



# **COVID-19**

## **Response and Recovery**

### Mobilizing financial resources for development

DA-COVID-19 project led by Debt and development  
Finance Branch, Division on Globalization and  
Development Strategies (DDFB/DGDS)

# Assessing Policy Options and Fiscal Recovery Packages for Addressing COVID-19 in Samoa

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## About the COVID-19 Response and Recovery project

This paper is an output from the project “Response and Recovery: Mobilising financial resources for development in the time of COVID-19”, which is co-ordinated by the Debt and Development Finance Branch of UNCTAD and jointly implemented with ECA, ECLAC and ESCAP. This project is one of the five UN Development Account short-term projects launched in May 2020 in response to the COVID-19 crisis.

The project aims to enable low-income and middle-income developing countries (LICs and MICs) from Africa, Asia-Pacific, and Latin America and the Caribbean to diagnose their macro-financial, fiscal, external financial and debt fragilities in the global context, and design appropriate and innovative policy responses to the COVID-19 pandemic leading toward recoveries aligned with the achievement of the Sustainable Development Goals (SDGs).

## Abstract

This study assesses Samoa’s fiscal stimulus response to the COVID-19 pandemic and its plans to ensure a sustainable, green, and forward-looking path towards recovery. Though less directly impacted by the health consequences of the pandemic, Samoa’s economy has been heavily affected due to its border containment strategy and the loss of tourism and exports. A summary of existing policy measures is presented and discussed in terms of their alignment with the Sustainable Development Goals (where major challenges remain in goals 2, 3, 5, 9, 10, 12, and 15) and Samoa’s National Policy Objectives for 2021-25. In the context of post-pandemic recovery, the costs associated with different economic and social policy responses are presented. The UNESCAP Macroeconomic Model, which allows for in-depth quantitative modelling of future policy proposals based on realistic regional simulations, is used to detail the fiscal support measures and their estimated impact on GDP. Different fiscal policy scenarios (including a base-case, active, and emergency scenario) that the Samoan government may consider in the short-medium term are highlighted. Finally, internal and external financing sources that the government may consider to fund these policies are delineated.

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## SECTION 1: INTRODUCTION

Samoa is a Small Island Developing Country (SIDS) from the Pacific and one of the few countries in the world without a community transmission case of the COVID-19 virus. Though relatively less affected in terms of infections, the pandemic-induced challenge on Samoa's economy is visible and showing minor signs of slowing down.

The novel coronavirus has had an adverse and severe economic shock on Samoa's already fragile economy, still reeling from the measles crisis in late 2019 that claimed 83 lives and reversing economic gains recorded earlier in the year from Samoa's hosting of the Pacific Games.

The latest fiscal space scenarios indicate a widening fiscal gap compared to the fiscal strategy target for the fiscal deficit to be within the range of 2 per cent to GDP. The fiscal cost associated with addressing the identified socio-economic issues is high, and some of these costs have been factored into the Government's fiscal responses to date. With support from different partners, Samoa has now secured enough supplies of the COVID-19 vaccine for its eligible population to ensure complete herd immunity. The vaccination drive is well underway; however, more work remains to be done to ensure the national vaccination deployment plan is on target before the borders are re-opened.

The Samoan Government has secured approximately USD 91 million or SAT 237 million from partners for major infrastructure projects as well as direct budget support to help cushion the fiscal deficit for FY2021/2022. A substantial portion of these funds is in grants, with external concessional credit relief also providing financing for other priorities. Access to financial markets remains limited in the Pacific except for Fiji, which has a well-established capital market and country credit rating. Samoa will continue to rely on grants and external concessional financing in the short-medium term. Still, it will need to consider alternative fiscal measures such as domestic bonds to address the widening fiscal gaps.

## SECTION 2: OBJECTIVES OF THE STUDY

The objectives of this study are (1) to assess the policy options and analyse their trade-offs and impacts to ensure that the design of the fiscal recovery packages is in line with the social, economic and environmental goals of the 2030 Agenda for Sustainable Development; and (2) that adequate fiscal space is created for such packages to be effective and sustainable.

## SECTION 3: METHODOLOGY AND APPROACH

The assessment was prepared based on data collected from various sources, including the Government's two stimulus packages; approved budget estimates for the FY 2021/2022; the Samoa 2040 Vision; draft Strategy for the Development of Samoa 2021-2025; the Voluntary

National Review (VNR); country economic reports published by the IMF, ADB and World Bank; and the results of the country-wide Socio-Economic Impact Assessment Survey conducted by the Bureau of Statistics in late 2020, with the support of the United Nations Development Program (UNDP).

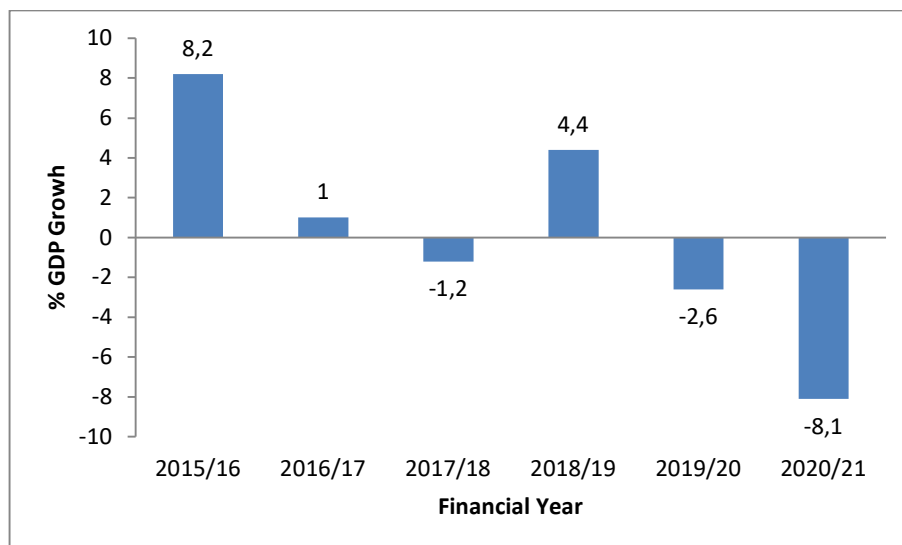
Through the partnership that Samoa has established with the Sustainable Development Solutions Network (SDSN) via the United Nations, the assessment will also draw on findings from the Sustainable Development Goals (SDGs) Index produced by SDSN to identify areas where progress must be accelerated and to accurately cost the financial needs.

Further detailed quantitative analysis of identified fiscal measures and updated fiscal parameters that ensure socio-economic measures are considered and outlined in the following sections of the report.

## SECTION 4: SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACTS OF COVID-19

Samoa's economy is small and highly susceptible to external economic shocks and risks associated with weather and climate change, such as other SIDS. The economy's vulnerability is evident in the fluctuating annual growth rates for Samoa in the past five years, as illustrated below. FY 2020/2021 indicates further economic contraction by -8.1% (164 million in the domestic currency, SAT) compared to the previous financial year. The consecutive decline in economic growth indicates that Samoa is in recession. However, the FY2021/2022 fiscal strategy forecast indicates the economy is expected to recover by 2.2% by the end of June 2022.

Figure 1: GDP Growth FY2015-FY2020



Source: Samoa Bureau of Statistics

The global health crisis that first emerged in early 2020 intensified again worldwide in the second half of 2021, with the highly contagious delta variant causing a surge in community outbreaks closer to home in Australia, New Zealand, and Fiji, presenting a new frontier in the global fight to contain and bring COVID-19 under control.

For Samoa, the economy has been hit hard by closing borders to international travellers. Total tourism receipts that usually accounts for over 20 per cent of the economy has ground to a complete halt since March 2020. Travel and border restrictions have also affected the movement of labour, equipment and materials, causing delays in implementing much needed infrastructural projects to spur economic activity, create jobs and critical to unlocking economic opportunities.

There is already a large volume of literature on the socio-economic and environmental impacts of COVID-19 in Samoa. The study conducted in March 2021 as part of the UNESCAP assessment in Samoa comprehensively covered the subject matter. This section, therefore, provides an update of the socio and economic impact of the pandemic since the last review.

#### 4.1 Social Impact of COVID-19

Samoa's tourism-dependent economy has been devastated by the enforcement of travel shutdowns, resulting in the partial closure of many hospitality businesses and mass layoffs of thousands of employees. The latest Samoa Bureau of Statistics Quarterly report of June 2021 recorded negative growth of -0.4% in employment, the seventh consecutive decrease in employment numbers since December 2019. With pre-pandemic employment rates already critically low, the onset of the pandemic has exacerbated hardship for many households struggling to make ends meet.

Figure 2: Employment Growth



Source: Samoa Bureau of Statistics

The incidences of poverty and hardship in Samoa remain very moderate compared to other pacific SIDS. Although no official data has been released since the last Household Income and Expenditure Survey (HIES) in 2018, it is envisaged that the collapse in domestic economic activity will increase the average proportion of the population with incomes below the basic needs poverty line from 22.7% recorded in 2018. The crisis has also further

deepened social exclusion and inequality amongst Samoa's vulnerable groups.

On the health front, COVID-19 threatens to overwhelm the country's healthcare system with health and frontline workers and resources stretched too thin as authorities grapple with the vaccine rollout, border protection as well as in managing regular and basic healthcare. Samoa has secured sufficient doses of the COVID-19 vaccine through the COVAX facility and from development partners to vaccinate the eligible population fully.

In the early months of the pandemic, all schools in Samoa were closed due to the state of emergency restrictions imposed by the government. While schools resorted to online study mode during the lockdown, a high percentage of students in rural areas and from vulnerable families, unfortunately, missed out on online studies. With schools reopened and back to normal since May 2020, some parents have struggled to enrol and keep their children in school, particularly for families whose main breadwinners have either been made redundant or working under reduced hours.

## 4.2 Economic Impact of COVID-19

Since the start of the pandemic, the government's swift and strict enforcement of its border containment strategy has been accredited for keeping COVID-19 at bay. While relatively less affected by infections, the pandemic has struck a devastating blow to Samoa's economy, with economic growth unlikely to return to pre-COVID levels till at least 2023.

Given its small domestic market, weak private sector and widening trade deficit, economic recovery hinges on the full reopening of borders for international travel and trade, increased government spending to keep the economy afloat during the crisis, and the implementation of all approved projects that provides employment and economic activities to stimulate the economy.

### 4.2.1 Balance of Payments

According to the latest economic monthly report by the Central Bank of Samoa in August 2021, the gross foreign reserves have increased by 9.6 per cent (or SAT \$68.7 million) to SAT \$781.58 million. This is sufficient to cover 11.5 months' worth of imports, a much-improved position when compared to the 10.5 months recorded in July 2021 and 9.8 months for the same period of August 2020.

The increase in gross foreign reserves is largely underpinned by a robust rebound in export earnings, strong remittance inflows, and controlled volume of imports, despite the complete annihilation of the tourism industry that makes up at least 20 per cent of the total gross domestic product.

### 4.2.2 Government Budget

In the new FY 2021/2022 budget, total government revenues are expected to increase by 3 per cent primarily driven by high collection from taxes, increased compliance by businesses



and taxpayers, and a slow but sure return to normalcy with the easing of restrictions and the expected reopening of borders once vaccination targets are met. Additionally, the continuous rollout of the Tax Information Management System (TIMS) and the anticipated economic boost from the first two stimulus packages will support the government's revenue collection. However, external grants from development partners and various bilateral sources are expected to decrease in the new fiscal year as the government's precarious financial constraints ease, and budgetary support for COVID-19 economic recovery is released in the last financial year budget, 2020/2021.

In the wake of the change in government following the general elections of April 2021 and the precautionary approach undertaken by the new administration, total current payments have been reduced by SAT \$20.5 million. Offsetting the cuts to the ministry budgets are development projects which were approved and secured by the previous administration with an increased allocation of SAT \$26 million, mainly funded through external grants. Funds for these major development projects have been released to the government of Samoa, with the procurement process already in the advanced stages for most of these projects.

#### **4.2.3 Stimulus Package**

The government unveiled in September 2021 a list of policies that seeks to address the needs of the Samoan people arising from the effects of the COVID-19. The proposed fiscal support measures complement the first two phases of the government's stimulus packages announced earlier in April and July 2020. The funds required for these policy measures will be sourced from the government budget, state-owned entity reserves, ministries' recurrent budgets and foregone revenues of the affected government agencies.

#### **4.2.4 Fiscal Space**

The fiscal balance for FY2021/2022 is forecasted at a -2.5 per cent deficit of GDP, an improvement compared to last financial year's budget deficit of -3.2 per cent. However, the projected final outturn for 2020/2021 is expected to be a budget surplus. This is due to increased budgetary support in different forms from partners, effective execution of the stimulus measures, and prudent management over government expenditures. The current scenario of a -2.5 per cent budget deficit is premised on the government adopting austerity measures to curb government spending within the fiscal targets. Nevertheless, the deteriorating economic conditions, high unemployment rate and the winding down of direct budget support and external grants call for the immediate adoption of an expansionary fiscal policy.

#### **4.2.5 Consumer Price Index**

The latest Consumer Price Index for September 2021 saw an increase of 0.04 per cent compared to the previous month of August and was 6.8 per cent higher than September 2020. The increase in the overall index was mainly driven by increases recorded in the transport sector; furnishing, household equipment and maintenance; alcoholic beverages & tobacco; and housing, water, electricity, gas & other fuel indices. Overall, the increase in real estate and imported petroleum products has harmed the cost of living with housing, utility

costs and transportation bearing the brunt of the economic fallout.

#### **4.2.6 Public Debt**

Using the Debt Sustainability Framework (DSF) introduced in July 2018, Samoa is classified as a high-level risk in terms of debt distress. Despite Samoa's strong debt-servicing capacity, the classification qualifies Samoa for full 100 per cent grant assistance from the multilateral development banks and partners to avoid the worsening debt dynamics. Furthermore, the adherence to a "No Borrowing" commitment as part of the Joint Policy Action Matrix (JPAM), aimed at providing a coordinated development partner support to economic reforms and policy dialogue, confines the Government to an obligation of accessing loans only as a last resort.

At current levels, the total public debt stands below SAT \$1 billion or less than 50 per cent of GDP, being the short-medium term target set by the government. Total public debt is anticipated to remain below 50 per cent of GDP primarily due to the government committing to no new borrowing. The final disbursement of loan proceeds for the last approved loan will be released in the current FY budget. Moreover, the country participated in the G20 Debt Service Suspension Initiative (DSSI) that ended in December 2021 and will need to pay the suspended debt service from January 2022.

### **4.3 Environmental Impacts of COVID-19**

The Pacific's remoteness has helped their people mitigate infections. For Samoa, the State of Emergency (SOE) restrictions have had a few silver linings. From an environmental conservation's point of view, the gains were quite phenomenon as Samoa, and other pacific SIDS experienced a significant drop in Co2 emissions, with air quality improving as manufacturing and industrial activities slowed down.

Despite this, addressing vulnerability to climate change remains a critical medium-term challenge for pacific SIDS in creating a fiscal buffer for the future. Similarly, the shift in focus from climate change to health and economics will take some time to adjust, with national priorities now fixed on the health crisis and efforts to contain COVID-19 at the borders rather than climate change and its impacts on the lives of ordinary Samoans.

## SECTION 5: SUMMARY OF EXISTING POLICY MEASURES

This section examines Samoa's progress against the implementation of the SDGs to ensure "Improved Quality of Life for All". Understanding the results of the report and integrating the SDGs into the country's national policy objectives, which include both the 20-year long term Samoa 2040 vision and the 5-Year Strategy for the Development of Samoa (SDS), ensures that this implementation is suitably contextualised and are part and parcel of the overall national planning, budgeting, and accountability processes.

### 5.1 SDG Policy Measures

Samoa's 2nd VNR released in 2020 highlights that it has met 23 out of 246 indicators, and points to the existing legislations, plans or policies that are key to implementing each SDG. The VNR also indicated that progress in some indicators and targets had declined with limited progress in others. Samoa's overall progress against the SDG Index in 2021 indicates that two of the 17 SDGs (SDG 4 & 13) have been achieved. The overall ranking of Samoa is not scored on the SDG Index, but the dashboard outlined below further reflects Samoa's progress across all 17 SDGs.

Figure 3: Samoa SDG Dashboard 2021



Source: <https://dashboards.sdgindex.org/profiles/samoa>

This assessment has helped identify focus areas under five vital thematic areas listed below.

1. People (SDG 1,2,3,4,5,6)
2. Prosperity (SDG 7,8,9,10)
3. Planet (SDG 11,12,13,14,15)
4. Peace, Justice and Effective Institutions (SDG 16)

## 5. Partnerships and Means of Implementation (SDG 17)

### 5.1.1 Achievements

- **SDG 4 - Quality Education:** Overall, through compulsory and fee-free primary and secondary education (up to year 11), there has been increased access to primary and secondary schools. For the primary level, in particular, there is universal access (100 per cent), and for the secondary level, 72 per cent enrolment. The inclusiveness of the education system is improving with increasing levels of persons with disability accessing mainstream education. The provision of crucial education facilities and supplies is around 90 and 100 per cent. However, access to early childhood education is low, and there are high drop-out rates at the end of primary and secondary school. However, there is an increase in transition to and enrolment in Post School Education and Training Programmes (PSET). Samoa is struggling with the poor quality of education outcomes, especially with sharp declines in literacy for Samoan, English and Numeracy across all levels between 2012 and 2018. Of equal concern are the significant decrease in the numbers of males attending school at the senior secondary level, the low achievement scores in Science, Technology, Engineering and Mathematics (STEM) in Years 12 and 13, and the large gap between the higher achievement of females over males across all levels.
- **SDG 13 - Climate Action:** With rising global greenhouse gas emissions, climate change is occurring at rates much faster than anticipated, further escalating threats of its adverse impacts on SIDS like Samoa. While Samoa contributes little to the rising Green House Gases, the country remains committed to implementing the Paris Agreement and investing in ambitious climate action. Decades of committed climate action and investment in adaptive capacity for planning, response, and recovery have helped strengthen resilience against risks and occurrences of climate-induced and natural disaster events. Samoa continues to benefit from climate finance and is confident in its efforts to meet its nationally determined contribution commitments. Climate and disaster resilience remain a high and cross-cutting national development priority issue for the sustainable development of Samoa.

### 5.1.2 SDGs where challenges remain

- **SDG 1 - Zero Poverty:** Overall, Samoa's progress for SDG 1 is mixed. Samoa has achieved two indicators related to disaster resilience and risk reduction (1.5.3 and 1.5.4), and there is good progress on social protection and access to basic and essential services targets. There is evidence of strengthened resilience with overall positive economic growth and improved climate and disaster risk management capacity. But as a SIDS, vulnerability to the negative impacts of more frequent disaster events remains a challenge, and data shows regression on the poverty targets since 2013. Preliminary 2018 Household Income and Expenditure Survey (HIES) results show a slowing of the economic recovery and the negative impacts of the more recent cyclones, multiple and more severe mass flooding and closure of the biggest manufacturing company (Yazaki) in Samoa in 2017. The population living



below the National Food Poverty Line stands at 6%, up from 3% in 2013. In contrast, the number of Samoans living below the National Basic Needs Poverty Line has increased from 18.8% in 2013 to 22.7% in 2018.

- **SDG 7 - Affordable & Clean Energy:** Samoa is making good progress in the SDG7 with universal access to electricity (99 per cent), with the remaining 1 per cent given a simple solar system by the Samoa Electric Power Corporation. The island of Apolima is 100 per cent powered by renewable energy, and the 2019 figures show that 40.5 per cent of electricity is generated from Renewable Energy, increasing from 32.4 per cent in 2016. The main renewable energy sources are wind, solar, biomass and hydro. There has been a continuous decrease in the amount of electricity generated from diesel since 2014 and a marked increase in households that rely on clean fuels and technologies for cooking.
- **SDG 11 - Sustainable Cities & Communities:** Despite the difficulty in providing exact data to measure progress for SDG 11 implementation, available information indicates overall positive progress. There are no slums in Samoa as per the international definition, and most of the households own their dwelling/home. Samoa's urban population has convenient access to open public spaces and good-quality air. There are also eight nature reserves located in and surrounding Apia (township), which are open to the public, and waste management and collection is provided free of charge.

### 5.1.3 SDGs where significant challenges remain

- **SDG 6 - Clean Water & Sanitation:** Overall, Samoa is on track to meet the majority of the SDG 6 targets. Government and development partners' extensive investment in water and sanitation infrastructure and services over the past 15 years has resulted in almost universal access to clean water (97.3%) and sanitation (97%). Investment in initiatives and policies to ensure water-use efficiency and to monitor levels of water continue. Despite this, there are pockets of the population that are covered by rainwater tanks, untreated independent water supplies, limited water treatment facilities and experience challenges with the quality of sanitation facilities affecting ground water quality. So, there remain challenges with the quality of water and sanitation facilities.
- **SDG 8 - Decent Work & Economic Growth:** Overall, Samoa's progress for this goal is mixed. The government has achieved one of the targets on national compliance with labour rights but has missed the 2020 target for reducing the number of youth not in school or employment and is trending below its annual national GDP growth target. Unemployment rates are rising, especially for youth and women, and despite government legislation and efforts, there are incidences of child labour and income inequality. Notwithstanding this, Samoa has shown resilience in rebounding back from multiple external and natural shocks and generally positive economic growth trends supported by strong recoveries in tourism and remittances. Good progress is also being made in financial inclusion efforts. However, the recent Measles Epidemic and current COVID-19 is already affecting employment income and will have severe repercussions on national efforts on employment and reducing inequality.

- **SDG 14 - Life Below Water:** Samoa remains committed to implementing SDG 14 through decades of investment in the conservation, management and sustainable use of the ocean and its resources. Despite concerted global efforts, it is still insufficient to combat the adverse effects of overfishing, growing ocean acidification due to climate change and worsening coastal eutrophication. Samoa's current institutional capacity makes it difficult to collect the required data to effectively measure progress using the global indicators; however, a review of key national efforts show that Samoa continues to contribute positively to the implementation of SDG14.
  
- **SDG 16 - Peace, Justice & Strong Institutions:** Samoa, through its Law and Justice Sector, aims to "promote a safe, fair and just Samoa." Overall, at the national level, Samoa is generally considered a peaceful, stable, and secure society relative to other societies in our region. However, violent crimes and assaults do occur, with alarming levels of violence predominantly within domestic situations impacting mainly women and children. Continued investment in initiatives and policies to advance just, peaceful, and inclusive societies remain a high priority for Samoa. Samoa has a free press, and there are continuing efforts to ensure access to public information. Samoa's public sector and financial management systems are fairly robust, with medium to high public satisfaction of public services and high levels of public perception of safety in public spaces. In May 2016, the National Human Rights Institute of Samoa became the first in the Pacific region to be awarded "A status" by the Global Alliance of National Human Rights Institutions (GANHRI).
  
- **SDG 17 - Partnerships for the Goals:** Financing for Samoa is stable. Domestic financing is increasing mainly through taxes and increased compliance. While fluctuating, Official Development Assistance (ODA) and Foreign Direct Investment (FDI) levels are rising overall, with ODA contributing on average 12.5 per cent to GDP. Export earnings fluctuate between SAT\$478.5 and SAT\$828.4 million, and the trade deficit increases. Total debt is high but sustainable. Remittances and tourism earnings contribute on average 20 to 22 per cent of GDP. Digital transformation is growing with high mobile phone network coverage high mobile phone usage enabling economic transactions, e-learning and improving financial inclusion. Samoa's national planning, budgeting, monitoring and financial management process and systems are assessed as strong. Development partner alignment with Samoa's national planning and monitoring frameworks is high. Still, the use of Samoa's PFM systems decreased from 81 per cent in 2016 to 57 per cent in 2018, and the share of development cooperation subject to parliamentary scrutiny fell from 100 per cent in 2016 to 86 per cent in 2018. Samoa has joint government and development partner financing facilities for civil society and private sectors. Samoa's monitoring and data management systems and capacities have improved with a National Statistics Development Strategy in place, regular national surveys and significant administrative data, annual sector reviews and SDS progress tracking. Management and sharing of government data amongst government ministries is an ongoing issue.

#### 5.1.4 SDGs where major challenges remain

- **SDG 2 - No Hunger:** Agriculture is important to overall development in Samoa, contributing around 9.4 per cent of GDP in 2018 and 3.6 per cent of government expenditure. Overall, there is a low level of extreme hunger and undernourishment, but nutrition security is a concern. One in five people is considered moderately food insecure, with 2.4 per cent of people considered severely food insecure. WHO reports indicate low levels of stunting and wasting in Samoan children compared to other Pacific nations. The challenge in Samoa is access to and affordability of locally produced healthy foods, especially when there is ready access to cheaper processed.
- **SDG 3 - Good Health & Well Being:** Generally, pre-measles and COVID-19, Samoa was on track to achieve most of its health targets and indicators, particularly the Maternal and Child Health targets. There is increasing levels of physical exercise and reduction in tobacco use and alcohol use, access to antenatal care has increased, and Total Fertility and Adolescent Fertility rates have decreased. Communicable diseases are generally under control. The critical challenges for Samoa remain the high levels of premature deaths, illnesses and increasingly, disabilities from NCDs and the extremely high healthcare costs. The twin crisis of measles and COVID19 in Samoa highlight the added risks of health pandemics on the health and socio-economic situation in Samoa. Measles and COVID 19 are reversing the gains on SDG 3 and many other SDGs.
- **SDG 5 - Gender Equality:** While much progress has been made in relation to SDG 5, there is still more work to be done. The level of women participation in national governance and policymaking is increasing, although more rapidly in managerial positions than in parliament. Women's economic empowerment is improving slowly with increasing levels of participation in the labour force. However, women still make up a significant proportion of the unemployed (23 per cent), informal (63 per cent) and unpaid employment. There is a positive development on sexual reproductive health and rights targets with no harmful practices such as female genital mutilation. However, many of these efforts and progress have been hampered by persistent high levels of violence against women and girls, particularly by intimate partners and family members.
- **SDG 9 - Industry, Innovation & Infrastructure:** The last ten years have seen significant investment and improvement in building resilient infrastructure for Samoa, including upgrades to the Faleolo Airport and all ports including the Apia wharf; launch of submarine cables; rebranding and launch of the national airline; investing in clean energy technologies and ensuring resilient road networks throughout the country. While there are some positive results on manufacturing targets, the industry is vulnerable to natural disasters, external shocks and the current COVID 19 situation. The closure of the biggest manufacturing company (Yazaki) in 2017 significantly impacted employment and exports. More, therefore, needs to be done to promote sustainable industrialisation and innovation through research and development.

- **SDG 10 - Reduced Inequalities:** Several national surveys and reports highlight that inequality exists in Samoa and that specific proportions of the population are more vulnerable to inequality than others. The 2013 HIES highlighted that poverty and hardship were higher among the unemployed and individuals working mainly in the informal sector. Overall, Samoa's progress for SDG 10 on reducing inequality is uneven, and the availability of more recent data hampers proper assessment. Samoa has achieved one of the targets on the existence of national legislation and migration policy, procedures, and protections for migrant workers and is making some progress on the growth rates of household expenditure for the bottom 30% of the population. FDI is increasing, and ODA levels remain stable. However, the level of inequality as measured by the HH Gini coefficient increased from 0.47 in 2008 to 0.56 in 2013. The gap between the weekly household expenditure of the highest and lowest quintile households is still significant. Noting the importance of remittances as a key income for many poor households, the high costs of sending money to Samoa are concerning.
  
- **SDG 12 - Responsible Consumption & Production:** Samoa's progress for sustainable consumption and production targets are generally on track despite data availability issues related to the global indicators. Samoa is a party to several Multilateral Environment Agreements that aim to encourage more responsible production and consumption, such as the Basel, Rotterdam and Stockholm Conventions, the Montreal Protocol and other conventions, such as the Minamata and Waigani conventions. Waigani Convention bans the importation of hazardous and radioactive wastes into Pacific Island Countries and controls the transboundary movement and management of hazardous waste within the Pacific region. Implementing these obligations through numerous policy and legislative frameworks is key to helping Samoa meet the SDG 12 goal. The VNR consultations enabled the stakeholders to understand the goal better and reflect on how to improve consumption and production patterns. Many policies, plans, and legislation are in place to manage resources, ensure environmental resilience, and improve resource efficiency. Much effort has been placed on waste management and encouraging sustainability across all sectors and at all levels, including the community level.
  
- **SDG 15 - Life on Land:** Overall, for life on land (SDG 15), Samoa has made much progress towards the global target on conservation of biological resources through a growing number of protected areas (PA) over the years. Samoa has done well in reducing the rate of deforestation and promoting restoration. Total forest cover remains stable. Upland habitats are largely intact and undisturbed by human activities. However, a significant proportion of the remaining forest cover is non-native. Despite efforts, there is increased biodiversity loss with the real risk of extinction of Samoa's national bird, the Manumea. There are ongoing efforts to address invasive species, implement the Convention on International Trade in Endangered Species (CITES) and contribute towards the Aichi targets. There are credible multi-partner and multi-sectoral partnerships and efforts to address the challenges. Still, the efforts are often fragmented, ad hoc and unsystematic, with limited and unsustainable funding mostly by development partners.



## 5.2 Samoa's National Policy Objectives

### 5.2.1 Samoa 2040

The *Samoa 2040* was officially launched in June 2021 and provides a roadmap to navigate Samoa's development over the next twenty years. Its vision is: *"To transform the economy over the next twenty years to sustainably increase the incomes and employment of all Samoans, allowing each citizen the opportunity to pursue the best, most productive life possible"*. It sets out opportunities – in **tourism, agriculture and fishing, digital economy, and labour mobility** – that can boost economic growth, create employment, generate government revenues, and raise living standards. It lays out a platform to ensure the needs of present and future Samoan generations are met and that no one is left behind.

*Samoa 2040* complements the Strategy for Development of Samoa (SDS), which lays out a strategy for Samoa's overall development, covering all the key pillars ranging from economic and social to environmental considerations. Samoa 2040 focuses on growth and how to step up to a higher growth trajectory. The progress on the implementation of Samoa 2040 will be tracked through the SDS monitoring and evaluation process. This demonstrates the extent to which the two documents complement each other. Four critical areas of development include:

**Table 1: Samoa 2040 Priorities**

<b>Tourism</b> <ul style="list-style-type: none"> <li>increasing visitor arrivals to 400,000 per annum by 2040</li> <li>average annual real growth in spending per arrival of 1 percent is assumed, compared with more modest average growth of about 0.5 percent over the last decade.</li> </ul>	<b>Digital Economy</b> <ol style="list-style-type: none"> <li>Samoa has the potential to realize additional 'digital economy' incomes of around SAT 350 million by 2040.</li> <li>around four thousand additional Samoans could be employed as a result (including an additional 1200 directly in communications and business services), and Samoa could become a leading example of a Small Island economy reaping the benefits of a digital transformation agenda.</li> </ol>
<b>Agriculture and Fishing</b> <ol style="list-style-type: none"> <li>boosting agriculture and fisheries so that by 2040 annual GDP could be around SAT 200 million higher than in the business-as-usual scenario (in constant 2019 tala terms), contributing an additional 0.2 percentage points of average annual GDP growth per year over the next 20 years.</li> <li>Substitution of local consumption away from imported food and toward local</li> </ol>	<b>Labor Mobility</b> <ol style="list-style-type: none"> <li>seasonal workers from Samoa could reach up to 15,000 per year by 2040, due both to an increase in Samoa's share of total SWP and RSE workers (to around 20 percent by 2040, from around 12 percent currently) and to a threefold expansion in the aggregate size of these programs (the SWP and RSE) across the Pacific</li> </ol>

<p>crop, livestock, and fish production accounts for most of the additional growth in the opportunity scenario.</p> <p><b>V.</b> Export growth could also accelerate, spurred by efforts to experiment and innovate, raise farm productivity, and develop export market linkages</p>	<p><b>VII.</b> additional annual net income earned by these workers (over and above what they would have earned had they stayed in Samoa) would be close to SAT 200 million by 2040</p>
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*Source: Samoa 2040 Plan*

### 5.2.2 National Development Plan for Samoa 2021-2025

The current draft national development plan for Samoa is being finalised by the Ministry of Finance, with the final version to be launched by January 2022. The vision of the new plan is to foster social harmony, safety and freedom for all through empowering communities, sharing prosperity, and building resilience. To date, the SDGs have been integrated within the 14 key policy outcomes of the SDS, with indicative lead sector agencies also identified to implement these actions. It is expected that the new national development plan will undertake the same process in terms of linking the sector priorities to the relevant national outcomes and SDGs.

**Table 2: SDG Linkages to National Plans**

SDG	SDS	Lead Implementing Agencies
<b>SDG 1</b>	Key Outcome 1-14	Finance
<b>SDG 2</b>	Key Outcome 2	Agriculture
<b>SDG 3</b>	Key Outcome 6	Health
<b>SDG 4</b>	Key Outcomes 7 & 11	Education
<b>SDG 5</b>	Key Outcomes 8a & b, 11	Community, Law & Justice
<b>SDG 6</b>	Key Outcome 9	Water
<b>SDG 7</b>	Key Outcome 12	Energy
<b>SDG 8</b>	Key Outcomes 4 & 6	Tourism, Trade Commerce & Manufacturing, Public Administration
<b>SDG 9</b>	Key Outcome 10,11	Transport, Communication
<b>SDG 10</b>	Key Outcomes 1, 8a & b	Finance, Community
<b>SDG 11</b>	Key Outcomes 10, 13, 14	Environment, Transport
<b>SDG 12</b>	Key Outcomes 4, 13, 14	Environment, Tourism
<b>SDG 13</b>	Key Outcomes 12, 13 & 14	Environment
<b>SDG 14</b>	Key Outcomes 2, 13 & 14	Environment & Agriculture
<b>SDG 15</b>	Key Outcomes 13 & 14	Environment
<b>SDG 16</b>	Key Outcomes 8b	Law & Justice
<b>SDG 17</b>	Key Outcomes 3, 5, 11 but also linked to all KO - Partnership framework and development cooperation programs	Finance, TCM, Communication

*Source: Samoa Voluntary National Report 2020*

## SECTION 6: THE ROAD TO INCLUSIVE GREEN RECOVERY

### 6.1 Economic and Fiscal Outlook

As outlined in the FY 2021/2022 Fiscal Strategy, Samoa's economy is expected to recover in FY 2021/2022 with a 2 per cent expected growth rate driven by the reopening of borders for international travel and easing of state of emergency restrictions. However, the lifting of border restrictions is contingent on Samoa reaching high vaccination targets already established by the Government. In addition, the new government's policy to decentralise and empower communities and the private sector to plan, execute and implement priority developments shall play a central role in reviving Samoa's economic recovery from the pandemic.

**Table 3: Samoa Economic Outlook FY2019-FY2023**

	Target	2019/20	2020/21	2021/22	2022/23	2023/24
Real GDP (% change)	3%-4%	-2.7	-8.3	2.0	3.6	3.3
Budget Balance (% of GDP)	within range -2%	6.2	-3.2	-2.5	-2.2	-2.0
Total Current Expenditure (% of GDP)	25%-30%	33.2	33.1	32.4	30.2	28.1
Personnel Costs (% of total current expenditure)	35% - 40%	41.9	46.5	48.9	50.0	50.2
Official Public Debts (% of GDP)	below 50%	46.8	46.2	41.8	36.9	31.9
Debt Servicing (% of Revenue)	below 20%	12.8	6.6	8.8	12.0	12.1
Nominal GDP (\$ billion tālā)		2.18	2.05	2.11	2.22	2.34

*Source: Ministry of Finance*

The country's growth trajectory for the next two fiscal years is expected at 3.6 per cent and 3.3 per cent, a return to pre-COVID-19 growth rates as the domestic economy responds positively to the anticipated strong rebound in global economic growth leading to improved trade relations and business environment.

On the fiscal front, the expansionary policy that the government has employed for many years has been tightened as the new administration plans to further reduce the budget deficit from -3.5% in FY 2020/2021 to -2.5% of GDP in FY 2021/2022. The subsequent two years envisages further reductions as government curtails expenditure programs to offset the decline in taxes and receipts and the winding down of stimulus measures and development programs.

### 6.2 Additional Policy Measures for Inclusive Green Growth

Samoa approved Phase 1 of its fiscal measures in April 2020, with additional measures under Phase 2 subsequently endorsed in July 2020. In September 2021, as part of the new FY 2021/2022 budget, the government unveiled phase 3, targeting a mix of new measures and continuing several policies from the first two fiscal relief packages. At least 45 per cent of the fiscal response has targeted households with the provision of household income support

measures. The hardest-hit sector has been tourism which has had a flow-on effect on other crucial sectors of the economy, including transport, commerce and finance sectors. The financial system of Samoa was relatively stable before the crisis, with adequate liquidity and nonperforming loans within acceptable limits (only 3.9 per cent of total loans prior to the crisis).

**Table 4: Samoa Fiscal Support Measures 2020 & 2021**

<b>Fiscal Support Measures</b>	<b>Budget (SAT m)</b>	<b>% of Total Budget</b>
<b>Household Income Support</b>		
<i>Cash or in-kind transfers</i>	\$ 86,938,740	44%
<i>Unemployment benefits</i>	\$ 2,500,000	1%
<b>Employment Measures</b>		
<b>Temporary hiring subsidies</b>	\$ 1,250,000	1%
<b>Public Investment Measures</b>	\$ 51,488,699	26%
<b>Tax Measures</b>		
<i>Temporary deferral of taxes and social security pats</i>	\$ 15,526,480	8%
<i>General Income Tax Cuts</i>	\$ 28,392,192	14%
<b>Other Liquidity Support Measures</b>		
<b>Loans, guarantees</b>	\$ 4,000,000	2%
<b>Solvency support (equity injections)</b>	\$ 183,209	0.1%
<b>Debt restructuring</b>	\$ 6,715,000	3%
Total	\$ 196,994,320	100%

*Source: Ministry of Finance*

Samoa has recognised the possible strain that short term liquidity constraints may place on the local banking system, especially to those institutions exposed to tourism sector lending. A simultaneous financial sector shock could compound the COVID-19-related shock to the real economy as banks seek to shore up their balance sheets. Small and medium-sized enterprises in the tourism sector would be most vulnerable to this de-risking, which could further constrain companies' ability to expand their operations when demand returns. In response, public banking institutions have also been called on to provide additional assistance, besides encouraging local commercial banks to allow for interest-only payment periods and repayment holidays.

The government side has covered two percentage points of all business interest payments to commercial banks over three months, three months of loan repayments for all small businesses under the Government Guarantee Schemes (administered by the Samoa Business Hub), and two months of interest payments for all loans with the Development Bank



of Samoa (DBS). A potential risk to the government is the guarantee provided to the DBS for the credit line facility put in place in the aftermath of cyclone Evan. The existing portfolio is already highly exposed to the tourism sector: tourism-centred loans account for nearly half of the 19 per cent nonperforming debt in the total portfolio. With its balance sheet already under pressure, it is unclear how much additional support DBS can provide without additional equity or cash injections from the government.

### 6.3 Fiscal Impact of Inclusive Green Growth Policy Measures

Overall, the government stimulus measures have undoubtedly provided a partial buffer against the significant fall in household incomes and business continuity. However, this has put a severe strain on fiscal resources. With the borders unlikely to reopen until early 2022, domestic economic conditions will continue to deteriorate. It is clear that subsequent rounds of government stimulus will be needed to support household incomes and business continuity, putting fiscal resources under further strain.

Based on the existing policies and progress to date, the additional measures which will underpin the recovery and long-term sustainable growth of Samoa include health and social protection, tourism, agriculture & fisheries, digital economy and labour mobility. Building on these key policy areas, the existing and pipeline policy measures focused on ensuring inclusive green growth is highlighted under the UN's five-pillar framework for the immediate socio-economic response to COVID-19. The framework provides a practical assessment for identifying critical socio-economic measures that should be prioritised by the government for funding and resource allocation in the national budget under the following five broad areas:

**Figure 4: UN Framework for Immediate Socio-Economic Response to COVID 19**



*Source: UN Socio-Economic Response Plan*

### 6.3.1 Health First, Protecting Health Services and Systems during the Crisis

As COVID-19 ravages the world, Samoa's border containment strategy has so far protected the country from the pandemic. Complementing the hard work and sacrifice of the frontline and emergency services staff, the government first announced in April 2020 a package of SAT \$20.2 million to help prepare and protect all Samoans from COVID-19. The assistance includes funds for a specialised facility to isolate COVID-19 confirmed cases, procurement of PPE's, upgrading Samoa's testing and tracing capacity, managed isolation and quarantine provision, and procurement of medical supplies and consumables. Samoa has also received sufficient COVID-19 vaccines through the COVAX facility and the generosity of development partners to vaccinate the country's eligible population fully.

**Table 5: Fiscal Support Measures for Health Sector**

<b>Fiscal Measures</b>	<b>Type of Support</b>	<b>Funding Source</b>	<b>Sector</b>	<b>Cost Component (SAT millions)</b>
	District Hygiene and Health Committees (phase 3)	Budget (MWCSD)	Health	2,100,000.00
	Assistance to CSOs – combating the incidences of NCD's (phase 3)	Budget	Health	1,000,000.00
	Meal services for Inpatients outside the main TTM Hospital (phase 3)	Budget	Health	400,000.00
	Frontline Workers' Risk Benefits	Budget (MOH)	Health	500,000
	HE1 Preparedness and Prevention	Budget (MOH)	Health	3,468,978.00
	HE2 Negative Pressure Room	Budget (MOH)	Health	4,000,000.00
	HE3 Isolation 1	Budget (MOH)	Health	1,500,000.00
	HE4 Quarantine	Budget (MOH)	Health	1,500,000.00
	HE5 Testing, Tracing, Reporting, Treatment	Budget (MOH)	Health	2,797,310.00
	HE6 COVID Medical and Consumables	Budget (MOH)	Health	7,000,000.00
	Construction and Upgrade of Hospital + Physician Homes	Budget (MOH)	Health	3,000,000.00
	Repairs, maintenance and supervision works at TTM Hospital (phase 3)	Budget	Health	2,000,000.00
<b>Total Health</b>				<b>29,266,288</b>

Further support has also been secured to upgrade hospital facilities, procure vaccines for other immunisation programs and provide technical assistance for specialised areas. The national health services continue to operate normally despite incidences of staff fatigue as the manpower has been overstretched on many occasions due to the many competing priorities of Samoa's Medical Teams.

### 6.3.2 Protecting People: Social Protection and Basic Services

Protecting the People has always been the priority of the government. At the onset of the pandemic and when the tourism and hospitality industry collapsed, the government provided an initial support package to protect all households and secure the purchasing power of all citizens. Further assistance has been released under the two subsequent fiscal measures of July 2020 and September 2021. The pandemic is also a moment of opportunity for the government to introduce a number of social protection policies that Samoa never entertained in the past. These policies include Unemployment pay-outs, Disability benefits, Shelter and hygiene assistance, and Assistance to vulnerable groups (NGO's).

**Table 6: Fiscal Support Measures for Finance Sector**

<b>Fiscal Measures</b>	<b>Type of Support</b>	<b>Funding Source</b>	<b>Sector</b>	<b>Cost Component (SAT millions)</b>
<i>Unemployment benefits</i>	Unemployment Subsidy	Budget (MOF)	Finance	2,000,000.00
	PS7 DBS Principal payment suspension 2 months (everyone)	Off Budget (DBS)	Finance	1,900,000.00
	PP2 3 months 2% interest relief for h/hold loans	Budget (MOF)	Finance	2,405,380.00
	PP3 NPF Loan Repayment Refund	Budget (MOF)	Finance	5,500,000.00
	PP8 50% reduction in loan interest rates for 6 months	Budget (MOF)	Finance	1,500,000.00
	2% Interest Relief for all Business Loans with Commercial Banks for 3 months	Budget (MOF)	Finance	3,897,771.17
	SPBD interest relief	Budget (MOF)	Finance	60,000.00
	Fees and Charges of selected Government services reduced by 20% (phase 3):	(Off Budget - various)	Finance	NA
<i>Loans, guarantees</i>	Credit Facility at the DBS for Specific Sectors focused primarily on COVID19 recovery;	Budget (MOF)	Finance	4,000,000.00
	PP7 3 month moratorium on all Samoa Housing loan repayments	Off Budget (SHC)	Finance	3,100,000.00
<b>Total Finance</b>				<b>24,363,151</b>

Resources have also been allocated towards the education sector to ensure continued commitments under education for all policies of Government.

**Table 7: Fiscal Support Measures for Education Sector**

<b>Fiscal Measures</b>	<b>Type of Support</b>	<b>Funding Source</b>	<b>Sector</b>	<b>Cost Component (SAT millions)</b>
	Increase in One Government Grant to schools	Budget (MESC)	Education	3,630,000.00
	MS2 Education (ACC)	Off Budget (ACC)	Education	500,000.00
	School connectivity (phase 3)	Budget (MESC)	Education	2,000,000.00
<b>Total Education</b>				<b>6,130,000</b>

### **6.3.3 Economic Recovery: Protecting Jobs, Small and Medium-Sized Enterprises, and the Most Vulnerable Productive Actors**

With unemployment high and many local businesses on the brink of closing down, the private sector and small business owners have been the biggest beneficiaries of the government's stimulus packages. The new budget for FY 2021/2022 that was recently passed in Parliament saw the unveiling of several policy measures specifically tailored to the needs of local businesses. Tourism and hospitality have been provided life support with funds provided by the government to help sustain their operations, keep workers in their jobs, and prepare hotel operators for the eventual reopening of borders in early 2022.

**Table 8: Fiscal Support Measures for Tourism Sector**

<b>Fiscal Measures</b>	<b>Type of Support</b>	<b>Funding Source</b>	<b>Sector</b>	<b>Cost Component (SAT millions)</b>
<i>Temporary hiring subsidies</i>	Short Term Paid Training for the Hospitality Sector	Budget (MOF)	Tourism	1,000,000
	Strengthening the Tourism Industry – Assistance to Hotel Operators (phase 3)	Budget	Tourism	5,000,000.00
	PS15 50% reduction in Hotel Daily Fixed Rates for 3 months (EPC)	Off Budget (EPC)	Tourism	273,000.00
<i>Debt restructuring</i>	PS2 SNPF 6 month moratorium- Tourism	Off Budget (SNPF)	Tourism	2,600,000.00
	PS3 ACC moratorium- (6 months Tourism + 2 months others)	Off Budget (ACC)	Tourism	1,000,000.00
<b>Total Tourism</b>				<b>9,873,000</b>

For the small and most vulnerable business operators whose economic situations have been most affected by COVID-19, they are expected to benefit from the many community-led programs under the new government's economic policy shift with a focus on key sectors, including agriculture and tourism.

**Table 9: Fiscal Support Measures for Agriculture Sector**

<b>Fiscal Measures</b>	<b>Type of Support</b>	<b>Funding Source</b>	<b>Sector</b>	<b>Cost Component (SAT millions)</b>
	AG PPE	Budget (MAF)	Agriculture	20,338.00
	AG Awareness	Budget (MAF)	Agriculture	5,959.51
	AG3 Livestock	Budget (MAF)	Agriculture	124,825.19
	AG4 Crops	Budget (MAF)	Agriculture	821,288.00
	AG5 SROS Commercial Arm	Budget (SROS)	Agriculture	2,500,000.00
	Agriculture Stimulus	Budget (MAF)	Agriculture	2,000,000.00
<i>Temporary deferral of taxes and social security pats</i>	PS1 Subsidize Local Production	Budget (MAF)	Agriculture	1,404,328.00
	Licensing fees for domestic fishing vessels waived for 2020 beginning May 2020 (Class A, B & C)	Budget (MAF)	Agriculture	15,000.00
<b>Total Agriculture</b>				<b>6,891,739</b>

The Trade, Commerce and Manufacturing sector received a total of SAT 32.2 million to support key economic industries severely affected due to the continued lockdown of borders.

Table 10: Fiscal Support Measures for Trade, Commerce &amp; Manufacturing Sector

Fiscal Measures	Type of Support	Funding Source	Sector	Cost Component (SAT millions)
	Free Trade Concessions for specific food items under Phase I extended to August	Budget (MCR/MCIL Revenue Foregone)	Trade, Commerce & Manufacturing (TCM)	1,000,000.00
	Partial Insurance Compensation to Samoa Primary Exporters	Budget (MCIL)	Trade, Commerce & Manufacturing (TCM)	900,000.00
	Business Innovation and Growth Assistance (phase 3)	Budget (MCIL)	Trade, Commerce & Manufacturing (TCM)	10,000,000.00
	Establishment of the National Export Authority (phase 3)	Budget	Trade, Commerce & Manufacturing (TCM)	250,000.00
	PS4 2 month Free Rent at SNPF Facilities	Off Budget (SNPF)	Trade, Commerce & Manufacturing (TCM)	604,000.00
	PS5 2 month Free Rent at ACC Facilities	Off Budget (ACC)	Trade, Commerce & Manufacturing (TCM)	500,000.00
	PS11 2 months free rent for businesses at SLC (SCL)	Off Budget (SLC)	Trade, Commerce & Manufacturing (TCM)	275,000.00
	PS12 3 months free rent for private businesses at DBS	Off Budget (DBS)	Trade, Commerce & Manufacturing (TCM)	100,000.00
	Market Vendor Subsidy - extension free rent period	Off Budget (ACC)	Trade, Commerce & Manufacturing (TCM)	1,162,500.00
	Electricity Rate reductions extended until December	Off Budget (EPC)	Trade, Commerce & Manufacturing (TCM)	4,423,000.00
	Water Rate reductions extended until December	Off Budget (SWA)	Trade, Commerce & Manufacturing (TCM)	995,381.15
<i>General income tax cuts</i>	PP1 Free Up Trade	Budget (MCIL)	Trade, Commerce & Manufacturing (TCM)	2,401,865.90
	PP5 EPC unit charge reduction (10 sene reduction)	Off Budget (EPC)	Trade, Commerce & Manufacturing (TCM)	8,300,000.00
	PP6 SWA water rate reduction (20 sene reduction)	Off Budget (SWA)	Trade, Commerce & Manufacturing (TCM)	1,327,174.86
<b>Total TCM</b>				<b>32,238,922</b>



### 6.3.4 Macroeconomic Response and Multilateral Collaboration

The country's COVID-19 free status and the successful rollout of the vaccine shall bring rapid economic recovery for Samoa. The expected reopening of borders early next year to resume international tourism activities and the effective implementation of the private sector-led initiatives supported by the government are keys to unleashing future economic potential.

**Table 11: Fiscal Support Measures for Transport Sector**

Fiscal Measures	Type of Support	Funding Source	Sector	Cost Component (SAT millions)
	PS6 Waiver on Bus/Taxi Registration Fees+10% off all other MV	Off Budget (LTA)	Transport	2,135,160.15
	PS8 Samoa Airways Advance	Budget (MOF)	Transport	1,000,000.00
	PS9 3 months free rent for businesses at the Airport (SAA)	Off Budget (SAA)	Transport	224,960.36
	PS10 3 months free rent for businesses at wharves (SPA)	Off Budget (SPA)	Transport	158,514.00
	PS13 20% discount on wharfage fees for 3 months (SPA)	Off Budget (SPA)	Transport	352,524.00
	PS14 3 month license refund for Stevedoring (SPA)	Off Budget (SPA)	Transport	18,112.50
	Price of Utility Services (electricity and water) reduced by 20% (phase 3)	Budget (EPC/SWA)	Transport	NA
<i>Solvency Support (equity injections)</i>	Assistance to Talofa Airways	Budget (MOF)	Transport	183,209.00
<b>Total Transport</b>				<b>4,072,480</b>

### 6.3.5 Social Cohesion and Community Resilience:

In Samoa, local communities play a central role in maintaining peace and harmony amongst citizens, pushing developments at the community and village level, keeping the children clean, healthy and educated, and providing support to the government where and when necessary. Several fiscal measures have been prepared and released to assist Samoa's vulnerable communities during the pandemic. Although small, the assistance shall provide a catalyst for change at the village and community level as well as a blueprint for future developments that will benefit communities and boost their resilience and self-esteem during a tough time. Through the COVID-19 stimulus measures, a total of SAT 83.1 million was allocated towards community initiatives outlined below.

Table 12: Fiscal Support Measures for Community Social Development Sector

Fiscal Measures	Type of Support	Funding Source	Sector	Cost Component (SAT millions)
<i>Cash or in-kind transfers</i>	NPF Dividend Payout	Off Budget (SNPF)	Community Social Development	35,000,000.00
	Additional One-Off Pension - \$100 tala per person	Off Budget (SNPF)	Community Social Development	1,100,000.00
	Pension to increase monthly by \$15	Off Budget (SNPF)	Community Social Development	2,719,440.00
	Pension increase from \$160 tala to \$200 tala per month (phase 3)	Off Budget (SNPF)	Community Social Development	6,300,000.00
	Assistance to Households - \$50 tala per person	Budget (SBS)	Community Social Development	12,125,300.00
	Community Outreach - Komiti Tumama	Budget (MWCSO)	Community Social Development	1,314,000.00
	Assistance to Vulnerable Groups	Budget (MWCSO)	Community Social Development	500,000.00
	Shelter Financing for Vulnerable Families	Budget (MWCSO)	Community Social Development	1,000,000.00
	Housing and Hygiene Development Program (phase 3)	Budget (MWCSO)	Community Social Development	2,000,000.00
	Samoa Housing Corporation Assistance	Budget (SHC)	Community Social Development	250,000.00
	Increase in Ie Samoa Show (Faalelegapepe)	Budget (MWCSO)	Community Social Development	350,000.00
	Disability benefit scheme	Budget	Community Social Development	3,000,000.00
	Assistance to NGOs – combating violence against women (phase 3)	Budget (MWCSO)	Community Social Development	1,000,000.00
	Community empowerment (phase 3)	Budget	Community Social Development	250,000.00
	Enhancing the development of communities (phase 3)	Budget (MWCSO)	Community Social Development	11,000,000.00
	Community empowerment for capacity building – youth, women and spiritual development (phase 3)	Budget (MWCSO)	Community Social Development	250,000
	MS1 FESA/EMT and Police	Budget (MoPP)	Community Social Development	1,000,000.00

	MS3 Communication	Off Budget (ACC)	Community Social Development	500,000.00
	MS4 Community Outreach (ACC)	Off Budget (ACC)	Community Social Development	500,000.00
	PP4 Special Pension (one-off \$300 per)	Off Budget (SNPF)	Community Social Development	3,000,000.00
<b>Total Community Social Development</b>				<b>83,158,740</b>

The allocation towards forestry development with the replanting of all rainforests in Samoa was allocated SAT 1 million under the COVID 19 recovery plan to build the resilience of communities towards natural disasters.

**Table 13: Fiscal Support Measures for the Environment Sector**

<b>Fiscal Measures</b>	<b>Type of Support</b>	<b>Funding Source</b>	<b>Sector</b>	<b>Cost Component (SAT millions)</b>
	Forest Development – Replanting of all rainforests in Samoa (phase 3)	Budget	Environment	1,000,000.00
<b>Total Environment</b>				<b>1,000,000</b>

## 6.4 Modelling the impact of policy measures to combat Covid-19

The policy measures introduced as part of the COVID-19 response, as detailed in sections 6.2 and 6.3 above, have clearly succeeded in offsetting some of the economic and social costs that could have transpired as a result of the pandemic. In this section, we apply the ESCAP Macroeconomic Model to quantify the impact that the outlined policy measures are expected to have had on key variables. First, we provide a short overview of the model that is applied. We then develop a scenario that incorporates the key spending initiatives of Phase I, Phase II and Phase III fiscal stimulus and relief packages that have been introduced.

### 6.4.1 The ESCAP Macroeconomic Model

The ESCAP Macroeconomic Model is a global model and comprises 46 individual full-country models for the Asia-Pacific region, including a model of Kyrgyzstan, smaller models of nine key trading partners outside of the region, plus aggregate models for the remaining world's

economies grouped into four regions. The individual country models are linked together via trade, remittances, financial markets, and global energy markets.

The country models are characterised by a short-run Keynesian demand-side and a long-run neo-classical supply side. In the model, households consume, save and supply labour, while firms produce output, hire labour and invest. Governments pursue fiscal policy by spending and taxing, while monetary authorities conduct monetary policy by setting the short-term interest rate and exchange rate policy. The balance of demand and supply, together with tax policy, global commodity prices and other imported prices, determine inflation. Higher prices constrain consumption and dampen the net trade balance. Most of the key behavioural relationships are specified in an error-correction framework, which allows us to distinguish short- and long-term relationships between variables.

In the short run, GDP is driven by aggregate demand, which comprises private and public consumption, private and public investment, and net foreign trade. Household consumption depends on real personal disposable income, financial inclusion (proxied by the share of the population with a bank account) and the gap between actual and expected inflation rates. Private investment is determined by potential output, the user cost of capital, financial inclusion, and gross domestic income (which captures terms-of-trade shocks). Public consumption, investment, and policy variables are disaggregated into spending on health, environmental protection, and other areas. Exports depend on external demand and relative non-commodity export prices, both derived from a global bilateral trade matrix. Finally, imports depend on domestic demand, the output gap, the relative price of imported goods and oil imports.

In the long term, each country's potential output level is driven by its aggregate supply, which is determined by the labour force, capital stock, energy use, energy efficiency, trend productivity growth and damage from climate shocks. The labour force depends on demographic factors and the labour force participation rate. The capital stock is driven by investment accumulation after allowing for depreciation. The capital depreciation rate depends on global carbon emissions to capture the impact of climate change on capital erosion. Total energy demand depends on output, energy prices and energy efficiency. The energy mix depends on relative prices of oil, gas, coal and renewables. Trend productivity growth is modelled as a function of the global productivity frontier (related to global trade), inequality, risk perceptions, air pollution and government expenditure on health. Finally, damage from climate shocks is exogenous, although it is linked to spending on climate-resilient infrastructure in this study.

Deviations of actual output from potential output will activate adjustment processes that bring the economy back to potential in the long run. Among other channels, the gap between demand and supply, or output gap, feeds through prices. For example, a positive output gap will put upward pressure on prices, resulting in slower consumption growth and a trade balance deterioration so that demand falls towards available supply.

In the fiscal module, government spending is disaggregated into spending on social protection, health, environmental protection, fossil fuel subsidies, other government consumption, other government investment, and interest payments. Spending on education

is modelled through a rise in spending on other government consumption and other government investment. Government revenue is disaggregated into income tax revenue, corporate tax revenue, indirect tax revenue, taxes on international transactions, carbon tax revenue, commodity revenue and other net revenue. An increase in government debt finances the fiscal deficit, and debt service payments flow back onto the fiscal balance. In the model, an increase in the government debt-to-GDP ratio leads to a higher risk premium for that country. In this way, running a large fiscal deficit for an extended period can cause government debt to spiral and become unsustainable. Countries with a higher initial level of risk premium are more sensitive to any rise in public debt. A rise in the risk premium pushes up inflation and increases borrowing costs, which results in lower investment.

In addition to economic relationships, the model has additional channels to capture interactions with key social and environmental variables, such as poverty, income inequality, carbon emissions and air quality. Relationships between variables are econometrically estimated where appropriate or guided by the academic literature. For example, losses associated with climate shocks are underpinned by benchmarks contained in World Bank (2019), in which an investment in resilience valued at 1 per cent of GDP reduces annual damage by 5 per cent. Other major studies that are used for developing relationships among the variables include Botev, Égert, & Jawadi (2019), Briceño-Garmendia, Estache and Shafik (2004), ECB (2017), (Griscom, et al., 2017), IEA (2019; 2020), OECD (2019) and Wang (2015).

The poverty model is based on the assumption that income follows approximately a log-normal distribution. The cumulative density function of log income is calculated based on mean income and income inequality estimates and evaluated at the poverty benchmarks of \$1.90/day and \$5.50/day. Income inequality is measured according to the after-tax Gini coefficient. It declines in response to a rise in government spending on social protection or financial inclusion.

Carbon emissions depend on the composition of energy consumption, which in turn depends on the relative (after carbon tax) price of coal, gas, oil and renewables. Air pollution (PM2.5) also depends on the composition of energy consumption, especially coal and oil consumption. Air pollution feeds into trend productivity growth to reflect the relationship between pollution, health and productivity.

#### **6.4.2 The fiscal stimulus and relief packages**

Table 14 details the fiscal support measure included in the modelling by year and main fiscal instrument. Each fiscal channel has a different role to play in the model and the economy.

***Household income support*** measures increase household incomes and support household consumption spending, raising GDP. As the measures tend to target the more vulnerable members of society and those on lower incomes, they also reduce inequality and poverty.

Table 14: Modelled Fiscal Support Measures FY2019-FY202 (% of GDP)

	2019/20	2020/21	2021/22	Total
<b>Household income support</b>	1.39	1.93	1.06	4.37
<b>Household tax measures</b>	0.29	0.41	0.22	0.92
<b>Spending on health</b>	0.45	0.63	0.35	1.43
<b>Spending on environmental protection</b>	0.02	0.02	0.01	0.05
<b>Other government investment spending</b>	0.27	0.38	0.21	0.85
<i>of which education</i>	0.12	0.17	0.09	0.39
<i>of which R&amp;D</i>	0.15	0.21	0.11	0.47
<b>Employment support measures</b>	0.08	0.11	0.06	0.24
<b>Business measures</b>	0.56	0.78	0.42	1.76
<b>Government interest payment moratorium</b>	0.00	-1.56	-1.43	-2.99

**Household tax** measures reduce the tax liabilities of households and support household spending and GDP. However, some tax savings may be reserved to cover future tax liabilities, especially in response to tax deferrals as opposed to tax cuts.

**Spending on health** acts as a short-term stimulus to the economy by providing goods and services (for example, hospital meal services) and investment in health infrastructure (for example, upgrading hospitals). The social returns of investment in health are well-documented. A healthy workforce is more productive, which translates into higher levels of GDP, higher levels of government revenue, lower unemployment and higher real personal disposable incomes.

**Spending on environmental** protection acts as a short-term stimulus to the economy. It also protects against future losses related to climate shocks and reduces air pollution and CO2 emissions. The decline in air pollution brings health benefits that also raise labour productivity.

**Spending on education** also acts as a short-term stimulus to the economy. The returns to education have been widely studied in academic literature. We can assume a benchmark estimate that a 1% of GDP rise in spending on education adds about 0.1 percentage points to trend productivity growth per year, calibrated with reference to the social returns to education reported by Botev, Égert, Smidova and Turner (2019). Broader access to education is also expected to reduce income inequality.



**Spending on R&D** has a positive and significant impact on productivity growth and productive capacity. Firm-level returns are estimated to fall somewhere between 5-25%. The potential gains are particularly high in countries far from the technology frontier, as they can take advantage of productivity-enhancing technology developed elsewhere. We apply a relatively conservative estimate of a 5% return to investment in R&D.

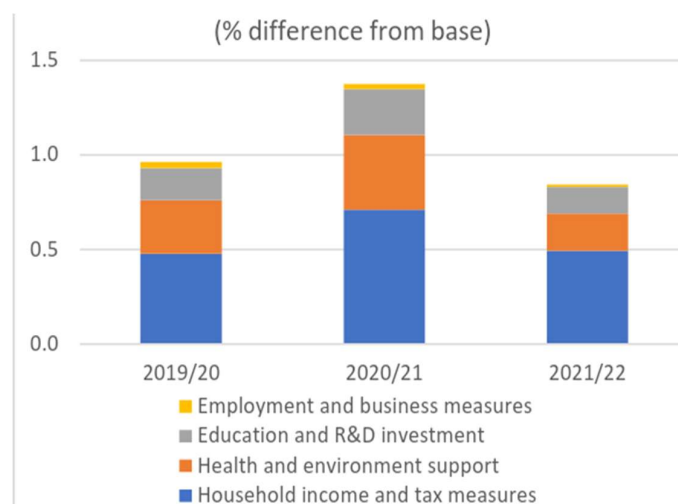
**Employment support measures** have helped to preserve jobs during the pandemic. They have also helped to retain the links between employers and employees, which will allow a more rapid recovery when it is safe to lift restrictions on mobility and economic activity can return to normal.

**Business measures** include the support measures that have been provided to businesses, such as tax relief or deferrals; subsidies; and all forms of liquidity support that have helped firms cope with the decline in economic activity. These measures have helped alleviate firm risk, stave off bankruptcy and retain productive capacity so that economic activity can return to normal when restrictions on mobility are lifted. By reducing the user cost of capital, these measures have helped sustain business investment and activity.

The moratorium on **government interest payments** has helped finance the support measures detailed above, reducing the pressure on public finances.

Figure 5 illustrates the estimated impacts of the combined policy measure on GDP, decomposed into broad policy instruments. Without these policy supports, GDP in 2020/21 would suffer an even deeper contraction. We would have expected the level of GDP to decline by a further 1.5%. Household income support and tax measures account for roughly half of the impact of policy measures on GDP. Spending on health and environmental protection have raised the level of GDP by about 0.4 per cent, with the remainder coming from investment in education and R&D, employment support and business measures.

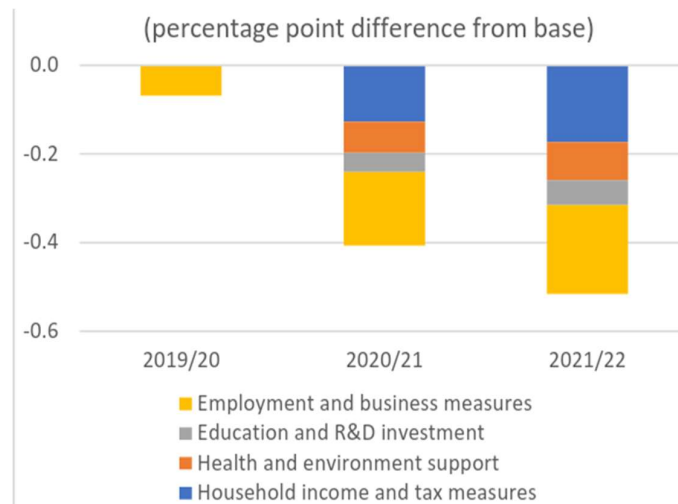
**Figure 5: Estimated Impacts of Policy Measures on GDP**



**Source: UN ESCAP Macroeconomic Model scenario**

Figure 6 shows the estimated impacts of the policy measures on the unemployment rate. In the absence of policy measures, the unemployment rate would have been at least ½ percentage point higher than it currently stands. Employment support and business measures have helped preserve jobs, which has helped alleviate hardship during the crisis and lays the groundwork for more rapid recovery when restrictions on activity are lifted.

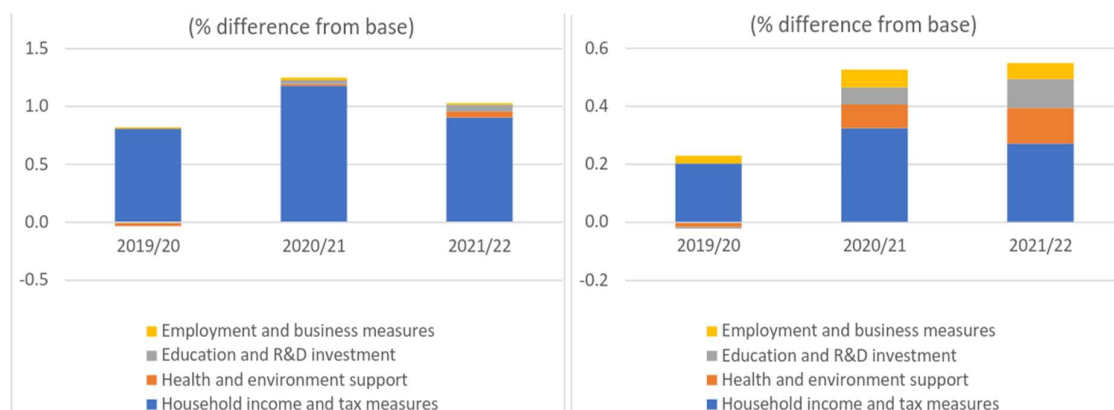
**Figure 6: Estimated Impacts of Policy Measures on Unemployment Rate**



*Source: UN ESCAP Macroeconomic Model scenario*

Policy measures have helped to sustain household consumption levels. Figure 7 shows the estimated impact of the measure on household consumption, which would have been at least 1 per cent lower in the absence of policy support. Not surprisingly, the consumption impacts have been driven primarily by the measures targeting households. Private sector investment has also held up better than it would have in the absence of support measures, with investment in key areas by the government squeezing in complementary private sector investment.

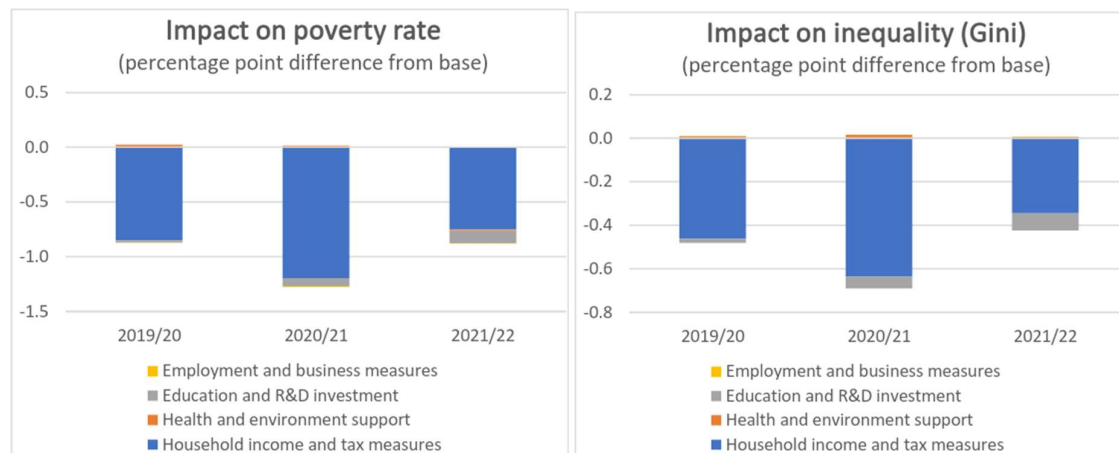
**Figure 7: Estimated Impacts of Policy Measures on Household Consumption and Private Investment**



*Source: UN ESCAP Macroeconomic Model scenario*

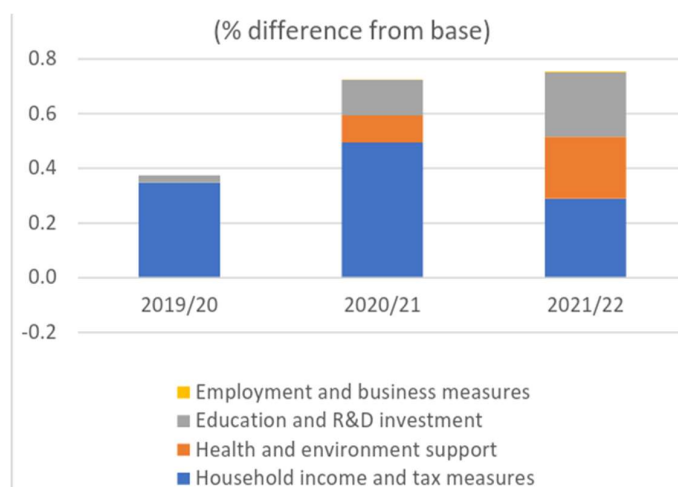
The measures directed towards households have also kept inequality and poverty from rising as much as they would have in the absence of such measures (Figure 8). The poverty headcount rate could have risen by an additional one percentage point, while inequality, as measured by the after-tax Gini coefficient, could have increased by a further 0.7 percentage points.

**Figure 8: Estimated Impacts of Policy Measures on Poverty Rate and Inequality**



**Source: UN ESCAP Macroeconomic Model scenario**

The policy measures that have been introduced have not only helped to sustain the economy during the pandemic but have also laid the foundations for a more robust recovery, with long-term returns from the investment programmes. Figure 9 illustrates the estimated impact of policy measures on the long-run potential output of the Samoan economy. By next year, the net impact on potential output is fairly evenly split between the household support measures, health and environmental protection measures, and investment in education and R&D. Household support measures account for over half of the fiscal measures that have been introduced, so clearly have a heavyweight. By sustaining the economy, they have squeezed in some private sector investment, which in turn has sustained the capital stock and long-run potential of the economy. Investment in health has helped build a healthier society, with long-run implications for labour productivity. Investment in education and R&D are also expected to support labour productivity over the longer term.

**Figure 9: Estimated Impacts of Policy Measures on Potential Output**

**Source: UN ESCAP Macroeconomic Model scenario**

While Samoa has clearly suffered heavy economic and social losses due to the Covid-19 crisis, the fiscal policy support measures that have been introduced have helped cushion the blow and prevent even deeper losses from occurring.

## SECTION 7: FISCAL POLICY SCENARIOS

The government has committed approximately SAT \$196.9 million to finance the three stimulus and relief packages implemented in 2020 and 2021. However, this amount does not include other assistance, including total foregone taxes and service fees under phase three. Moreover, recurring operating budgets for several key agencies, including Health and Education, have received funding increases in the new FY 2021/2022 budget, complementing specific activities supported through the stimulus measures. Should the government contemplate a phase 4 of the stimulus package and adopt a budget fiscal expansion to reinvigorate and speed up economic recovery, the following assessment provides an overview of possible scenarios for the government to consider in the short-medium term.

**Table 15: Summary Fiscal Measures**

<b>Fiscal Year</b>	<b>Estimates for COVID 19 Response via Budget (SAT million)</b>	<b>Total Govt Receipts &amp; Grants Estimates (SAT million)</b>	<b>Total Govt Current &amp; Development Expenditure Estimates (SAT million)</b>	<b>Budget Deficit (SAT million)</b>	<b>Real GDP (SAT billion)</b>
<b>PHASE 1 FY 2019/2020 (including 1st supplementary)</b>	<b>66.3</b>	<b>885.3</b>	<b>980.3</b>	<b>-95.02</b>	<b>2.02</b>
<i>% of COVID 19 Response</i>		<b>7.5%</b>	<b>6.8%</b>		<b>3.3%</b>
<b>PHASE 2 FY2020/2021 (including first supplementary)</b>	<b>83.1</b>	<b>848.9</b>	<b>976.5</b>	<b>-127.6</b>	<b>1.86</b>
<i>% of COVID 19 Response</i>		<b>9.8%</b>	<b>8.5%</b>		<b>4.5%</b>
<b>PHASE 3 FY2021/2022</b>	<b>47.5</b>	<b>876.3</b>	<b>982.5</b>	<b>-106.2</b>	<b>1.9</b>
<i>% of COVID 19 Response</i>		<b>5.4%</b>	<b>4.8%</b>		<b>2.5%</b>
<b>Total</b>	<b>196.9</b>				

Samoa's overall fiscal balance for FY2019/2020 (including grants) recorded a surplus reaching around 6 per cent of GDP by the end of June 2020. It is also expected that the actual budget outturn for FY2020/21 upon completion of public accounts in November 2021 would reflect a surplus of 1 per cent. These are mainly driven by a favourable outturn in tax revenue collection owing to improved tax compliance in advance of the phased rollout of the Tax Invoicing Management System (TIMS) as well as reduced spending across the public sector.

The fiscal space scenarios for Samoa are mainly premised on the availability of an effective

set of vaccines, which is the main requirement for reopening of our borders as well as improvement to nominal GDP through several vital industries, including tourism and commerce. Scoping of the fiscal strategies to respond to the projected government budgetary costs of the pandemic has been complicated by a highly volatile economic and financial situation and drifting estimated timelines for the availability of vaccines. The following scenarios have been updated to reflect the base case developed by Government through their Fiscal Strategy FY 2021/2022, which includes the current budget plus two fiscal years, as well as updated scenarios developed through the 2021 Article IV Consultations with IMF and the author's estimates based on recent vaccine developments:

- a. **Base Case (GoS Fiscal Strategy FY 2021/2022):** the fiscal gap is expected to widen from FY 2021/2022 (-2.5% of nominal GDP) and improve slightly from FY 2022/2023 onwards. By FY2023/2024, the fiscal gap will be -2% (SAT 46.8m) of nominal GDP (SAT 2.34 billion) with total revenue contribution to nominal GDP at 34% (SAT 762.7m) and total current expenditure at 28.1% (SAT657.5m).
- b. **Updated Base Case (IMF Article IV Feb 2021):** the fiscal gap is expected to widen from FY 2020/2021 (-3.4% of nominal GDP) and improve slightly from FY 2023/2024 onwards. By FY2025/2026, the fiscal gap will be -2% (SAT 49.9m) of nominal GDP (SAT 2.49 billion) with total revenue contribution to nominal GDP at 36% (SAT 899.6m) and total expenditure at 38% (SAT949.6m).
- c. **Active Scenario (IMF Article IV Feb 2021):** the fiscal gap is expected to widen from FY 2020/2021 (-4.5% of nominal GDP) and worsen up until FY 2025/2026. This is mainly due to additional expense measures related to social protection and stimulus for COVID-19 from FY 2020/2021 until FY 2023/2024. It is also expected that gains from additional revenue measures, including broadening the VAGST base as well as exercise taxes, will lead to faster recovery of the fiscal gap from FY 2024/2025 onwards. By FY2025/2026, the fiscal gap will be -1.8% (SAT 44.9m) of nominal GDP (SAT 2.49 billion), with total revenue contribution to nominal GDP at 37% (SAT 924m) and total expenditure at 29.7% (SAT 742.2m).
- d. **Emergency/Crisis Active Scenario:** similar to the Active Scenario for the FY2021/2022, however, the fiscal gap is expected to increase from -7.6% to -10.7% of nominal GDP in FY 2021/2022 in anticipation of a significant increase in social protection expenditures arising from an extended lockdown of the economy until the first half of 2022, in the light of an emerging crisis with the current supply constraints for COVID-19 vaccine and variants that have proven resistant to the vaccines. With relatively high international reserves and low inflation, there could be a strong case for issuing a domestic resilience/pandemic bond, targeting the pension funds (ACC/SNPF) initially to allow the government to respond rapidly to provide increased social protection expenditures, which can be counterpart funding to the attraction of external grants and other concessional financing options as from 2022/2023 onwards.

These scenarios highlight the need for other additional expansionary fiscal measures in light of the increasing fiscal gap for the Government.



## SECTION 8: FINANCING SOURCES

Recognising the need for government to extend subsequent rounds of fiscal measures as well as pursuing an expansionary fiscal strategy in the face of cash flow restraints, the following sources of financing are presented for consideration:

### **Domestic Sources**

- a. Increased tax collections by the Ministry of Customs and Revenues through:
  - i. Increased revenue collections through improved compliance;
  - ii. Continuation and full roll-out of the Tax Invoice Monitoring System (TIMS);
  - iii. Recovery of outstanding income tax dues, VAGST, duties and excise taxes at the borders.
- a. Exercising fiscal restraint and curtailing unnecessary government spending.
- b. Fast-tracking project implementation to stimulate the economy.
- c. Timely and efficient roll-out of new fiscal recovery measures under Phase 3 of the FY2021/2022 Budget.
- d. Sourcing funds from UTOS, NPF and ACC to finance significant capital investments on concessional terms.
- e. Seek financing from local commercial banks.
- f. Government to consider the issuing of Government Bonds and Treasury Bills.

### **External Sources:**

- a. Seeking new grants and budget support from bilateral partners and International Financing Institutions, or co-financing with them.
- b. Reimplementing DSSI beyond the current approved period as a short-term strategy to reduce the pressure on the Government's fiscal position
- c. Borrowing from multilateral and/or regional development banks (ADB, World Bank etc.), as a last resort,
- d. Exploring Public-Private Partnership (PPP) opportunities,

## SECTION 9: CONCLUSION

In the face of an ever-evolving COVID-19 pandemic, the widespread intertwined health, social, environmental, and economic impacts of the pandemic continue to disrupt all lives across countries and communities.

Now close to two years into the crisis, Samoa faces the daunting task of managing and rebuilding its economy, an unprecedented challenge as the world economy is faced its deepest recession since World War II.

While the crisis has disproportionately affected the livelihoods of Samoa's most vulnerable groups, it provides a timely opportunity for the government to conduct a thorough review of existing practices, policies, and priorities, as well as learn lessons from today's failures to make positive and transformative changes for tomorrow.

As countries embark on post-COVID-19 recovery pathways, Samoa must also seize the moment to rebuild more robust, better and more resilient communities.

## SECTION 10: RECOMMENDATIONS

Based on the study findings, the following interventions are proposed for the Government of Samoa:

- I. The unpredictable nature of the COVID-19 pandemic and the uncertainties of new covid variants heightens the necessity for additional expansionary fiscal measures beyond June 2022.
- II. As a follow up to this paper, future studies should be conducted to document the lessons learnt from the pandemic to generate knowledge for policymakers so that Samoa will emerge stronger from the pandemic.
- III. With the tourism industry accounting for approximately 25 per cent of the country's gross domestic product (GDP), the current downtime in tourism activities provides an opportune time for the government to explore and venture into new tourism-related services, including medical tourism, sports tourism, and retirement care for the elderly.
- IV. Looking into the future, it is crucial that investments and priorities of today are strategically tailored towards sustainable and resilient solutions for an inclusive, green, and sustainable future.

- V. Climate change will remain the single most pressing concern facing humanity. As such, a well-coordinated and integrated approach to national planning, policy formulation and resource allocation should be warranted so that our societies are better prepared for the future.
- VI. Considering the increasing fiscal gap for the government, the paper proposes financing options under Section 8 for consideration.
- VII. The ESCAP Macroeconomic Model presented in 6.4.1 is a global tool developed to support the design of economic fiscal and recovery policies for the Asia and Pacific region. Through the Ministry of Finance, the Government of Samoa is invited to explore this tool as an alternative model to complement the Samoan Economic and Revenue Forecasting (SERF) model.
- VIII. The Government of Samoa is invited to present the findings for this assessment. The presentation also provides an opportunity for government officials to discuss the results, provide comments and recommendations, as well as seek assistance from ESCAP on future technical assistance (TA) needs.

## LIST OF ANNEXES

### Annex 1: List of References

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