



INVESTMENT CONCEPT NOTE TITLE – SAMOA HUMAN DEVELOPMENT AND SOCIAL INCLUSION INVESTMENT

A. Development Context (What is the problem?)

The evolving human development and social inclusion landscape

By many metrics, Samoa has made remarkable progress since the turn of the millennium. The country has the highest life expectancy in the Pacificⁱ. The maternal mortality ratio has nearly halved in the last two decades. Net enrolment rates for primary and secondary education have grown steadily since 2000 and now stand at 94.4% (2018)ⁱⁱ and 85.5% (2016) respectivelyⁱⁱⁱ. Levels of women's representation in decision-making fora are gradually improving and, following a change to the Constitution in 2013, women now hold seats in the national Legislative Assembly^{iv}.

These **positive changes** must be celebrated. Yet behind these headlines lays a more mixed picture; one in which there are **pockets of stalled progress, a reversal of gains and even decline**. Rates of basic needs poverty have crept up from 18.8% in 2013 to 22.7% in 2018^v. Domestic violence remains a serious issue, with 52% of women reporting having experienced physical, emotional, and/or sexual violence by an intimate partner^{vi} - an increase of nearly 6% over the last decade^{vii}. Immunisation rates remain stubbornly low. A measles outbreak in late 2019 claimed 83 lives^{viii}, the majority of whom were children^{ix}. Non-communicable disease-related threats are on the rise. More than 55% of females are obese^x and about a quarter of adults have diabetes^{xi}. Drop out and completion rates in the education sector are of growing concern, as are the learning outcomes for those who attend. Only 45.5% of children aged 7-14 can successfully complete three foundational reading tasks^{xii}. Boys lag behind girls on several indices, including learning outcomes, repetition rates, and drop-out rates^{xiii}. For students with disabilities, the picture is even more stark, with only nine enrolled in secondary education in 2019^{xiv}. (See Annex A for more details).

The impact of the global COVID-19 pandemic

Samoa, like most countries, is at a critical juncture. The COVID-19 pandemic has had and will continue to have a significant impact on the Samoan economy, the service delivery environment, and household wellbeing. The unemployed, female-headed households, the elderly, people with disability, those in the informal sector, and those engaged in adversely affected sectors (e.g. tourism) face particular risk of economic hardship and vulnerability. Samoa's formal social protection system is restricted to the age pension scheme.

Should COVID-19 arrive in Samoa, the health-related effects could be severe. State capabilities in health sector planning, coordination, supply chain management, and service delivery remain weak. Moreover, the over-riding emphasis placed on the current global pandemic may crowd-out other needs, e.g. as they relate to non-communicable diseases and family planning and reproductive health services. Further school closures and the absence of widely accessible online learning platforms may translate to a downturn in the mean years of schooling, falling test scores, and a loss in earnings. There is a significant risk that the poor, those with specific learning needs, and/or those households which are geographically remote would be disproportionately affected.

Samoa's reform agenda

The Government of Samoa (GOS) is committed to an ambitious policy agenda: the Education Sector Plan (2019-24) aspires to improve learning outcomes for all, increase participation and completion rates at all levels, and increase rates of employment for graduates; the Health Sector Plan (2019-2029) aims to improve health systems

(including to better respond to health emergencies) and strengthen primary health care; and, the Community Sector Plan (2016-2021) seeks to reduce gender-based violence, promote inclusion for vulnerable groups, and empower women. Consultations for the long-term Samoa 2040 framework are underway, and the new medium-term Strategy for the Development of Samoa (2021-25) is close to finalisation. Both Samoa 2040 and the SDS emphasise human capital development as an essential prerequisite for Samoa's future prosperity.

It is highly probable that the Samoan Government will remain committed to existing high-level aspirations. However, the COVID-19 pandemic has changed the landscape: needs have grown, disparities may have widened, and the fiscal space tightened. Samoa – like all countries – finds itself in challenging or uncharted waters. Decisions made now will have repercussions for the country, its businesses, and its citizens for years to come.

Concerted action is required but it can be difficult to determine the right course of action. The drivers of poor service quality, violence against women and girls (VAWG) and social exclusion are complex in nature. While experience has shown that improvements can be made, it can often prove difficult to sustain progress. The recent decline in secondary school completion rates and the oscillating levels of basic needs poverty since 2008 merely illustrate this point. Such challenges are classic cases of so-called “**wicked problems**”^{xv} – problems that do not lend themselves to technocratic solutions that are delivered within single organisational units. Wicked problems are often merely symptoms of other problems; problems which cut across organisational, political, socio-cultural, and economic landscapes. International evidence that links prolonged school closures and increases in domestic violence, and climate change-related changes to disease profiles are cases in point^{xvi}.

The proposed investment

From the current crisis emerges an opportunity: an opportunity to reflect, to re-set, and ultimately to build back better. As DFAT Secretary Frances Adamson noted to the Institute of Public Administration of Australia in 2019, complex challenges require new ways of working^{xvii}. The **Samoa Human Development and Social Inclusion Investment** is conceived in the same vein. As an eight year investment (2021-29), it will deliver Australia's commitments in the latter phase of the Samoa COVID-19 Development Response Plan (2020-22) (CRP) and then help build the human development foundations required for Samoa's economic recovery and continued stability thereafter. Most of Australia's human development and social inclusion investments in the fields of health, education, social protection, gender, and disability will be brought under one roof. They will be planned and delivered within a clear strategic framework that is linked to GOS plans and the delivery of GOS sector policy objectives, and be guided and supported by an agile Investment Manager.

B. Strategic Intent and Rationale (Why should Australia invest?)

Why human development and social inclusion? Alignment with Australian policy objectives

Australia is Samoa's largest bilateral donor. Total Australian ODA to Samoa in 2020-21 is estimated to be AUD37.2 million, of which AUD27 million is allocated to the Samoa bilateral program. The Samoa CRP commits Australia to work with its partners to improve health security, maintain stability and support economic recovery. Australia has already injected AUD10.5 million to address the impacts of COVID-19. This assistance includes budget support to ensure fiscal stability and measures to maintain essential services to vulnerable people. Looking beyond the CRP, Australia and Samoa regard human development investments as being critically important building blocks upon which individuals, communities, organisations, businesses, and the nation can recover and fulfil their potential.

Why this and why now? Alignment with the aid tests

The proposed investment in human development and social inclusion passes Australia's four aid tests. A healthy, prosperous, and stable Samoa – one in which *all* citizens have equitable access to essential goods, services, and opportunities – is in **Australia's interests**. A healthy, skilled, and mobile workforce generates economic dividends for Australia and Australian businesses. For Samoa, improved wellbeing, social inclusion and greater household prosperity offer the means to **break the intergenerational transmission of poverty and vulnerability**. The Investment therefore represents a strategic, long-term investment in the capability of GOS and its partners to plan

and deliver high quality essential services and programs *for all*. As such, it will be an important enabler of Samoa's continued pursuit of good health and wellbeing (SDG Goal 3), quality education (SDG Goal 4), gender equality (SDG Goal 5), reduced inequalities (SDG Goal 10), and, ultimately, decent work and economic growth (SDG Goal 8). The approach described in this Concept Note is also consistent with SDG Goal 17, i.e. of partnerships for sustainable development.

The Investment embodies Australia's commitment to **performance management** and the delivery of effective development assistance. As a "flexible operating model"^{xviii}, it will enable Australia to respond, pivot or reorient its development assistance to better respond to changes (e.g. in government policy priorities), to mitigate shocks (e.g. associated with pandemics, sharp recessions, cyclones), better respond to opportunities, and adjust strategies and approaches in pursuit of improvements to human development. Our ability under the Investment to deploy a range of service lines, to remain agile, and to think and work politically means that the Investment is aligned with the call made by the Secretary of DFAT in 2019 for "more sophisticated" ways of responding to "challenges [that] grow more complex and difficult to meet"^{xix}. The ability to blend delivery of 'technocratic approaches' to overcome so-called 'tame problems'¹, coupled with more systemic approaches to resolve 'wicked problems', will result in enhanced relevance and more cost-effective change, cementing Australia's reputation as **long-standing and valued partner in Samoa**.

What have we learned? Reflections and an evolution in approach

To an extent, the mixed performance in Samoa's human development and social inclusion landscape can be explained by a range of causes: budget shortfalls; an inefficient and ineffective use of government spend; patchy policy coherence, suboptimal planning and expenditure; variable sector governance and coordination; variable organisational capabilities; and, weak systems of accountability. Yet experience in Samoa and beyond points to something else: the presence of 'wicked problems' that are more difficult to isolate and target with neat, technocratic solutions. Over time, DFAT (and many of its partners) have realised that the key to unlocking solutions to stubborn problems is not the application of simple, technical measures.

Samoa is no different. Since 2015, DFAT Post has invested in more than 15 'standalone' projects or programs in the human development and social inclusion space. Experience suggests that:

- › Whereas comparatively 'tame' problems (e.g. improving Samoa's COVID-19 testing capacity) have been well addressed by stable, well mapped out programming, investments in 'wicked' problems (e.g. improving rates of childhood immunisation) that were conceived and delivered from a largely technical perspective and without due consideration of political and institutional forces, have demonstrated only patchy success (DFAT-financed Immunisation Strengthening Project).
- › Where there have been instances of successful collaboration between partners and investments, they have leveraged off each other's resources, insights, and networks, with significant benefit (e.g. the finalisation of a new National Disability Policy).
- › While there is latent demand for flexible responses to pressing challenges in the GOS (e.g. in the Ministry of Education, Sports and Culture), the ability of DFAT Post in Apia to respond effectively has been hampered by the absence of a 'smart modality' could scrutinise requests, deploy support in an astute manner, monitor progress, learn and share lessons, and follow-up as necessary.
- › While Post has responded positively and constructively to unforeseen changes and demands in 2020, it has placed considerable strain on internal resources, suggesting that any ongoing need to respond to an evolving COVID-19 context might be compromised without a change in our way of operating.
- › While elements of DFAT programming have displayed agility and responsiveness to government requests, the absence of clear strategic objectives within which potential activities are considered and framed has created an *ad hoc* and fragmented portfolio that heightens risks and underplays Australia's interests.

¹ Those that have a clear cause, solution and end point, and which can be approached in a largely technocratic and linear fashion.

The design team will explore such lessons, while examining ways to maximise coordination between this and other investments in Samoa and the region. The team will also be expected to secure relevant insights from other multi-sector facilities², more narrowly framed, but adaptive investments in the field of human development³, and where modalities have sought to evolve or mature over time⁴. Specific attention will be paid to the applicability of those insights in the Samoan context⁵, and, more broadly, the findings and recommendations of the Australian National Audit Office report of April 2020 on the value for money of facility arrangements.

What would success look like?

Indicatively, the Investment will be deemed to be a success when the GOS, DFAT Post and/or their partners believe that the Investment and the modality are of value; where the Investment has generated notable benefits for target populations; when it has actively forged or enabled cross-investment/program coordination and coherence; where it has ushered in changes of significance (e.g. to policy, policy process and implementation, forms of collective action); where there is evidence of scaling; and when efficiencies have been achieved in the delivery of the bilateral development program.

C. Proposed Outcomes and Investment Options (What?)

Proposed End-of-Investment-Outcomes

The **goal** of the Investment is to *accelerate progress towards improved human development outcomes for all Samoans*, e.g. as reflected in improved learning outcomes *for all* and improved prevention, control and management of communicable and non-communicable diseases. It is anticipated to have **three end-of-investment-outcomes (EIOs)**, all of which would reflect the **collective endeavour** of DFAT, the GOS, the Investment Manager, and the delivery partners:

1. Government and non-government providers deliver higher quality essential services and programs [*i.e. quality*].
2. More people have access to essential services and programs (e.g. SRHR, VAWG counselling, social protection), including women, girls, people with disabilities and vulnerable people [*i.e. access and equity*].
3. Australian assistance incentivises the Government of Samoa to address policy reform, system bottlenecks and pursue collaborative partnerships and innovation to maximise resources and improve service delivery outcomes [*i.e. ways of working and sustained benefits*].

A portfolio of programs and interventions will be housed within the overarching investment and be aligned with its global theory of change. Each separate program/intervention will have its own theory of change that is aligned with specific GOS policy aspirations and be embedded within the investment's overarching Performance Management Framework (PMF). For illustrative purposes, nested, sector-specific outcomes might include significant instances of:

- Decision-making within the education sector being informed by data analysis, research, policy and reviews (see Goal 4 of the ESP, 2019-24).
- Education sector coordination responsibilities being managed more efficiently (see Goal 5 of the ESP, 2019-24).
- Health sector resources being used more efficiently and effectively to meet health care needs (see 2nd strategic focus of the Health Sector Plan, 2019-2029).

Change processes and associated investment options

² e.g. in PNG-Australia Governance Partnership; Fiji Program Support Facility; Partnership for Human Development, Timor-Leste.

³ e.g. Technical Assistance for Systems Strengthening, Indonesia; Australia Indonesia Partnership for Gender Equality and Women's Empowerment.

⁴ e.g. the Solomon Islands Resource Facility.

⁵ e.g. in light of lessons from the Samoa Governance Support Program.

The End-of-Investment-Outcomes (and Intermediate Outcomes) are expected to guide strategic planning, delivery, and collaboration. While they represent the expected destination, the pathways to that point will require careful navigation and periodic adjustment. This exploratory endeavour is consistent with the nature of the **development constraints** that the Investment seeks to help overcome and our working understanding of how change occurs. In essence, that established institutions, interests and incentives must be carefully navigated, that complex challenges require collective action, and that actors need to continually experiment, reflect, learn and adapt. Against that backdrop, the option of an (unmanaged) investment portfolio comprised of supply-side measures and demand-side interventions in which the technical capabilities of the state are improved to enhance responsiveness on the one hand and civil society strengthened to better demand transparency and accountability on the other, holds limited promise. DFAT's **preferred option** is to apply a joined-up, systemic approach that fosters collaboration between actors across sectors. This systems and partnership-centred approach will help secure attainment of the End-of-Investment-Outcomes as well as foster deeper, more frequent collective action which enhances the prospects of sustained impact beyond the lifetime of the Investment.

Subject to further discussions at design stage, the Investment is expected to focus on five themes: **health, education, gender, disability, and social protection**. It will support those aspects of policy, systems and practice where there is scope to test the potential for transformative change and do so by drawing upon a broad suite of mutually supportive **service lines** (see Annex B). The partners will have the option of scaling up and down the degree of investment in each sector/theme over time, i.e. as ambitions and opportunities expand or recede. They will also have the option of placing 'small bets' (e.g. discrete TA inputs) to test the scope and appetite for reform. In principle, investment decisions would be shaped by the two governments' understanding of needs and opportunities, and the comparative advantage of DFAT vis-à-vis other development partners and agencies. In that light, DFAT does **not anticipate investing in water and sanitation, and it regards social protection as a 'green field'** but an area that will require increased focus, particularly given the impacts of COVID-19.

Expected benefits

This joined-up investment represents a new way of working; one that seeks to be catalytic in nature. The Investment will actively seek to support and nudge the GOS and its partners to pursue high impact reform pathways. In doing so, it should help secure the most effective use of domestic and development partner resources. From a **Samoa-facing perspective**, the Investment is expected to generate benefits at two levels: first, for the end users of those essential services and programs directly supported by Australian investments; and, secondly, at a systems-level, with the improvements to state capability providing indirect benefit to a broader range of end users and over an extended period of time. From an **Australian Government-facing perspective**, the investment will allow DFAT to: participate in more frequent and higher quality engagement with the GOS and other partners on critical policy and strategic issues; better anticipate and manage risk; work with a wider range of partners (including private sector and NGOs); better see and manage the totality of our support, including the links between bilateral, regional and global programs; deliver a more cost-effective approach when compared to alternative scenarios (e.g. separately tendered programs and projects); enhance administrative efficiency; and, better position Australia as Samoa's partner of choice (e.g. given our greater ability to respond more quickly and more imaginatively). **For both parties**, the transition to a coherent, *managed* portfolio of programs/interventions offers scope for greater relevance and effectiveness. The support of a politically, strategically and tactically savvy Investment Manager will help ensure that synergies are identified and acted on in a timely fashion.

D. Implementation Arrangements and Delivery Approach (How will DFAT deliver it and engage?)

Delivery options

Delivery Option A: an administrative facility⁶ in which a Facility Manager centrally *administers* contracts held with a range of delivery partners (e.g. NGOs, multilaterals, commercial contractors) and responds to instructions issued

⁶ DFAT's *Guidance Note: Performance Assessment Framework for Facilities* (September 2020) makes reference to "administrative/logistic services facilities"

by DFAT. DFAT is regarded as the primary beneficiary, with the reduced administrative load permitting greater policy dialogue and partner engagement. Sometimes called an “enabling facility”.

Notable benefits: clear, stable expectations; comparatively familiar modality; offers parties a flexible resourcing vehicle.

Notable limitations: limited scope to forge coherence and integration across the portfolio.

Notable risks: fragmentation, and loss of focus and impact; delivery partners and investments work in silos; knowledge resides in siloes; Facility Manager regarded by delivery partners as an unwelcome intermediary.

Delivery Option B: a hub and spoke facility in which a Facility Manager centrally administers contracts and actively manages the investment portfolio on behalf of the two governments. The Facility Manager (the hub) provides specific value-adding services to DFAT, the GOS and the delivery partners (the spokes) and injects politically-informed and tactically-smart ‘small bets’ (i.e. discrete TA activities) *between* the investments. It does so with a view to: (a) harnessing emerging opportunities, trialling ideas and managing risk; (b) forging coherence, integration and learning *across* DFAT’s investments; (c) and, encouraging timely adaptation *within* investments, and all with a view to optimising the returns on Australian and Samoan investments in key sectors. Sometimes called a “development facility”.

Notable benefits: offers opportunity to resolve wicked problems and to build a coherent, effective portfolio with a compelling narrative; actively supports learning, dialogue and adaption within and across the portfolio.

Notable limitations: requires trust and a devolution of appropriate decision-making powers to the Facility Manager.

Notable risks: mixed signals about the Facility Manager’s roles and responsibilities leads to the appointment of personnel with the ‘wrong’ skill set; Facility Manager is regarded by delivery partners as an unwelcome intermediary; it takes excessive time for the facility to ‘find its way’ and for trust to emerge; influence of Post is diluted by transfer of functions; perceived/actual dilution or de-prioritization of specific services (e.g. disability subsumed within ‘social inclusion’).

Delivery Option C: a multi-sector flexible program in which a Program Manager administers contracts and manages the DFAT portfolio as per Option B, but where nested programs and key partners are identified and tightly framed at the outset. Outcomes and Intermediate Outcomes are set but there is flexibility and openness in terms of how change will be triggered, i.e. what the program does in pursuit of agreed results. Outputs are proposed by the PM and considered/approved by DFAT and GOS as part of the Annual Planning arrangements.

Notable benefits: well suited to the tackling of specific problems, particularly where well understood; offers unprogrammed funds and therefore flexibility and responsiveness (but at activity and input level); comparatively minimal risk of strategic drift.

Notable limitations: may take more time to design upfront; assumes a well-informed understanding of development challenges, their drivers, and how change occurs, which is not necessarily the case insofar as wicked problems are concerned; may necessitate partnerships outside of the program, adding to DFAT’s transaction costs.

Notable risks: may promote technical approaches unless logic and management arrangements deliberately allow for addressing more systemic issues.

Phase I (2021-25) of the Investment will take the form of **Option B or Option C**. While Option B *appears* to be the most appropriate, the initial phase of the design process will require detailed and substantiated exploration of *both* options. Due consideration will be made of, *inter alia*, their suitability (e.g. in light of what is known of the development challenges), their potential to secure the optimal effectiveness and efficiency of the nested programs/interventions, risks (and their management), and projected value for money returns.

The Contractor’s role

A managing contractor (the Manager) will provide overall management of the Investment. The Manager will be expected to act upon the instruction of DFAT and the governing group, while having licence to think and act within agreed parameters where measures are consistent with the identified outcomes, key policy priorities, and agreed operating principles. The Manager will therefore form part of a partnership involving DFAT, the delivery partners and the GOS. From a portfolio perspective, the Manager will be expected to support partners to look across sectors/actors, to see the interdependencies within the overarching theory of change, and to identify opportunities for influencing or intervening in the system. Nonetheless, the expectations placed on the Manager

will be clear: it will be expected to complement and add value, not detract and disrupt. It must therefore enhance, not dilute, established, well-functioning and trusted relationships between DFAT and the GOS.

A list of tentative programs and initiatives to be housed within the overarching investment is provided in Annex B. A small number of these will be novated across for the Manager to manage/implement during the design phase of the Investment. Others have existing designs, and others again will be designed in due course, ensuring appropriate nesting within the Investment. The Investment design team will be tasked with determining, *inter alia*: the optimal blend of delivery via government systems⁷ and parallel delivery modalities; how/where best to continue and/or even expand direct budget support, and the role of the Investment in that regard; and, the service lines and types of activities expected of the Manager.

DFAT is conscious that some Samoan stakeholders have minimal exposure to flexible modalities and facility and multi-sector program structures. As such, DFAT will have to pace and sequence the transition to a new way of working carefully and sensitively.

DFAT's role, associated implications, and opportunities for leverage

This investment will seek to leverage and ultimately strengthen the developmental returns on public spending, development finance, and private resources. DFAT will therefore be responsible for maintaining and strengthening bilateral relations with GOS partners, direction setting (with GOS), and oversight of the Investment's performance. This requires that DFAT plays an active role in: (a) leading high-level or strategic engagement with GOS, development partners and whole-of-government agencies; (b) scanning the landscape for bottlenecks, risks and opportunities; (c) ensuring effective coordination and coherence between this investment, DFAT's upcoming Governance & Economic Growth (G&EG) Investment, and Australia's regional and global investments more broadly⁸; and, (d) facilitating evidence-informed decision-making. DFAT will retain ultimate decision-making authority for all investments.

This outward-facing, strategic, and relationship-centred role is fully consistent with the ambitions foreseen within the **Pacific Step-up**. By devolving an appropriate degree of administration and management to a managing contractor, DFAT should have more time to fulfil this role. DFAT must also be able to engage at the technical and political level, be able to monitor the performance of the Investment, and ensure that the Investment is working within the political economy of DFAT, Samoa and the region. For optimal returns, DFAT Post will therefore require a mix of skills and expertise across several areas, including: policy dialogue and policy analysis; strategic management of flexible modalities; partnership brokering and relationship management; monitoring, evaluation and learning, especially in complex change programs; and, DFAT safeguards and financial accountability.

Indicative governance arrangements

The Design Document will set out agreed governance arrangements. Specific attention will be paid to the interests, concerns, and expectations of both governments, lessons emanating from relevant multi-sector facilities (e.g. in Timor-Leste and Fiji) and their relevance to the institutional realities in Samoa. Subject to further testing, DFAT sees merits in having an 'umbrella agreement' within which there would be further, more specific agreements and governance arrangements for specific thematic areas, sectors or even initiatives within the Investment portfolio. The umbrella agreement might capture the headline aspirations (e.g. the End-of-Investment-Outcomes to which all programs/interventions should be aligned), broad principles about expected ways of working, and mutual obligations. The design team will also explore how to ensure a streamlined arrangement and how to facilitate linkages and coordinated approaches between DFAT's sister G&EG Investment and other DFAT programs. In the interests of agility and timeliness, the governing body would not undertake operational decision-making.

⁷ Approximately 45% of Australia's investment in human development between 2018-20 was delivered via government systems either through budget support (e.g. Education Sector Support Program) or through project grants (e.g. Pharmaceutical Logistics Management System). The role of the Facility Manager in adding value to investments delivered through government systems is outlined in Annex B.

⁸ e.g. the upcoming Pacific regional gender investment, the Pacific Regional Education Framework, and Australian investments in the Partnership with Educational Quality and Assessment Programme, University of the South Pacific, Australia-Pacific Training Coalition, Indo-Pacific Centre for Health Security and the Advancing Universal Health Care Trust Fund.

The various ‘nested’ agreements and arrangements will provide more tailored oversight and direction for specific investments and collaborative endeavours. Wherever possible these would piggy-back or be folded into existing structures (e.g. the Education Sector Advisory Committee).

Performance management

The Investment will develop, implement and periodically review and update an Investment-level Performance Management Framework (PMF). Indicatively it will have two levels: a *strategic* performance framework and an *operational* performance framework. In line with DFAT’s latest Guidance Note on facility PAFs, the Design Document will capture a set of draft performance expectations for the Investment. These expectations will be revisited and finalised within six months of start-up. The PMF is expected to describe the overall scope and purpose of the performance framework, including underlying principles; the Investment’s approach to performance management and continuous improvement; strategies for managing, implementing, reviewing and adapting those approaches; resourcing; approaches to risk assessment and mitigation as they relate to performance management; and, reporting and stakeholder engagement and involvement. A set of partner/program-specific logics and MEL frameworks would nest within the overarching PMF.

An independent progress review of the Investment is envisaged at or about Month 24, as is a Mid-Term Review in 2025. To promote high-quality implementation, the contract for the Manager will include performance payments based on excellent delivery of services and achievement of specific results. For sector specific sub-designs and/or downstream implementation plans the Manager will explore the use of results-based financing and other innovative financing approaches that may suit the Samoa context.

E. Risks

The Investment is deemed to be of medium value and medium risk, as indicated in the Investment Concept Risk and Safeguards Assessment (see attached). We judge that each of the risks can be effectively managed through careful design and review, the careful appointment of key personnel, and ongoing open dialogue during implementation.

All parties recognise that reform processes are inherently political and programs that seek to support changes to policy and practice carry some degree of risk. This Investment is no different. By acknowledging and engaging with the complexity of reform processes and doing so within an overarching strategic framework, the approach described in this ICN represents a tactically and politically smart way of enabling DFAT and its partners to manage and mitigate risk. The proposed approach will also create more time and opportunity for personnel at Post to engage with changes in the external environment.

The Investment will involve contact with children and vulnerable and disadvantage groups. In line with DFAT’s Child Protection Policy, a detailed assessment of child protection-related risks will be conducted during the design phase.

F. What are the next steps?

The design process will be DFAT-led and will follow the Aid Programming Guide for designs valued between AUD10 million and AUD50 million. Following approval of the concept, Apia Post will work closely with ABB and MPB to undertake a one-step open tender process. The Manager will be contracted under a design/implement modality and will be involved in engaging Delivery Partners (and inheriting a small number of novated agreements). The design-implement contract will include a requirement for the Contractor to develop a Delivery Options paper that, following sufficient analysis and consultation, makes a recommendation and justification to DFAT as to the best modality. This will include a value for money assessment. The design-implement contract will also contain a stop-go point as a quality and risk management safeguard to go from design to implementation.

A Senior Program Manager at Apia Post will coordinate the design process, with quality and performance-related input and oversight provided by the First Secretary. Relevant staff at Apia Post and in Canberra will be drawn in to provide specialist input from their respective sectors. Apia Post engaged the services of a Strategic Adviser with

expertise in design and implementation to support the development of this ICN, and the Advisor will continue to provide *ad hoc* design, design appraisal and/or QA support to Apia Post during the design phase and the initial months of implementation.

The IDD will be independently appraised by relevant specialists and peer reviewed by DFAT to ensure it meets quality standards. Following this, the final investment design may return to the AGB for endorsement. First Assistant Secretary Pacific Bilateral Division provides final approval.

The evolving landscape

By many metrics, Samoa has made remarkable progress in the last two decades. With a gross national income of USD 4,120 per capita^{xx}, Samoa is now classified as an upper middle-income country. Samoans enjoy near universal access to essential services, such as safe drinking water, sanitation, and electricity services^{xxi}. The country has the highest life expectancy in the Pacific^{xxii}. At birth, Samoans can now expect to live for more than 73 years – nearly five years longer than a Samoan born in 2000^{xxiii} and three years longer than a contemporary born in Tonga^{xxiv}. The maternal mortality ratio has nearly halved in the last two decades, from 84 per 100,000 live births in 2002 to 43 in 2017^{xxv}. The under-five mortality rate has also declined – albeit more slowly – from 20.7 deaths per 1,000 live births in 2000 to 15 in 2019^{xxvi}, outperforming Fiji (25.7^{xxvii}), Tonga (16.6^{xxviii}) and Tuvalu (23.9^{xxix}).

Levels of women's representation in decision-making fora, including the national Legislative Assembly, are gradually improving and legislation passed in 2013 provides for non-discrimination in the workplace^{xxx}. The net enrolment rates for primary and secondary education have grown steadily since 2000, from 89.3% to 94.4% (2018)^{xxxi} and from 64.6% to 85.5% (2016) respectively^{xxxii}. Over the course of the last Education Support Plan (2013-18), gains were made in several areas, including enrolment in early childhood education and the upgrading of teacher qualifications.

These represent significant positive changes that must be celebrated. Yet behind these headlines lays a more mixed picture; one in which there are pockets of stalled progress, a reversal of gains and even decline. Basic needs poverty has oscillated over the last decade, from 26.9%^{xxxiii} in 2008 to 18.8% in 2013, before creeping up once again to 22.7% in 2018^{xxxiv}. Violence against women remains a serious issue. It is so prevalent that it is regarded as being “socially legitimised”^{xxxv}. According to the most recent DHS-MICS (2020), 52.3% of women aged 15-49 years – more than half of women – report having experienced physical, emotional, and/or sexual violence by an intimate partner^{xxxvi}: an increase of nearly 6% over the last decade^{xxxvii}.

Immunisation rates remain stubbornly low: just over a quarter (26.8%) of children aged 12-23 months had received all basic vaccinations before the conduct of the 2019/20 DHS survey^{xxxviii}. The measles outbreak of late 2019 that claimed 83 lives^{xxxix}, the majority of whom were children^{xl}, compounded citizens' already weak confidence in the quality of health care delivery, and highlighted weaknesses in the ability of the health sector to respond efficiently and effectively to infectious diseases outbreaks. More broadly, NCD-related threats to the health of Samoans continue to gain a foothold. Just over 50% of children and adolescents aged 5-19 are now overweight. Obesity rates among both males and females in this age category tripled from 2000 to 2016, from 8.8% of boys in 2000 to 23.3% in 2016, and from 6.4% to 19.9% among girls^{xli}. More than 55% of females are now obese, up from 45.5% in 2000^{xlii}. About a quarter of adults now have diabetes^{xliii}. Samoa is not alone: Tonga and Tuvalu, for example, have followed remarkably similar nutritional profile pathways for at least the last 20 years^{xliv}.

While education accounted for 13-15% of the national budget over the last decade, the DHS-MICS for 2019-20 finds that less than half (45.5%) of children aged 7-14 can successfully complete three foundational reading tasks^{xlv}. Less than a quarter (22.7%) can successfully complete foundational number tasks^{xlvi}. Learning outcomes for boys are consistently well below those for girls^{xlvii}. Drop out and completion rates are of growing concern. The secondary school completion rate for year 13, for example, declined from 71.4% in 2016 to 35.95% in 2018^{xlviii}. Repetition and drop-out rates across all grades are considerably higher for males than females^{xlix}. And while the number of students with disabilities enrolled in primary education has steadily grown from 166 in 2015 to 281 in 2019, only nine students with disabilities were enrolled in secondary education in 2019^l.

The impact of the global COVID-19 pandemic

Many of these issues and patterns were of concern in 2019. They are of even greater concern in 2020. The COVID-19 pandemic represents one of the most profound challenges in Samoa's recent history. There is a significant risk that the pandemic and its ripple effects will erode the progress made since 2000. Risks to household wellbeing are exacerbated by the presence of an *ad hoc* and fragmented social protection landscape^{li}.

The effects of COVID-19 will be felt by some more than others. The unemployed, female-headed households, the elderly, people with disability, and those in the informal sector and in adversely affected sectors (e.g. tourism) face particular risk of economic hardship and vulnerability. People with disabilities, for example, are more likely to experience pre-existing health conditions that put them at a higher risk of illness and COVID-19-related death. They are also at increased risk of social isolation, violence, and weakened access to essential items, services and support^{lii}. In periods of crises, women are often expected to undertake more unpaid domestic work, are less able to access essential health services, and are more vulnerable to economic hardship^{liii} and domestic violence.

Should COVID-19 arrive in Samoa, the health-related effects could be severe. With the support of Australia and other partners, the health sector has secured greater testing and diagnostic capacity, essential medical equipment, and personal protective equipment. However, for optimal effectiveness these assets need to be accompanied by strong state capabilities in planning, coordination, supply chain management, and service delivery. There remains scope to close the gap. Moreover, while the threat of COVID-19 is real and severe, there is a risk that the over-riding focus on the current global pandemic will crowd-out ongoing needs, e.g. non-communicable diseases and in family planning and reproductive health services.

Service delivery challenges are not restricted to the health sector. Further school closures and the absence of widely accessible online learning platforms may translate to a downturn in the mean years of schooling, falling test scores, and a loss in earnings. In the short-term, boys from vulnerable households are particularly prone to dropping out. In the longer-term, Samoans with poor learning outcomes and limited formal training may be unable to secure access to competitive overseas labour markets (e.g. in Australia). Poor learning standards, coupled with travel restrictions, will limit access to overseas higher education institutions. In such circumstances, the economy would be poorly placed to support the Government of Samoa's goals of increasing domestic production and reducing reliance on imports.

Annex B: Tentative service lines and investments

Tentative partner-facing service lines to be offered by the Investment Manager

Subject to further exploration at Design stage, nested programs/interventions and/or the Investment Manager will offer several partner-facing service lines, including:

- › The provision of trusted, yet independent advice, technical assistance, support, peer review, and encouragement to key decision-makers and reform initiatives (e.g. on policy options, targeting mechanisms, delivery options).
- › The co-creation and piloting of new ways of working, business models or similar, i.e. with a view to stimulating learning, adaptation and scaling of proven practice.
- › The rapid analysis and synthesise of evidence to distil issues of significance, to sense-check working ideas, and to facilitate the co-creation of informed responses in policy and programming debates.
- › The conducting of strategic reviews and evaluations that meet information needs (e.g. of DFAT, GOS, delivery partners) and which provide the insight, credibility and legitimacy for informed action to be taken.
- › The brokering of new partnerships and strengthening existing relationships (e.g. in working groups) to broaden the range of perspectives, resources, and solutions available to actors grappling with stubborn challenges.
- › The convening and facilitation of events that enhance dialogue and support collaborative engagement between actors, including those working at the frontline (e.g. in schools, counselling centres, health posts).
- › The delivery of tailored training, study tours or similar where required to cement informed decision-making.
- › The provision of informal, on-the-job competency development to key decision-makers, with a view to enhancing the capability – the ability – of the government to better interpret data/evidence, plan, adapt and ultimately deliver its commitments.
- › The provision of targeted technical expertise in gender equality and social inclusion (GESI) across this Investment, the G&EG Investment, to our partners and, where appropriate, to our other bilateral and regional investments.

The Manager will also provide a range of inward or DFAT-facing service lines, e.g. as they relate to reporting, communications and event hosting.

It is not anticipated that the Manager will manage funds provided through government systems. However, the Manager may be tasked with assisting Post and partners to interpret financial statements and audit reports, and to facilitate follow-up action as required. Many of the partner-facing service lines outlined above will be in pursuit of improving the effectiveness and efficiency of our budget support programs and GOS's own spend. The extent to which the Manager will be tasked with management of funds to civil society partners will be identified during the design process.

Tentative investments

Subject to further exploration at Design stage, the Investment would manage most of Australia's investments in the following sectors: health, education, gender, disability, and social protection. The Design will define which investments will be included within this overarching Investment and any required transition arrangements for existing investments. Indicatively, investments might include:

- › The Samoa Health Program and the Samoa Health System Strengthening Program (live to June 2022).
- › The Samoa Disability Partnership Program (live to June 2023).

- › Any subsequent phase to the Education Sector Support Program-Technical Assistance Support (live to June 2021).
- › The Samoa Gender Program (including both GOS and civil society) (planned).
- › Support to DFAT on the UNICEF-led Samoa Early Childhood Program (planned).
- › The APTC-led COVID-19 Response Targeted Skills Training Program (planned).
- › Any targeted responses to specific needs that are strategic in nature, e.g. TA.

The success of these investments will be dependent, in part, on the Investment's ability to think strategically and to operate flexibly. Other investments – those which are very processual and linear in nature – require different outlook and skills. Scholarships programs tend to be a case in point, and these will therefore be managed by partners outside the Investment.

DFAT would retain responsibility for a small number of investments where it makes administrative sense to do so and/or where relationships are such that having an intermediary or additional layer would generate more complications than benefits. For example, DFAT will retain management of its direct financing agreements with GOS for budget support programs (e.g. Education Sector Support Program Phase 2) but the Investment will support DFAT in this (see above service lines).

In addition, DFAT might choose to retain management responsibility for a small number of additional investments but charge the managing contractor with some aspects of their administration. The Direct Aid Program might be a case in point, with the Investment potentially tasked with, for example, receiving and reviewing proposals, providing feedback, and undertaking due diligence.

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- ⁱⁱⁱ <https://databank.worldbank.org/reports.aspx?source=2&series=SE.SEC.NENR> [Accessed 16 September 2020]
- ^{iv} DFAT. April 2020. Pacific Women Shaping Pacific Development: Samoa Country Plan Summary.
- ^v <https://sustainabledevelopment.un.org/memberstates/samoa> [Accessed 16 September 2020]
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- ^{vii} The Samoa Family Health and Safety Study (2007) found that 46.4% of women aged 15-49 had reported experiencing physical, emotional, and/or sexual violence by an intimate partner. See Office of the Ombudsman and National Human Rights Institution. 2015. *State of Human Rights Report 2015*. (https://ombudsman.gov.ws/wp-content/uploads/2019/01/2015_State-of-Human-Rights-Report-General_English.pdf) [Accessed 30 June 2020].
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- ^x <https://globalnutritionreport.org/resources/nutrition-profiles/oceania/polynesia/samoa/#:~:text=Samoa's%20under%2Dfive%20wasting%20prevalence,developing%20country%20average%20of%208.9%25.&text=Samoa's%20adult%20population%20also%20face,compared%20to%2022.7%25%20of%20men> [Accessed 16 September 2020]
- ^{xi} <https://globalnutritionreport.org/resources/nutrition-profiles/oceania/polynesia/samoa/#:~:text=Samoa's%20under%2Dfive%20wasting%20prevalence,developing%20country%20average%20of%208.9%25.&text=Samoa's%20adult%20population%20also%20face,compared%20to%2022.7%25%20of%20men> [Accessed 16 September 2020]
- ^{xii} Samoa Bureau of Statistics/UNICEF. July 2020. Samoa DHS-MICS 2019-20. Fact Sheet – Samoa DHS – MICS 2019-20 (Preliminary Results - July 2020).
- ^{xiii} MoESC. 2019. Education Statistical Digest. https://www.mesc.gov.ws/wp-content/uploads/2020/05/2019-Statistical-Digest_FINAL_31st-Jan-2020.pdf [Accessed 18 September 2020]
- ^{xiv} MoESC. 2019. Education Statistical Digest. https://www.mesc.gov.ws/wp-content/uploads/2020/05/2019-Statistical-Digest_FINAL_31st-Jan-2020.pdf [Accessed 18 September 2020]
- ^{xv} See Ramalingam, B., Laric, M., Primrose, J. 2014. 'From best practice to best fit: understanding and navigating wicked problems in international development', *ODI Working Paper*.
- ^{xvi} With regards to the former, see <https://www.savethechildren.net/blog/what-did-13000-children-46-countries-tell-us-about-living-through-covid-19> [Accessed 25 September 2020]
- ^{xvii} <https://www.dfat.gov.au/news/speeches/Pages/institute-of-public-administration-australia-secretarys-series> [Accessed 18 September 2020]
- ^{xviii} Speech made by Frances Adamson to the Institute of Public Administration of Australia on 12 August 2019. See <https://www.dfat.gov.au/news/speeches/Pages/institute-of-public-administration-australia-secretarys-series> [Accessed 16 September 2020].
- ^{xix} Speech made by Frances Adamson to the Institute of Public Administration of Australia on 12 August 2019. See <https://www.dfat.gov.au/news/speeches/Pages/institute-of-public-administration-australia-secretarys-series> [Accessed 16 September 2020].
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- xxxii <https://databank.worldbank.org/reports.aspx?source=2&series=SE.SEC.NENR> [Accessed 16 September 2020]
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- xxxiv <https://sustainabledevelopment.un.org/memberstates/samoa> [Accessed 16 September 2020]
- xxxv Office of the Ombudsman and National Human Rights Institution. 2015. State of Human Rights Report 2015. (https://ombudsman.gov.ws/wp-content/uploads/2019/01/2015_State-of-Human-Rights-Report-General_English.pdf) [Accessed 30 June 2020].
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- li Joint Programme Document – RCO Samoa, Niue, Cook Islands, Tokelau (https://www.ilo.org/suva/public-information/press-releases/WCMS_571933/lang--en/index.htm) [Accessed 30 June 2020]
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