regulations	<ul style="list-style-type: none"> Policy paper on proposed changes to the Regulation is prepared and finalized Consultation with major stakeholders Legal review (CBS Legal) completed Submitted to Cabinet 	<ul style="list-style-type: none"> Exchange Control Regulation endorsed by Cabinet 	Unknown (subject to legal process but by FY2024)	CBS (FMD & LSD)
2.11.3 Implement Banks Prudential Guidelines	<ul style="list-style-type: none"> Finalize Banks Prudential Guidelines 	<ul style="list-style-type: none"> Banks Prudential Guideline enhanced and implemented 	FY2020/21	CBS (FSRSD)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
2.11.4 Implement AML/CFT framework and/or standards	<ul style="list-style-type: none"> Preparation of national risk assessment paper Consultation and training for stakeholders Review of AML standards and identifying areas of improvement Update of framework (laws, regulations, policy) to cater for AML standards 	<ul style="list-style-type: none"> Samoa AML risks reduced Improved re-rating for Samoa after assessment from APG for its Mutual Evaluation 	FY2020/21	CBS (FIU)
2.11.5 Ensure all prudential and AML standards are consistent with international standards in view of any changes from time to time.	<ul style="list-style-type: none"> Update legal framework from time to time FSRSD and FIU review of respective frameworks 	<ul style="list-style-type: none"> Samoa's framework in line with updated AML & Prudential standards 	Ongoing (by 2022)	CBS (FSRSD & FIU)
2.11.6 Extend non-banks supervisory coverage to include all credits institutions, micro-money lenders and credit unions	<ul style="list-style-type: none"> Undertake internal review in collaboration with TA support from Adam Smith International (Samoa Governance Support Programme) Consultation with major stakeholders Policy paper prepared Legal and legislative process 	<ul style="list-style-type: none"> All credit institutions, micro-money lenders and credit unions comes under CBS supervisory and regulatory frameworks 	Ongoing (before or by FY2024)	CBS (FSRSD & Legal)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
2.11.7 Finalize National Payment System Regulations, directives and guidelines	<ul style="list-style-type: none"> Regulations, directives and guidelines finalized and enforced 	<ul style="list-style-type: none"> All payment service providers and payment system operators licensed or registered according to regulatory framework 	March quarter 2022	CBS (FSD & LSD)
2.11.8 Conduct payment oversight and policy functions			March quarter 2022	CBS (FSD & LSD)
2.11.9 Establish the necessary legal and regulatory framework for the Credit Bureau	<ul style="list-style-type: none"> Policy paper prepared Stakeholder consultations conducted Legislation and Regulations Awareness programs for the general public 	<ul style="list-style-type: none"> Approved legislation and regulations Stakeholder participation at consultations FAQs and information brochures developed for general public dissemination and other necessary avenues for credit bureau awareness. 	Unknown (subject to legal and legislative process)	CBS (FSD & LSD)
IO 12: Modernized and Robust Financial Infrastructures				
2.12.1 Implement the National Payment System (ATS/CSD)	<ul style="list-style-type: none"> Hardware and software installation, conduct system training, conduct system User Acceptance Testing 	<ul style="list-style-type: none"> All necessary hardware and software installed, users of the system trained (both CBS and 	December quarter 2022	CBS (FSD & BCSD & FMD)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
	(UAT), and conduct a pilot period for the system before going live	participants) UAT reports and fixes, and pilot issues (if any) fully addressed <ul style="list-style-type: none"> • System rules and manual developed • Manual clearing and settlement completely replaced with new automatic, real time clearing and settlement system (ATS /CSD) 		
2.12.2 Establish the Credit Bureau	<ul style="list-style-type: none"> • Installation of credit bureau system and hardware • Credit bureau function operational 	<ul style="list-style-type: none"> • Credit bureau system procured and installed • Credit bureau system manuals and rules developed • The necessary human/staff resourcing obtained for the credit bureau function 	March quarter 2023	CBS (FSD)
2.12.3 Establish the electronic Know-Your-Customer Utility	<ul style="list-style-type: none"> • To be determined in collaboration with ADB 	<ul style="list-style-type: none"> • KYC Utility rollout to MTOs 	December 2020	CBS (FIU)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
IO 13: Financial Inclusion and Financial Literacy Improved				
2.13.1. Work with MESC and available TA where necessary to implement the integration of fin-ed into educational curriculum	<ul style="list-style-type: none"> Finalize FinED framework for all school levels 	<ul style="list-style-type: none"> FinED framework complete and formalized in MESC internal documents. 	September quarter 2022	CBS (FSD)
2.13.2 Enhance collaboration and partnership with stakeholders for the promotion of financial inclusion and financial literacy	<ul style="list-style-type: none"> Review of the National Financial Inclusion Strategy (NFIS I) 2017-2020 Develop the second National Financial Inclusion Strategy (NFIS II) 2021-2025 	<ul style="list-style-type: none"> Evaluation report of NFIS I NFIS II completed and formalized Quarterly progress tracked and reported at the National Financial Inclusion Taskforce meetings 	December quarter 2021 On-going throughout the Plan period	CBS (FSD)
2.13.3 Assess the appropriateness and subsequently facilitate any new innovations for the financial system as they arise from time to time given technological advancement	<ul style="list-style-type: none"> Regulatory sandbox new financial service innovation/offering Capacity building for staff to improve understanding of new financial service offerings and implications for financial system 	<ul style="list-style-type: none"> New financial service offerings accepted and graduated from the regulatory sandbox # of capacity building opportunities for staff 	On-going throughout the Plan period	CBS (FSD)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
IO 14: Access to Inclusive Development Financing Promoted				
2.14.1 Raise awareness and promote the availability of (green) finance and sustainable practices in the financial system.	<ul style="list-style-type: none"> • Ongoing consultations with the major financial institutions and related Government ministries/agencies • Collection of credit data from banks relating to sustainable green finance • Compilation of a framework or guideline for the financial institutions to advance sustainable finance • Training and awareness programs for relevant commercial banks staff in this area 	<ul style="list-style-type: none"> • Feedback from CBS questionnaires/surveys of the financial institutions • Credit data for March 2020 as the base statistics for future analysis • Guideline for use by the financial institutions developed and implemented • Capacity development undertaken with potential TA support from AFI and IFC/SBN 	Ongoing throughout the Plan period (up to FY2024), with preliminary tasks already undertaken so far Guideline to be drafted in September 2020 quarter, followed by consultations with banks; Capacity development programs to follow starting 2021 (tentatively)	CBS (Policy Group)

ESPO 2: MONETARY AND FINANCIAL STABILITY

Key Policy Objective: : Accommodative monetary policy and frameworks

Actions	Targets	Output Indicators	Timeframe	Lead Agency
2.14.2 Conduct a Micro Small Medium Enterprise (MSME) assessment of access to finance and identify where further interventions is necessary	<ul style="list-style-type: none"> Conduct the assessment of MSME access to finance Convene workshop with stakeholders to discuss assessment findings and recommendations. Further technical assistance identified for eligible MSMEs 	<ul style="list-style-type: none"> Assessment report completed Workshop with stakeholders conducted Further technical assistance provided for eligible MSMEs 	September quarter 2020	CBS (FSD)
IO 15: Exchange Rate Framework Strengthened				
2.15.1 Continue regular reviews and assessment of the appropriateness of the Samoa TALA exchange rate framework	<ul style="list-style-type: none"> Annual Currency Basket Review undertaken Subject to data availability, quarterly review of the Equilibrium Exchange Rate Model Exchange rate reports are compiled 	<ul style="list-style-type: none"> Currency weights are appropriate given prevailing conditions over time Equilibrium Exchange Rate Analysis completed Timely release of monthly reports 	March quarter each year (and when needed) Quarterly and/or semi-annually ahead of IMF Article IV Mission; Monthly report releases	CBS/Foreign Market Department MOF and MCIL MOF and MCIL

ESPO 3: COMPETITIVENESS AND SOUND RELATIONSHIPS WITH FOREIGN MARKETS**Key Policy Objective: : Improve on competitiveness and relationships with foreign markets**

Actions	Targets	Output Indicators	Timeframe	Lead Agency
IO 16: Sound Management of Foreign Exchange Reserves				
3.16.1 Strengthen the forecasting and management of foreign exchange reserves through timely and quality information from major stakeholders	<ul style="list-style-type: none"> Consult regularly with MOF Aid division on expected Government in/out-flows for each FY Consult regularly with major stakeholders (banks and non-bank financial institutions) 	<ul style="list-style-type: none"> Aid and debt servicing data schedule received from MOF Monthly Reserve Money Program discussions 	Ongoing during each FY	CBS
3.16.2 Regular review of Exchange Control policies to be in line with changing economic conditions from time to time	<ul style="list-style-type: none"> Review monthly FX reports from banks and MTOs Conduct Exchange Control onsite-inspections regularly EC policies reviewed and consulted with banks and MTOs EC information booklet published Issue public notices/releases as appropriate 	<ul style="list-style-type: none"> Exchange Control Manual published and disseminated to the banks and MTOs (as needed) Exchange Control Information booklet made available on CBS website Public notices or press releases on any EC policy changes are made known 	July each year (or as needed with any policy changes) August each year (or as needed) As needed during FY	CBS
IO 17: Foreign Investment Opportunities Explored				
3.17.1 Establish potential country risk rating	<ul style="list-style-type: none"> Identify funding for potential country risk rating 	<ul style="list-style-type: none"> Funding secured 	NA	MOF/CBS/MC IL

ESPO 3: COMPETITIVENESS AND SOUND RELATIONSHIPS WITH FOREIGN MARKETS**Key Policy Objective: : Improve on competitiveness and relationships with foreign markets**

Actions	Targets	Output Indicators	Timeframe	Lead Agency
3.17.2 Assess conditions and requirements for a potential sovereign borrowing from the Capital Markets	<ul style="list-style-type: none"> Diagnostic assessment for potential sovereign borrowing conducted 	<ul style="list-style-type: none"> Assessment report finalized 	NA	CBS
3.17.3 Provide more trainings to CBS staff who are hands on with foreign reserves management and open market operations	<ul style="list-style-type: none"> Improve capacity of CBS staff on foreign reserves management and open market operations 	<ul style="list-style-type: none"> Staff capacity improved 	NA	MOF and CBS to discuss
IO 18: Compliance to International Financial Standards Strengthened				
3.18.1 SIFA continues to strengthen its compliance with international standards and continue to promote Samoa as a centre for international financial services	<ul style="list-style-type: none"> Comply with EU's criteria through legislative changes and participating in the OECD's Inclusive Framework on base erosion and profit shifting Continue to implement the OECD standards for the effective exchange of information for tax purposes, both on the legal and practical aspects Enhance the supervision of international entities through the implementation of a risk-based approach 	<ul style="list-style-type: none"> Samoa is removed from the EU's list of non-cooperative jurisdictions. Reputation as an international finance centre is revamped Samoa "Largely Compliant" rating on implementing OECD standards maintained AML/CFT standards practiced 	Dec 2020 (Samoa to be delisted from EU blacklist) Ongoing (implement standards) Dec 2021 (risk-based supervision)	SIFA

ESPO 4: GOVERNMENT FINANCIAL REPORTING AND INDEPENDENT SCRUTINY IMPROVED**Key Policy Objective: : Improving financial reporting and scrutiny of government operations**

Actions	Targets	Output Indicators	Timeframe	Lead Agency
IO 19: Internal Audit Functions Strengthened				
4.19.1 Full transition of internal audit function from traditional methodology to risk-based audits across Government	Complete the review of the existing internal audit function. The review should sustain and improve percentage of risk-based audits across the Government, identify resources including auditors, document methodology for audit, document perceived risk areas that are left out, any areas where there should be greater audit focus	Detailed risk assessments based on risk management register (where available) and through consultation with Ministry's management team to be conducted annually	Annually	MOF
	Consistently apply the Risk based methodology across the Government to conform to the International Standards for the Professional Practice of Internal Audit (Standards)	Annual internal audit plan based on the risk assessments and focusing on risk-based audits and approach developed	Annually	
	Improve capability and capacity of Internal Auditors to perform risk-based audits and all related activities	Continued Professional Development (CPD) & training plans developed to identify capacity and capability needs of Internal Auditors to conduct Risk based audits	Annually	
4.19.2 Update and implement the new Strategic Plan for the	Outline outstanding strategies from the SP2012 - 2016 for inclusion in the new SP	New strategic plan developed for the Internal Audit function	FY2022-2023	MOF

ESPO 4: GOVERNMENT FINANCIAL REPORTING AND INDEPENDENT SCRUTINY IMPROVED**Key Policy Objective: : Improving financial reporting and scrutiny of government operations**

Actions	Targets	Output Indicators	Timeframe	Lead Agency
Internal Audit function across the Government for the period 2020 - 2024		which will include outstanding strategies from the SP2012 - 2016.		
	Workshop for internal auditors on the application of the Internal Regulation	Adoption of Internal Audit regulation		
4.19.3 Improve professional relationship amongst the Internal Audit function and its stakeholders	Develop a more effective communication strategy between the Internal Audit function and its stakeholders	Effective system to monitor the disposition of internal audit recommendations improved and maintained. Using teammate software.	FY2022-2023	MOF
	Strengthen follow-up procedures for management to respond within a given time on actions taken to implement audit recommendations	Internal Audit Annual work plan based feedback from stakeholders completed	Annually	
IO20: Account Reporting Improved				
4.20.1 Improve quality and timeliness of financial reporting	Comprehensiveness quality reporting	In-year Budget report and Annual Budget execution report published	Annually	MOF
4.20.2 Strengthen implementation and timely response to audit recommendations	Comprehensive response and implementation on recommendations from the Audit Office on financial reports	Ministry response letter on Audit Recommendations informing on implementation of recommendations.	Annually	MOF/Other Ministries and Line agencies
IO 21: External Scrutiny And Audit Strengthened				

ESPO 4: GOVERNMENT FINANCIAL REPORTING AND INDEPENDENT SCRUTINY IMPROVED**Key Policy Objective: : Improving financial reporting and scrutiny of government operations**

Actions	Targets	Output Indicators	Timeframe	Lead Agency
4.21.1 Improve timeliness of responses to audit observations by adopting innovative audit techniques as well as monitoring & evaluation post-audit	Effective communications and reporting to Auditees and Parliament	Timeliness of audit reports to Parliament and auditees	Annually	Samoa Audit Office (SAO)
	Increase use of computer assisted audit techniques and physical conformation on the pre-audits	% increase in use of computer assisted audit techniques	Annually	
	Monitor and review post audits of ministries, projects, public accounts and public bodies	# of reviews completed per annum	Annually	
4.21.2 Strengthen national governance and national audit functions in collaboration with internal audits and audit committees	Advisory and consulting with CEOs on national governance and national auditing	# of consultations	Annually	
	Advisory and consulting with Internal Audit Functions and Audit Committees	# of consultations	Annually	
4.21.3 Improve oversight for Financial & Performance Accountability in reviews, designs and implementing reforms for financial statements (IPSAS, IFRS, IAS) and performance audits	Review, design and implement reform for full IPSAS/IFRS/IAS based financial statements of the Samoa Audit Office	# of reforms completed	January 2020 - December 2024	
	Review, design and implement reform for annual external financial and performance audit of the Samoa Audit Office	# of reforms completed	January 2020 - December 2024	
4.21.4 Quality Control and Quality Assurance by attaining ISSAI certification in various audit areas	ISSAI certification of manual for financial audit	Manual completed for ISSAI certifications	January - December 2021	
	ISSAI certification of manual for compliance audit			

ESPO 4: GOVERNMENT FINANCIAL REPORTING AND INDEPENDENT SCRUTINY IMPROVED**Key Policy Objective: : Improving financial reporting and scrutiny of government operations**

Actions	Targets	Output Indicators	Timeframe	Lead Agency
such as Financial, Compliance, Performance, Environmental, IT and Special Audits as well as TeamMate software	ISSAI certification of manual for performance audit			
	ISSAI certification of manual for environmental audit			
	ISSAI certification of manual for information technology audit			
	ISSAI certification of manual for special audit of fraud, abuse, waste and corruption			
	ISSAI certification of Team Mate and Practice for financial audit	ISSAI certification received for Team Mate and Practice systems	January - December 2022	
	ISSAI certification of Team Mate and Practice for compliance audit			
	ISSAI certification of Team Mate and Practice for performance audit			
	ISSAI certification of Team Mate and Practice for environmental audit			
	ISSAI certification of Team Mate and Practice for information technology audit			
	ISSAI certification of Team Mate and Practice for special audit of fraud, abuse, waste and corruption			
	Compile the SAI PMF Report for Samoa			
	Compile the SAI PMF Report for Samoa	Published SAI PMF Report	January - December 2022	

ANNEX 5: Mapping the FSP to the PDS

KPAs	PDS	Contributing FSP IOs	Finance Sector Roles to Support PDS	Impact of Actions [S / I]
	KSO 1: Improved Human Development			
1	Alleviating Hardship	1, 9, 10, 13, 14,	Public transfers for social services are effectively managed.	I
2	Improved Public Health	1, 4, 5, 6, 9, 17	Timely and correct funding for health, its supporting operations and infrastructure	I
3	Quality Education	1, 4, 5, 6, 9,	Timely and correct funding for education, its supporting operations and infrastructure.	I
4	People Empowerment	1, 13, 14	Ensure timely and correct funding for ministries and programs that provide access to social, economic and political opportunities.	I
5	Skilled Workforce	1, 13	Education, training and funding for creation of a skilled workforce able to manage their assets and use it prudentially.	I
	KSO 2: Diversified and Sustainable Economy			
6	Community Development	1, 13, 14,	Appropriate allocation of funds for community development. Monitoring and Reporting of financial performance of funds usage against budget	I
7	Agriculture, Fisheries and Aquaculture Productivity	1, 2, 15,	Support for agriculture fisheries and aquaculture and commercialization of agri /aqua related resources in accordance with legislation.	I
8	Tourism Revitalization	1, 2, 10, 15,	Supporting businesses with tax and worker training incentives and improving credit availability	I
9	Business Innovation & Growth	1, 2, 10, 12, 15,	Favourable financial environment for business growth, credit availability and monitoring of business behaviour in line with legislation.	I

KPAs	PDS	Contributing FSP IOs	Finance Sector Roles to Support PDS	Impact of Actions [S / I]
10	Increased Labour Mobility	1, 13, 15, 16	Assistance with overseas worker programs and arrangements for efficient cost -effective transmission of overseas remittances	I
11	Macroeconomic Stability	1 - 21	Key function of MoF and CBS - Covers all aspects of the PDS Objectives with varying levels of Impact. Overall, the most significant of the Objectives.	S
	KSO 3: Security and Trusted Governance			
12	Empowered Legislation	1, 2, 11,	Ensure funding to ministries and other government entities that monitor compliance with government policies and legislation are timely and correct. Monitoring and reporting of financial performance of funds usage against budget.	I
13	Improved Accountability	1, 19-21	Budget preparation, execution and reporting Internal and external audit checks for improved governance and accountability	S
14	Dynamic Global Relationships & Partnerships	1, 17	Timely and correct funding to Ministry of Foreign Affairs and other ministries engaged in international relations, memberships of international organizations. Monitoring and reporting of funds expended.	I
	KSO 4: Secured Environment and Climate Change			
15	Build Climate Resilience	1, 4, 8, 17	Timely and correct funding to appropriate Ministries. Monitoring and reporting of financial performance of funds is monitored and usage reported against budget.	I

KPAs	PDS	Contributing FSP IOs	Finance Sector Roles to Support PDS	Impact of Actions [S / I]
16	Effective Environmental Protection and Management Frameworks	1, 8, 17,	Environmental protection assets are funded as approved with expenditure monitored and reported accurately	I
17	Sustainable Use of Natural Resources	1, 2	Programs that enable sustainable resource extraction its consumption or export and minimisation of waste are timely and correctly funded.	I
18	Sustainable Energy Development Enhanced	1, 4, 5	Funding for sustainable energy development is available and provided in accordance with budget Procurement for investment and operational requirements are conducted in accordance with procedures. Performance is monitored and reported against budget	I
KSO 5: Structured Public Works and Infrastructure				
19	Responsive Public Utility Services	1, 4, 5, 7,	Improved Governance and Accountability of State Owned Enterprises is established	I
20	Innovative Information, Communication and Technology Use	1, 17	Investments in innovative information, communication and technology is made in accordance with plan and budget.	I
21	Consolidated Infrastructure Management	1,3, 4, 5, 7, 18, 19,20,21	Prudent Debt Management and Effective Utilisation of Government, Loan and Donor Funds	I

S = Significant I = Important

IO 1: Budget Documentation & Resource Allocation Strengthened
 IO 2: Revenue Administration and Collection Strengthened
 IO 3: Prudent Debt Management Strengthened
 IO 4: Public Investments Programming and Analysis Improved
 IO 5: Management of Government Assets Improved
 IO 6: Cash Flow Management and Forecasting Strengthened
 IO 7: Public Procurement Efficiency Improved

IO 8: Integration of Climate and Disaster Response to Finance Management Systems Improved
 IO 9: Price Stability & Low Inflation Maintained
 IO 10: Formulation & Implementation of Monetary Policy Enhanced
 IO 11: Regulatory Compliance Framework Strengthened
 IO 12: Modernized and Robust Financial Infrastructures
 IO 13: Financial Inclusion & Financial Literacy Improved
 IO 14: Access to Inclusive Development Financing Promoted

IO 15: Exchange Rate Framework Strengthened
 IO 16: Sound Management of Foreign Exchange Reserves
 IO 17: Foreign Investment Opportunities Explored
 IO 18: Compliance to International Financial Standards Strengthened
 IO 19: Internal Audit Functions Strengthened
 IO 20: Account Reporting Improved
 IO 21: External Audit & Scrutiny Improved

