

**Samoa Public Sector Improvement Facility
(PSIF)**

**SIX MONTHLY PROGRESS REPORT
1 July – 31 December 2012**

January 2013

Background

The goal of the Public Sector Improvement Facility (PSIF) is to improve the efficiency and effectiveness of Samoa's Public Service to support Samoa's national development priorities. Its purpose is to strengthen the cooperation and collaboration between public service agencies in identifying and addressing critical constraints within the GoS public sector to effective service delivery through a range of institutional strengthening initiatives.

There are four (4) components:

1. Support from identification to completion strategically identified core activities promoting public sector reform
2. Facilitate GoS response to their immediate and emerging priorities in public sector reform
3. Develop a Facility Management Unit (FMU) able to implement and manage an effective and efficient PSIF
4. The effective management of the PSIF

The PSIF program is a jointly funded program by Australia and New Zealand. The management of the program rests with the Government of Samoa. The PSIF started in 2005 as a five year program with an estimated value of ST\$30 million tala. The Tripartite Agreement binding the three partners signed in 2005 has since been extended with the PSIF now expected to be completed by the end of 2013.

There are two active remaining activities in the approved PSIF program. They are:

- P051: Institutional Strengthening Project (Phase I), Ministry for Revenue
- P054: Institutional Strengthening Project, Samoa Bureau of Statistics

Two projects were completed since the last 6-monthly progress report was compiled - *P031: Project Management Training for the Samoa Public Service, Ministry of the Prime Minister & Cabinet* and *P044: Improving Policy Development & Coordination Reform Program, Ministry of the Prime Minister & Cabinet*.

As the current phase of the PSIF is coming to a close no additional requests for PSIF funding have been considered. The Facility Coordinating Committee has however, initiated an End of Program Review. This review is expected to be funded from the PSIF. It is expected to take place early next year pending the approval of the Tender Boards of the successful bidder. The last meeting of the Board for 2012 was cancelled due to Cyclone Evan, in all likelihood the Board's endorsement will probably not be available till mid-January 2013.

The Public Service Commission is in the process of finalizing the new Public Administration Sector Plan 2012 – 2014. Whether or not there is a second phase to the PSIF will depend on the outcomes of the End of Program Review and the new priorities for public sector improvement identified by the new sector plan.

Key Achievements

The achievements under the different outputs in the last six months are summarized as follows

Component 1: Support from identification to completion strategically identified core activities promoting continued public sector reform and which improve the ability of the public sector to effectively deliver quality services

Output 1.4 Core program activities monitored and evaluated

➤ ***P031: Project Management Training for the Samoa Public Sector, Ministry of the Prime Minister & Cabinet***

The results for intake III have been received. For Intake III (2011) 22 completed the Certificate IV in Training and Assessment and 20 the Diploma in Government (Project Management). This has brought the total number of completions to 68 for the Certificate in IV in Training & Assessment and 67 for the Diploma in Government. The final completion report received and is awaiting the endorsement of the project steering committee. Once endorsed by the steering committee the final payment of A\$38,870.00 will be made to David Kaye Training & Development. Highlights from the Project Completion Report:

- Supervisors reported increased capacity and confidence in participants, especially in their willingness to take on more project management activities. Feedback from participants and from workplace visits indicated varying levels of involvement by supervisors in utilizing or building on the learning that participants had done;
- There is now a cohort of skilled executives at the Principal, ACEO and CEO level in the areas of both public sector management and workplace training and assessment;
- The program has created an education and training environment within participating Ministries and helped these Ministries add value to their Capacity Plans by experiencing firsthand the value of professional development and competency based training and assessment;
- The program has created a critical mass of executive expertise in the area of project management and workplace training within Ministries and has had a corresponding positive impact on organisational expertise and service to the Samoan public and project partners.

A key finding from a recent evaluation report submitted to the PSIF stated with reference to Project Management skills – “this has resulted in a ‘whole-of-government’ approach to strengthening project management skills. The use of local systems, procedures and requirements for project planning and programming it will improve service delivery and encourage the achievement of quality outcomes by Ministries”.

➤ ***P044: Improving Policy Development & Coordination Reform, Ministry of the Prime Minister & Cabinet***

Officially ended on the 30th September 2012

The Managing Contractor (Vinstar Limited) submitted a project completion report early October citing the following achievements:

- Re-establishing a functioning policy advisory group in the Ministry directly supporting the business of Cabinet;
- Reformed the submission process and information standards supporting Cabinet decision making;
- Strengthened capacity to provide independent advice on policy issues to the PM and Cabinet;
- Development and implementation of an electronic document management system for Cabinet business papers;
- Supported the development of a pathway and processes for effective policy formulation, coordination and implementation monitoring of Government Ministries and Public Bodies.

In terms of specific outputs the following were developed – Cabinet Handbook, Policy Manual, MPMC Corporate Plan 2010-2013; Manual on Ministerial Practices & Procedures; Manual on Cabinet Office procedures; MPMC Corporate Services Manual; Capacity Development Plan; Human Resource Strategic Plan; MPMC Human Resource Management Annual Report; MPMC Annual Report; Cabinet Guidelines for Issue of Diplomatic and Official Passports and draft Cabinet Manual on Ministerial Office Staff.

MPMC as the implementing agency has yet to submit its own project completion report in accordance with the standard PSIF format. The Ministry is also required to table a report to the Cabinet Development Committee on the achievements and outcomes.

From the FMU's perspective, while a lot has been developed and new procedures & processes put in place there remains some concern over the ability of the Ministry to ensure compliance. The FMU will be suggesting to the CEO MPMC that the project steering committee be convened to discuss the Completion Report in the hope of developing recommendations that the Ministry can consider going forward.

➤ P051: Institutional Strengthening Project (Phase I), Ministry for Revenue

The completion date for the ISP has been extended to June 2013 to accommodate revised dates to support the full integration of the of the new revenue management system (RMS 7). There are no additional costs associated with this extension. In fact the total project is forecasted to be 0.8% under spent.

The 2nd staff engagement survey completed and a new Ministry wide action plan has been developed to lift engagement to improve productivity even further.

Strengthening of the audit and investigation capacity, risk assessment and audit technique & process completed.

The Compliance Improvement Plan developed during the first ½ of 2012 commenced in July 2012

The newly revised Income Tax Act and Tax Administration Act ready to commence on the 1st January 2013. The Ministry will be monitoring the new Act over the medium term to ensure effective performance. During this period a review of taxation policies is intended

Ministry for Revenue received a second award from IMF [acific Financial Technical Assistance Centre for Achievements in Tax Administration in the Pacific

The Ministry continues to focus on the most important education material first, based on risks to the revenue and customer needs, particularly as new self-assessment and business tax systems are introduced in 2013. The Ministry is keen to project an image of being customer centric and to being responsive to enquiries and complaints.

➤ P054: Institutional Strengthening Project, Samoa Bureau of Statistics

Samoa Strategy for the Development of Statistics (SSDS) approved in August 2012 enabling SBS to focus on the delivery of the strategy

A Mid-Term Review Report prepared by the Managing Contractor received in September 2013. The emphasis of the Report is on the delivery of the milestones; a total of 48 being completed resulting in 75% completion rate of the ISP's substantive milestones.

Training and capacity building of SBS staff continues to be addressed. Examples of training undertaken during this period include:

- Introduction to hardship & poverty using HIES data (participants – 9);
- Seasonality in statistics (participants – 6);
- HIES basic data analysis (participants – 6);
- HIES Survey Methodology (participants – 27);
- Using statistics in the policy process (participants – 5)

On the job coaching and mentoring on-going.

Draft manual & guidelines developed for the Births, Deaths & Marriages division; the intent being to streamline processes involved with registration so as to provide a quick and efficient service to the public. MOU developed to formalize the relationship with the Ministry of Health and BDM.

SBS has purchased the IT equipment approved in the Project Agreement; savings were made and SBS has asked that these go to the purchase of additional IT items in accordance with the SBS newly developed IT strategy. Due to current over programming of PSIF, the FCC has already ruled that all savings are to be re-absorbed back into the programme.

National Accounts Specialist recruited in November; assisted the SBS with the re-basing of GDP estimates.

Component 2: Immediate and emerging Priorities (IEP) - facilitate GoS response to their immediate and emerging priorities in public sector reform

- There are no IEPs currently being funded. The End of Program Review once started is expected to be funded from the PSIF.

Component 3: Initial Capacity Building of Facility Management Unit – to develop and implement a program of support for capacity building of the Facility Management Unit (FMU) to implement and effectively manage the PSIF

- There are no additional inputs anticipated for this component.

Component 4: Facility Management and ongoing FMU Capacity Building – effective management of the PSIF by the FMU

Output 4.4 Establish the PSIF Special Purpose Account and provide regular financial and annual audit reports to the three governments of fund activity

- The Samoa Audit Office commenced the audit of the PSIF Special Purpose Account for the Financial Year 2011-12 on the 5th December 2012. The audit is currently ongoing; completion of the Report not expected till the end of January 2013
- FMU continues to produce monthly financial statements for the PSIF Special Purpose Account. The six monthly financial statements (covering the months Jul – Dec 12) completed
- A total of \$2,906,341.46 was disbursed during this period against the four remaining activities:

SBS Institutional Strengthening	915,850.58
MFR Institutional Strengthening	1,041,366.52
MPMC Policy Reform	829,296.89
MPMC Project Management Training	119,827.47
	<hr/>
	2,906,341.46

Output 4.7 Prepare and regular update the PSIF's Review and Forward Plan

- Progress reports for each of the remaining PSIF funded activities completed; the latest reports covering the period January-June 2012 tabled at the FCC meeting held on the 16th August 2012. The Review and Forward program continues to be updated regularly; the one for the period ending July 2012 was tabled at the FCC meeting held on the 16th August 2012

Issues and Challenges

Governance

- The Facility Coordinating Committee (FCC) met twice. The main points of interest being the availability of funds to meet the over programming in the PSIF and the development of a terms of reference for a detailed Review of the PSIF as it enters its final stages.
- TORs for an Impact Review of the PSIF endorsed by the FCC. It was hoped that this Review would commence in October 2012. FCC suggested the use of a selected/limited bid approach. Six advisers were suggested. However the earliest anyone of them would be available was March 2013. It was then decided to publicly solicit expressions of interest through the Samoan Governments Tender process. At the close of bids on the 26th November five (5) submissions were received. A tender assessment panel (TAP) was convened from which only two of the five were found to be technically compliant. A final report and recommendation was sent to the Tenders Board on the 11th December for their final meeting for 2012 scheduled for on the 17th December. Due to Cyclone Evan this meeting was postponed. The Tenders Board is not expected to meet now until mid-January 2013.
- The Facility Steering Committee (FSC) has not met in the last ten months. With the current programme drawing to a close and the uncertainty regarding new funds and the future of the Facility it appears that the interest in holding regular meetings of the FSC has waned.

Finances

- Balance in the PSIF Special Purpose Account at the end of December 2012 - \$555,549.13. A deposit of \$899,105.86 was received from New Zealand in September. Australia's tranche estimated to be AUD\$900,000 has yet to be received. In December AusAID advised that an additional \$500,000 would be made available making a total of AUD\$1,400,000.00. The transfer of funds is pending the signing by the Partners of PSIF Amendment No. 6.

Sustainability

- Sustainability in terms of the PSIF is the ability of the implementing agencies to maintain the processes and procedures introduced as a result of the institutional strengthening like initiatives/activities supported by PSIF funding.

Risk Management

The immediate risks identified over the next 6 months are:

- *Maintaining momentum of activities due to unavailability of PSIF funding*

Come the end of August 2012 the bulk of the funds that will be in the PSIF Special Purpose Account will be those allocated to the Office of the Regulator. Unless the Partners agree to make their next tranches available the PSIF will not be able to meet its commitments to the ongoing activities. The PSIF activity that will be most affected is the SBS ISP as the remaining three activities are nearing completion. One way to address this risk would be to use the OTR allocated funds and have these reimbursed once the Partners next tranches are received. Another is for the Partners to agree to 'un-tie' the payment of their next tranches to the Impact Review.

Both of these options are being discussed by the FCC.

Work Plan

Workplan for the next 6-months covering the period January – June 2013

Financial Report/Acquittal

Financial acquittal prepared by the Ministry of Finance for the period July – December 2012

Public Sector Improvement Facility 6-Monthly Work Plan (Jan – Jun 13)

PSIF Governance

Activity	Description/Tasks	Jan	Feb	Mar	Apr	May	Jun
Facility Coordinating Committee	Provide secretariat support to the FCC – prepare & distribute agenda, schedule meetings of, prepare & distribute minutes etc; FCC meeting usually held after each FSC meeting unless a ‘special meeting’ is called; anticipate 1-2 meetings over the next 6-months						
Facility Steering Committee	Provide secretariat support to the FSC - prepare & distribute agenda, schedule meetings of, prepare & distribute minutes etc; FSC expected to meet every 2 months; as PSIF programme draws to a close the frequency of meeting is expected to decline; anticipate at least 2 meetings over the next 6-months						
Special Purpose Account	Ongoing oversight of PSIF Special Purpose Account (payments, financial statements etc); financial statements are produced monthly; Review and Forward programme also updated & produced monthly						
PSIF End of Program Review	FCC directive for a detailed review of the PSIF; finalize approval of consultant with Tenders Board, contract consultant, support consultant with review						

PSIF Programme (Activities)

Project Management Training for the Samoa Public Sector, Ministry of the Prime Minister & Cabinet	Objective: develop practical project management expertise across the public sector; awaiting endorsement by Project steering committee of Completion Report; final payment to provider subject to this endorsement						
Institutional Strengthening Project (Phase I), Ministry for Revenue	Objective: to improve the efficiency and effectiveness of tax administration; project completion date extended to Jun 13 at no additional cost						

Institutional Strengthening Project, Samoa Bureau of Statistics	Objective: to strengthen the capacity of SBS to provide high quality statistics to enable the private/public sectors in Samoa to formulate evidence based policies to undertake economic, social and business planning;						