



CENTRAL BANK OF SAMOA

# STRATEGIC PLAN

2024 - 2029





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## i. Foreword

The previous Strategic Plan period was dominated by the unprecedented challenges of the COVID-19 pandemic which tested not only the Samoan economy but also the Central Bank of Samoa. Our response in weathering through these uncharted waters particularly at the onset of the pandemic in 2020 is a testament of the Bank's flexibility and adaptability, in view of its intent from 2019/2020 to 2023/2024 to be "a dynamic and efficient central bank contributing to the economic prosperity of Samoa". This vision remains appropriate for the Bank in its journey for the next five years to FY2028/2029, aligning harmoniously with the Finance Sector's intention to ensure a "resilient macroeconomic framework that is transparent and accountable to support a sustainable economy" for Samoa.

Our vision underpins our drive and commitment to ensure "social harmony, safety and freedom for all" is enjoyed by and assured for the people of Samoa, consistent with the government's Pathway for the Development of Samoa FY2021/2022 – FY2025/2026. At the same time, we also recognize that as a small central bank, we are constrained by our country's vulnerabilities to natural disasters, especially the insurmountable and significant impacts of climate change on our island nation. That being the case, we remain focused in ensuring the Bank's functions and internal processes are robust and flexible, and particularly, to be progressive in light of the rapidly changing environmental and technological space and their impacts on the global and domestic financial landscape.

We endeavor to achieve this vision by promoting a "sound and vibrant financial system" that will foster a sustainable pathway for our small island developing economy. The challenging experiences and lessons learnt in the past will guide our strategic focus and activities in the five years ahead. In particular, we will strengthen our role as a dynamic and trustworthy central bank, with our commitment to undertake the following:

- Effectively and efficiently formulate and implement monetary policy to safeguard macroeconomic stability;
- Maintain a sound, reputable and resilient financial system in a digitally evolving environment;
- Continue with the modernization of Samoa's financial infrastructure and landscape;

- Drive efforts to green Samoa's financial system in a just transitional approach, including increasing its own sustainability practices in-house;
- Be dynamic and steadfast in providing sound economic advice to Government;
- Enhance our engagement with our stakeholders through the provision of timely, quality and relevant information;
- Be proactive and ready for any potential challenges in the future;
- Be innovative to improve our operational efficiencies while managing associated risks;
- Enhance the Bank's social and corporate governance to effectively deliver on its functions and obligations; and,
- Inspire a positive and dynamic workplace culture to empower and retain a professional and competent team.

Overall, and most importantly, we will continue to strive for the best in delivering our core central banking services for the people of Samoa. Ultimately, this Strategic Plan 2024/2025 – 2028/2029 document will guide and align our resources to effectively achieve our Vision.

The strategic achievements in the last five years would not have been attainable if not for the commitment and hard work by the Board of Directors, Management and Staff. We duly acknowledge them and remain encouraged that the strategic activities for the next five years will likewise be conducted effectively and efficiently by the Bank, with their support.



Maiava Atalina AINU'U-ENARI  
**GOVERNOR**

July 2024

## ii. Governance and organizational structure

This section provides an overview of the governance framework within the Central Bank and the organizational set out of Departments to deliver objectives and strategies in the plan period.

### a) Board of Directors

The Board of Directors of the Central Bank is responsible for the policy and the general administration of the Central Bank. Moreover, the Board may exercise any of its powers under the Central Bank of Sāmoa Act 2015; it may make by-laws for the conduct of its business and can issue directives for the purpose of effecting the provisions of the Act and other related legislations.

The Act stipulates that the Governor shall serve as the Chief Executive Officer of the Bank, and is responsible for the execution of the Bank's policies and the efficient management of the Bank. In doing so, the Chief Executive must follow any general or special directions issued by the Board.

### b) Overseeing the Bank's Performance

The Central Bank Act 2015 (as amended) provides the operational autonomy of the Bank under the management of the Governor and a robust accountability structure that involves formal roles for the Bank's Board of Directors which oversee and review the Bank's performance on a regular basis.

- A non-executive Board Audit Committee provides auditing oversight over the operations of the Bank. The Committee serves as an independent advisory body mandated to review the functioning of the CBS oversight system; internal and external audit matters; and financial management, accounting and reporting practices.
- The Board Audit Committee also ensures the Governor and management team conduct their daily operations in line with best practices and good governance.
- The Internal Audit Department reports directly to the Governor and the Board Audit Committee.
- The Bank's financial statements are audited by external auditors appointed by the Central Bank Board of Directors.

- As mandated by Parliament, the Bank provides an Annual report on an annual basis which includes both the financial statements and an assessment of the performance of the Bank's various functions.
- The Governor has also established various inter-departmental management committees to perform various functional and management responsibilities.
- The Bank's performance is also subject to international scrutiny by international organizations such as the IMF, World Bank, ADB, APG, OECD which focus on key areas of monetary policy and financial stability.

#### c) Management and Staff

The management and staff provide service delivery for the effective implementation of regulation in the financial and banking system. This includes two key aspects such as the provision of advice and implementation of policies pertaining to a stable monetary system and a sound financial sector.

The provision of timely training, domestically and internationally, as well as a conducive and pleasant working environment for staff will enable the Bank to conduct its business with ease as it achieves its vision and mission for the next five (5) years.

There is a change in the Bank's Organisational Structure compared to the last five-year plan. The Information Technology Unit has been separated from the Property since July 2023 and is now a new department under the Operations Group. The former Property and Information Technology Department has been renamed the Property and Procurement Department. The change brings a total of twelve (12) departments allocated under the two functional groups (Policy and Operation) under the leadership of two (2) Deputy Governors.

With the new developments and the current engagement of the Economics Department with the IMF-Institute for Capacity Development (ICD) Forecasting Policy and Analysis System (FPAS) project, a new division (Forecasting Division) has been proposed to establish in the near future to provide capabilities for the FPAS and to support the key functions of the department for monetary policy advice.

d) Central Bank of Sāmoa Organizational Structure (as of July 2024)



<sup>1</sup>Legal and Financial Intelligence Unit are counted as 1 Department under the Structure, rather than two (2).



## 1. Mandate

The following is a list of mandate of the Central Bank of Sāmoa in its entirety:

- (a) Central Bank of Sāmoa Act 2015
- (b) National Payment Systems Act 2014
- (c) Money Laundering Prevention Act 2007
- (d) Insurance Act 2007
- (e) Financial Institutions Act 1996
- (f) Money Laundering Prevention Regulations 2009
- (g) Exchange Control Regulations 1999

## 2. Vision, Mission and Values

- (a) **Vision** *“A dynamic and efficient central bank contributing to the economic sustainability and prosperity of Sāmoa”.*

The growing digital transformation and environmental sustainability focus in the past five years is anticipated to intensify in the future, contributing to an ever-changing socio-macroeconomic landscape in Samoa. In view of this, the Bank’s functions and processes needs to be flexible and vigorous while still efficiently delivering on its traditional core central banking roles for Samoa’s sustainable economic development. Accordingly, the current vision remains appropriate for the Bank in its journey for the next five years, FY 2024/2025 to FY 2028/2029.

- (b) **Mission:** *“Fostering a sound and vibrant financial system for Sāmoa’s economic development”.*

This mission statement remains relevant over the next five years. It underpins the continued focus and commitment of the Bank to ensure financial stability while also aiming for greater financial deepening that accommodates responsible financial innovations and inclusive growth.

- (c) **Values:** *“Tautai A’e”*

The Bank’s Values continue for the next five years and outlined in the Samoan acronym translation “Tautai A’e” to reflect CBS morals and commitment:

- Trustworthy
- Accurate and sound economic advise to Government
- United as a team
- Transparent in what we do

- Accountable to our key stakeholders and the people of Samoa
- Innovative and continuously improving
- Attentive to all changes (economic, technological, environmental, political and social)
- Efficient and professional in the work we do

The acronym “**Tautai A’e**” underscores the role of the Central Bank - to steer and direct the financial system in the face of challenges and evolving financial climate for the sustainable and prosperous development of Sāmoa’s economy. Hence, the adoption of these values and their transformation into the daily behaviour of staff, is a critical component in the design and implementation of the Strategic Plan.

### **3. Strategic Impacts and Strategic Objectives**

The proposed strategic plan is impact focused, flexible and beneficial to climate change and technological change initiatives. The four (4) priority strategic impacts in the proposed plan remain the same for the next five years and are supported by twenty (20) strategic objectives, which continue to complement CBS’ role in the sector, national and global level.

The Strategic Impacts are summarized as follows:

#### *i. Macroeconomic Stability:*

*The Bank’s contribution to this key national strategic priority is through the delivery of its core mandates on price, financial and external stability. This will include the enhancement of the Bank’s effectiveness in the formulation of monetary policy and efficiently implementing its monetary operations through the modernized and electronic Central Securities Depository (CSD) system. Achieving these commitments will assist in supporting the country’s overall macroeconomic objective of sustainable economic growth.*

#### *ii. A sound and resilient financial system in a digitally evolving environment:*

*Our supervisory and regulatory regime will continue to reflect international standards and best practices, tailored to Sāmoa’s context in view of the scale and complexity of our local institutions. Further, the modernization of Sāmoa’s financial architecture as*

*well as the identification of relevant innovative financial products and services will require a strengthened regulatory approach to safeguard our people.*

*iii. Issue quality legal tender for currency needs of the country:*

*While we recognize the developments in digital currency and growth in electronic transactions, we anticipate Samoa's demand for cash in the future will remain strong in the medium term.*

*Accordingly, as the sole issuer of currency for the country, the Bank will guarantee access to cash for all our citizens. The supply of currency will incorporate, where possible, sustainable practices in the production of our banknotes and coins, as well as integrating a range of top security features. The Bank will also ensure operational efficiency and safety in its cash operations to facilitate the effective issuance of currency in circulation for Samoa's economic needs.*

*iv. Effective and sustainable corporate governance:*

*The Bank's governance framework, inclusive of the Board and the entire workforce, will be adequately equipped to manage the complexities and challenges associated with a modern central bank. By leveraging and implementing an effective governance operating model we can ensure that CBS is well prepared to navigate these future challenges. This can be achieved by implementing dynamic and sustainable practices that inspire a positive workplace culture, improve our service delivery and enhance CBS's capability for effective governance.*

**Table 1: Matrix of CBS Strategic Impact and Objectives**

Strategic Impacts (4)	Strategic Objectives (20)
1. Macroeconomic stability	<ul style="list-style-type: none"> <li>(a) Effective Monetary Policy Formulation.</li> <li>(b) Implement monetary policy.</li> <li>(c) To effectively provide banking and payments services to Government and other stakeholders.</li> </ul>
2. A sound and resilient financial system in a digitally evolving environment	<ul style="list-style-type: none"> <li>(a) Maintain a sound and reputable financial system.</li> <li>(b) Enhance the monitoring and compliance to Payment System Policy.</li> <li>(c) Maintain an adequate financial infrastructure to facilitate and ensure compliance and consistency with international best practices.</li> <li>(d) Advance financial inclusion and financial literacy.</li> <li>(e) Monitoring and assess compliance with AML/CFT policy.</li> <li>(f) Sound Risk Management.</li> <li>(g) Develop and advance policies and instruments in line with financial system evolution.</li> </ul>
3. Issue quality legal tender for currency needs of the country	<ul style="list-style-type: none"> <li>(a) Issue legal tender for currency needs.</li> </ul>
4. Effective and sustainable corporate governance	<ul style="list-style-type: none"> <li>(a) Attract, inspire, train and retain competent and qualified human resources.</li> <li>(b) Provide sound financial information and effectively manage budget costs.</li> <li>(c) Provide sustainable service delivery that is effective, efficient and environmentally friendly.</li> <li>(d) Effectively manage services under the Governor's Office.</li> <li>(e) Ensure sustainable IT service delivery that is reliable, robust and environmentally friendly.</li> <li>(f) Ensure IT infrastructure, systems and data are secured and protected.</li> <li>(g) Optimize IT resource management and business processes for efficiency and cost effectiveness.</li> <li>(h) To allow each business unit of the Central Bank of Samoa to derive maximum benefits from the IAD, and for the department to remain relevant to the Bank by making meaningful contribution to the Bank's overall governance, risk management and internal controls.</li> <li>(i) Effective Risk Management.</li> </ul>

#### **4. Summary of Strategies and Department Activities / Actions**

This section outlines the work plan of departments over the next five years of the Strategic Plan and key initiatives in managing the various outputs of the Bank. The proposed strategies and activities / actions are measured against budget considerations and linked to the Bank's vision and mission statements to ensure the effective management of policy formulation and implementation.

Major factors were considered in identifying the Bank's priorities in the next five years. These included:

- i. External factors which drive our response and delivery of core functions
  - Increased global geo-political tensions and uncertainties that can have potential adverse impacts on Samoa's economy;
  - Samoa's increased vulnerability to climate change and more frequent natural disasters;
  - Advent of new economic modelling and approaches to strengthen policy decision-making processes, in view of the COVID-19 pandemic responses worldwide;
  - The global developments in virtual or cryptocurrencies as well as digital currencies worldwide presents both risks and challenges but also opportunities (for the latter, if done right) for small financial jurisdictions;
  - Ongoing challenges presented by the loss of correspondent banking relationships and de-risking
  - Heightened cyber security risks;
  - The role of electronic payments and e-money solutions since the COVID-19 pandemic;
  - Rising household indebtedness and the role of non-bank financial institutions in Samoa's credit markets;
- ii. Internal factors which affect how we do our work within the bank
  - The need to strengthen risk management and drive a strong risk management culture within the bank;
  - Heightened use of technology in business processes (i.e. digital and electronic methods) requires the need to strengthen and ensure IT services are sustainable, secured and protected;

- The need to enhance the effectiveness of human resource management, including improvements in staff awareness of internal policies;
- The need to strengthen and ensure compliance of our internal controls and policies;
- The CBS Employee Engagement Survey (FY 2019/2020, FY 2022/2023) which identified the need to explore incentive strategies in view of the Bank's performance management system.
- The need for prudent cost efficiencies within our operations.
- As part of the Bank's Crisis Management Framework, the need to ensure and maintain the quality of all CBS properties (i.e. CBS main building and the development of a new Offsite at Ululoloa) are of standard and quality.

Below is a summary of all the strategies and activities / actions that the Central Bank will implement in the next five years, clustered under the four (4) Strategic Impacts.

**Table 2: Matrices of Department strategies, actions or activities under respective Strategic Impact.**

### ***Strategic Impact #1 – Macroeconomic Stability***

*The Bank's contribution towards this key national strategic priority is through the delivery of its core mandates on price, financial and external stability. This will include the enhancement of the Bank's effectiveness in the formulation of monetary policy and efficiently implementing its monetary operations through the modernized and electronic Central Securities Depository (CSD) system. Achieving these commitments will assist in supporting the country's overall macroeconomic objective of sustainable economic growth.*

<b>Economics Department (ED)</b>		
<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(a) Effective Monetary Policy Formulation	(1) Improve monetary policy frameworks through its transmission and instruments. (Medium Term)	i. Explore assistance from IMF to do a holistic review of the monetary policy framework, looking at the main instruments and channels used to transmit monetary policy.
		ii. Continue implementing a normalization of the CBS official interest rate on CBS Securities as well as absorbing some of the currently large overhang liquidity in the financial system to improve MP transmission.
	(2) Improve of forecasts of main economic indicators for monetary policy formulation (namely inflation, economic growth, balance of payments, foreign reserves and monetary aggregates). (Short Term)	i. Continue to refine the GDP Nowcasting Model and produce a regular one-page report after every round of nowcasting each quarter.
		ii. Develop further the core inflation model to enhance the forecasting of inflationary measures.
		iii. Continue collaboration with the IMF to model Samoa's monetary transmission mechanism through appropriate models (such as the new Keynesian Phillip's Curve model).
		iv. Explore the feasibility and development of a Quarterly Projection Model (QPM) for Samoa to support a forward-looking monetary policy formulation and robust monetary policy analysis.
	(3) Improve the monetary policy processes. (Short to Medium Term)	i. Implement monthly Monetary Policy Technical Committee Meetings, with updated discussions of current and latest outlooks of global economic and domestic macroeconomic activity.
		ii. Explore appropriate measures to enhance the communication of monetary policy advise and decisions to the CBS Board and Government.

	(4) To adequately forecast liquidity demand conditions in the financial system and set Open Market Operation (OMO) targets in order to achieve low inflation. (Short Term)	<p>i. Refine Reserve Money Program for liquidity projections to forecast near term (12 months) horizon.</p> <p>ii. Ensure the level of bank credit and liquidity is appropriate and in line with prevailing economic conditions and conducive for private sector development through its Reserve Money Programme.</p> <p>iii. Review the RMP procedures and calculations to ensure consistency with the current monetary policy framework.</p>
	(5) To collect and compile statistics relevant to CBS functions and ensure the timely dissemination of its reports for policy formulation. (Short to Medium Term)	<p>i. Monetary and Financial Statistics (MFS) – continue to improve the compilation of MFS in line with international standards and methodologies as recommended by the IMF. Expand the coverage of MFS by capturing data on credit unions, microfinance and ACC and collecting new indicators data sets such as new loans, real estate etc.</p> <p>ii. External Sector Statistics (Balance of Payments and International investment position and External Debt) – continue to refine and improve the compilation of BOP, IIP and external debt through surveys of FDI companies, review of tourism expenditure numbers, develop a seasonal workers income model and expanding coverage of grants (especially in-kind grants).</p> <p>iii. Green Finance – Continue to enhance and expand the coverage and collection of monetary data on green financing as a core area and producing analysis in alignment with Sustainable Finance Banking Guidelines.</p> <p>iv. Financial Soundness Indicators (FSI) and Financial Stability Reports – Work collaboratively with FSRD on the compilation and dissemination of FSI data. Also, start producing a quarterly Financial Stability Report for Samoa to reflect the core FSIs as well as other available economic indicators already compiled.</p> <p>v. Enhance the quality and context of economic reports to ensure relevance and increased understanding by all external stakeholders.</p>



		vi. Improve economic data management systems to ensure timely analysis of all required reports.
		vii. Produce timely research papers on topical macroeconomic issues on the Samoan economy and as appropriate to CBS functions. This may include collaboration with appropriate and reputable external stakeholders.
	(6) To provide quality advice to Government on banking and monetary matters. (Short Term)	i. Strengthen cooperation with the Ministry of Finance via the Macroeconomic Policy Coordination Committee and its role in the Macroeconomic Forecasting Committee to ensure consistency of economic projections.
		ii. Provide appropriate economic advice from CBS perspective and in relation to its mandated functions through its representation in various Government committees such as the MCIL (TCM, Foreign Investment and Citizenship by Investment), MoF (Investment Committee, Labour mobility), SBS (Advisory Board), MFAT (Trade Agreement) and others as needed from time to time.
	(7) Ensure the adequacy and capacity of Department's personnel is appropriate to effectively deliver its outputs (Short term)	i. Improve staff competency and skills through new training opportunities and implement the ED Staff Succession plan of staff rotation within the Department.
		ii. (ii) Recruit new staff to ensure ED has sufficient personnel to effectively deliver on its current and future activities in view of ongoing developments in CBS functions.
	(8) Improve the costs efficiency of the Department where possible. (Short term)	i. ED to align its processes with the Bank's paperless initiative and maximise, where appropriate, the use of technological or electronic processes.
	(9) Implement new data management systems and processes as well as improved data security	i. ED to strengthen its data management systems through appropriate platforms while ensuring strong security measures are in place.
		ii. ED to ensure staff implement proper documentation, manuals, metadata and file cleaning of the compilation work files and databases it uses and stores.
	(10) Enhance engagement and services with stakeholders,	i. Continue to provide assistance to students, private sector, Government

	especially through its continued services to the educational sector.	organisations, international organisations and the public at large, on various macroeconomic statistics.
		ii. Liaise with IT and Communications team to ensure the accessibility to economic data and information on CBS website and other social media platforms is user-friendly, efficient, easy and of top quality. This includes exploring the use of a data dashboard and other relevant tools.
Financial Markets Department (FMD)		
Strategic Objective	Strategy	Activities / Actions
(b) Implement monetary policy	1. Efficiently manage liquidity in the domestic banking system through competent and effective open market operations as well as enhanced domestic market activities. (Short Term)	i. Regularly monitor and engage with the commercial banks on the trends (including projections) of their excess domestic liquidity levels).
		ii. Enhance domestic liquidity forecasts consistent with monetary policy objectives and stance from time to time (Reserve Money Program and Monetary Policy Meeting).
		iii. Ensure the promotion and proficient trading of CBS Securities (and other potential financial instrument in Samoa) in the Central Securities Depository (CSD) by all eligible participants.
		iv. Enhance the management of the CBS credit facilities to the financial system (banks and non-banks financial institutions).
		v. Strengthen the design of policies and initiatives for the development of the domestic financial markets.
		vi. Strengthen staff capacity in open market operations consistent with evolving financial conditions and technology.
	2. Efficient and effective implementation of Exchange Control Regulations.	i. Review and update the Exchange Control Regulation to ensure consistency with modernised economic and financial developments.
		ii. Strengthen the compliance and efficient administration of the Exchange Control Regulation, consistent with prevailing economic and financial conditions
		iii. Enhance staff capacity and expertise in exchange control matters
		iv. Drive the digitization of Exchange Control procedures and report submission from stakeholders subject

		to the proposed Data Architecture project.
	3. Foreign exchange reserves are managed in a sound and effective manner, ensuring its liquidity, safety and optimization of returns and sustainability.	i. Foreign reserves are adequately maintained at sustainable levels, aligned with CBS objectives. ii. Foreign reserves are effectively invested consistent with approved Investment Policies and prudently managed within approved risk management frameworks. iii. Strengthen the monitoring and forecasting of foreign reserves by utilising available technological systems. iv. Ensure regular update and provision of sound advice on the management of foreign reserves to CBS Board and Government. v. Enhance staff capacity and expertise in the management of foreign reserves.
	4. Manage the exchange rate framework to ensure its appropriateness with prevailing economic conditions.	i. Nominal Effective Exchange Rate must be stable with the trend in the Real Effective Exchange rate consistent with prevailing monetary policy settings and economic conditions. ii. Regularly review and assess the appropriateness of the exchange rate framework. iii. Strengthen staff capacity for a timely and effective implementation and availability of exchange rates. iv. Undertake appropriate analysis of the exchange rate framework and its effectiveness to Samoa's economy. v. Ensure regular update and provision of sound advice on the exchange rate regime to CBS Board and Government.
<b>Banking and Currency Services Department (BCSD)</b>		
<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(c) To effectively provide banking and payments services to Government and other stakeholders	1. Modernize CBS banking services.	i. Identify a fit for purpose banking service solution for Government and other official agency customers.
	2. Improve Payment Services Delivery	i. Complete ATS implementation. ii. Enhancement of cross border payments and reporting process.

## **Strategic Impact #2 – A sound and resilient financial system in a digitally evolving environment**

*Our supervisory and regulatory regime will continue to reflect international standards and best practices, tailored to Sāmoa's context in view of the scale and complexity of our local institutions. Further, the modernization of Sāmoa's financial architecture as well as the identification of relevant innovative financial products and services will require a strengthened regulatory approach to safeguard our people.*

### **Financial Supervision and Regulatory Services Department (FSRSD)**

<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(a) Maintain a sound and reputable financial system.	(1) Strengthen financial supervision of banks and non-banks.	<ul style="list-style-type: none"> <li>i. Ensure regular on-site inspection of financial institutions as well as offsite monitoring of both banks and non-banks to ensure compliance and enhanced analysis.</li> <li>ii. Revise and update relevant legislations (namely the Insurance Act and Financial Institutions Act) in line with revolving international standards and best practices contextualized to Samoa's circumstances.</li> <li>iii. Revise the prudential guidelines of the non banks (i.e. SNPF, DBS and the UTOS).</li> <li>iv. Conduct onsite inspection of Samoa Housing Corporation.</li> <li>v. Tailor specific bank prudential guidelines to suit credit institutions (e.g. Kontiki Finance) and assist in their monitoring.</li> <li>vi. Continue to work collaboratively with the Economics Department on Financial Soundness Indicators and Financial Stability Analysis.</li> <li>vii. Continue the focus and capacity building on cybere security, in view of the extensive revolving digital space and increased vulnerabilities of cyber attacks.</li> </ul>
	(2) To extend the non-banks coverage to include credit institutions and small money lenders and credit unions. (Short Term – Medium Term)	<ul style="list-style-type: none"> <li>i. Finalize Money Lenders Bill, Micro Finance Bill, and Credit Union Act.</li> </ul>
	(3) To progress the Sustainable Finance Initiatives for the Finance Sector (Medium Term)	<ul style="list-style-type: none"> <li>i. To finalize the Green Finance Banking Principles and Guidelines.</li> <li>ii. To form and guide a working group to lead and spearhead the greening of Samoa's financial system (with particular focus on green finance, climate risk and sustainable growth).</li> <li>iii. Work collaboratively with all relevant stakeholders to develop a green taxonomy.</li> <li>iv. Enhance staff capacity from identified TA</li> </ul>

		or institutional strengthening programs available from development partners.
	(4) Others	<ul style="list-style-type: none"> <li>i. Review license fees of the financial institutions, specifically commercial banks and insurance companies.</li> <li>ii. Work collaboratively with relevant departments on the data architect project to enable the electronic submission of reports from various financial institutions.</li> <li>iii. Continue to enhance and develop staff capacity on stress testing, risk assessment and good understanding of prudential requirements of both banks and non banks to keep up with the fast technological involvement in the digital finance space.</li> </ul>
<b>Financial Systems Development Department (FSSD)</b>		
<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(a) Enhance the monitoring and compliance to Payment System Policy.	(1) Develop and operationalize an effective payments oversight and policy function.	<ul style="list-style-type: none"> <li>i. License or register payment service providers and payment system operators</li> <li>ii. Conduct oversight and policy activities.</li> <li>iii. Ensure capacity building for staff on payment oversight and policy functions.</li> </ul>
(b) Maintain an adequate financial infrastructure to facilitate and ensure compliance and consistency with international best practices.	(2) Facilitate the development and establishment of key financial architecture and assess the appropriateness of new innovations for the financial system.	i. Establish and operationalize a credit registry model best suited for Samoa
	(3) Continue with the modernization of Samoa's payment system	i. Facilitate the implementation of the Automatic Transfer System (ATS) and Central Securities Depository (CSD) - complete remaining project elements.
	(4) Develop and advance policies and instruments in line with financial system evolution.	i. Take stock of new innovations and evaluate their appropriateness and readiness on our financial system
(c) Advance financial inclusion and financial literacy.	(5) Foster strong partnerships with our stakeholders and multilateral organisations for the promotion of financial inclusion and financial literacy.	<ul style="list-style-type: none"> <li>i. Implement the National Financial Inclusion Strategy 2022/2023 -2025/2026</li> <li>ii. Maintain global memberships to appropriate organisations or institutions that promote or foster financial inclusion policy.</li> </ul>
<b>Financial Intelligence Unit (FIU)</b>		
<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(a) Monitoring and assess compliance with AML/CFT policy	(1) Strengthen the FIU supervisory function to include Designated Non-Financial Business and Professions (DNFBPs).	i. Develop an appropriate mechanism to govern and monitor DNFBPs.
		ii. Intensify regular onsite inspection to assess technical compliance and effectiveness of AML Program.

(b) Risk management	(1) Commence and strengthen the use of risk-based approach on AML/CFT Onsite Inspection Framework.	i. Strengthen the risk-based approach when conducting onsite inspection to assess adequacy of AML/CFT control to minimize AML/CFT risks.
	(2) Develop money laundering and terrorist financing investigations and prosecutions.	i. Improve the quality of analysis and intelligence reports.
		ii. Commence and conduct regular Strategic Analysis from the data and information received by the Unit.
(c) Develop and advance policies and instruments in line with financial system evolution.	(1) Improve compliance with the International Standards focusing on the remaining deficiencies identified in the Mutual Evaluation Process (MER) 2015.	iii. AML/CFT trainings for Police Investigators, Prosecutors and Judiciary.
		i. Amendments of Money Laundering Prevention (MLP) Legislation, Regulation, Guidelines and SOPs to address Technical Compliance deficiencies.

### **Strategic Impact #3 – Issue quality legal tender for currency needs of the country**

*While we recognize the developments in digital currency and growth in electronic transactions, we anticipate Samoa's demand for cash in the future will remain strong in the medium term.*

*Accordingly, as the sole issuer of currency for the country, the Bank will guarantee access to cash for all our citizens. The supply of currency will incorporate, where possible, sustainable practices in the production of our banknotes and coins, as well as integrating a range of top security features. The Bank will also ensure operational efficiency and safety in its cash operations to facilitate the effective issuance of currency in circulation for Samoa's economic needs.*

<b>Banking and Currency Services Department (BCSD)</b>		
<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(a) Issue legal tender for currency needs	(1) Adequate supply and quality of banknotes and coins to meet public demand.	i. Polymerize banknotes in circulation ii. Ensure effective forecasting via DLR Analytics
	(2) Expand numismatic market reach.	i. Explore and identify new Mint Partners ii. Work with collectors / partners to develop products.
<b>Property and Procurement Department (PPD)</b>		
<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(a) Issue legal tender for currency needs	(1) Improve vault and currency storage.	i. Ensure security of the vault and enough space for storage.

### Strategic Impact #4 – Effective and sustainable corporate governance

*The Bank's governance framework, inclusive of the Board and the entire workforce, will be adequately equipped to manage the complexities and challenges associated with a modern central Bank. By leveraging and implementing an effective governance operating model we can ensure that CBS is well prepared to navigate these future challenges. This can be achieved by implementing dynamic and sustainable practices that inspire a positive workplace culture, improve our service delivery and enhance CBS's capability for effective governance.*

Human Resources Department (HRD)		
Strategic Objective	Strategy	Activities / Actions
(a) Attract, inspire, train and retain competent and qualified human resources.	(1) Retain competent, productive and motivated staff.	i. Update the CBS Workforce Plan annually to map CBS staff capacity needs and gaps.
		ii. Implement the Succession Management Plan
		iii. Staff rotation within Groups
		iv. Facilitate staff capacity building (local and overseas)
		v. Enhance staff morale through exploring incentive strategies in view of the performance management system.
	(2) Inspire a positive and supportive workplace culture.	i. Pursue a ‘transformational / adaptive leadership’ course for new management staff.
		ii. Determine level of staff job satisfaction through engagement survey.
		iii. Awareness / refresher for all staff on policies under HRD.
		iv. Awareness on mandatory / statutory deductions to be delivered by the responsible agencies.
	(3) Strengthen policy effectiveness.	i. Develop new policies relevant to staff matters.
		ii. Review of relevant HR policies
		ii. Monitor and evaluate current HR policy application through annual reports.
Accounts and Budget Department (ABD)		
Strategic Objective	Strategy	Activities / Actions
(b) Provide sound financial information and effectively manage budget costs	(1) Strengthen compliance and quality of financial information available to all interested parties.	i. Improve transparency, accountability and reliability of financial information
		ii. Improve communication by means of presentation and reporting
		iii. Enhance the timeliness of the delivery of financial information
		iv. Revised ABD Internal Controls
	(2) Improve a sound action plan of performance which co-ordinates all Banks activities, striving in decentralizing responsibility and centralizing control at the same time.	i. Improve monitoring and controlling of costs and revenue through excellent budgetary management and control system.

		<div>ii. Identify any significant performance factors for review</div> <div>iii. Enhance Accounting System capabilities</div>
Property and Procurement (PPD)		
Strategic Objective	Strategy	Activities / Actions
(c) Provide sustainable service delivery that is effective, efficient and environmentally friendly.	(1) Improve services of security personnel.	i. Develop ongoing programs to ensure health and fitness are maintained throughout the year.
		ii. Provide trainings on skills required and needed for security staff.
	(2) Improve quality of building maintenance. Construct Offsite building at Ululoloa.	i. Refurbishment, renovations and development of CBS building Apia and Ululoloa.
		ii. Improve work efficiency and encourage environmentally friendly projects.
		iii. Re-testing/ re-slab, re-enforce of Level 1 (partial)
	(3) Improve Procurement.	i. Review Procurement Policy
		ii. Enhance processes, efficiency, and quality of work.
	(4) Improve Occupational Safety and Health for staff and tenants.	i. Establish health programs
		i. Enforce safety procedures
Human Resources Department (HRD)		
Strategic Objective	Strategy	Activities / Actions
(c) Provide sustainable service delivery that is effective, efficient and environmentally friendly.	(1) Service delivery effectiveness and efficiency in an environmentally friendly manner (climate change).	i. Improve internal service efficiency and effectiveness via automated processes.
		ii. Drive ‘paperless’ approach to contribute in reducing carbon footprint.
		iii. Trial the ‘working remotely from home’ approach.
Governor’s Office (GO)		
Strategic Objective	Strategy	Activities / Actions
(d) Effectively manage services under Governor’s Office	(1) Ensure all work / input requested by Governor, Executive and Management meets time and quality standards.	i. Ensure CBS adheres to relevant Cabinet Policies and Directives relating to reporting to cabinet (submissions and reports).
		ii. Provide quality service to the Board of Directors, Finance sector and general public.
		iii. Good record keeping and confidentiality of information.
Information Technology Department (ITD)		
Strategic Objective	Strategy	Activities / Actions
(d) Ensure sustainable IT service delivery that is reliable, robust and environmentally friendly.	(1) Green IT initiatives	i. Implement energy-saving technologies and practices in data centers, such as virtualization, efficient cooling systems, and renewable energy sources.
		ii. Reduce the number of physical servers through virtualization for energy-saving costs.



	(2) Cloud Computing	iii. Utilize cloud computing to reduce the need for physical hardware and make use of its benefits offered by large-scale cloud providers.
	(3) Remote work and telecommuting	i. Provide tools and infrastructure to support remote work, reducing the need for commuting and associated carbon emissions. ii. Encourage the use of virtual meetings to reduce travel requirements for employees and clients.
	(4) Enhance system infrastructure and services.	i. Invest in upgrading hardware and software infrastructure to support modern banking and payments functionalities.
(f) Ensure IT infrastructure, systems and data are secured and protected.	(5) Security and data protection.	i. Implement strong cybersecurity measures. ii. Conduct regular security audits iii. Promote a culture of security awareness among employees through training and awareness programs
(g) Optimize IT resource management and business processes for efficiency and cost effectiveness	(6) Cost-effective management practices for IT resources.	i. Implement IT resource management practices through planning, monitoring, organizing and allocating resources and opportunities for cost effective without compromising quality. ii. Build and sustain good business relationship with IT partners.
<b>Internal Audit Department (IAD)</b>		
<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(h) To allow each business unit of the Central Bank of Samoa to derive maximum benefits from the IAD, and for the department to remain relevant to the Bank by making meaningful contribution to the Bank's overall governance, risk management and internal controls.	(1) Provide effective and efficient assurance services – review of operations, policies and procedures to evaluate the adequacy and effectiveness of and compliance with related control structures so as to provide an assessment as to whether the Bank risks are appropriately considered and addressed.	i. Implement Risk Management Framework. <ul style="list-style-type: none"> <li>Develop risk based audit plan yearly.</li> <li>Conduct CBS risk assessment yearly.</li> </ul> ii. Review the Bank's Strategic Plan to gain understanding of institutional goals and priorities. iii. Obtaining a high-level understanding of the activities undertaken by each major business area within the Bank. This includes their plans and activities, annual budget and Information Systems & Technology. (Develop Business Impact Assessment Tool). iv. Develop internal audit skills and knowledge to enhance efficiency and raise internal audit standards. v. Ensure a high level understanding of internal or operational controls that may be in place to mitigate against identified risks.
	(2) Provide advisory services: Assist the Audit Committee and other key stakeholders by helping them deal with specific	i. Quarterly engagements with the Audit Committee. ii. Liaise with the external auditor of the Bank on matters of the financial audit.

	(2) Provide advisory services: Assist the Audit Committee and other key stakeholders by helping them deal with specific issues and concerns that are better addressed through a trusted management advisory type engagement.	<ul style="list-style-type: none"> <li>i. Quarterly engagements with the Audit Committee.</li> <li>ii. Liaise with the external auditor of the Bank on matters of the financial audit.</li> <li>iii. Ensure the timely recruitment of the external auditor.</li> </ul>
	(3) Provide Information Technology (IT) Services: Undertake IT specific assurance and advisory engagements that help ensure the security, integrity, confidentiality and availability of CBS's information systems and resources (SWIFT, Great Plains, Smooth Pay, ATS).	<ul style="list-style-type: none"> <li>i. Provide audit engagements to ensure that CBS IT systems are secured and available. IT Audit shall be included in the annual audit plan.</li> <li>ii. Address external cyber security threats on CBS primary IT systems e.g. SWIFT. Engage external assurance provider to conduct an external SWIFT Threat Risk Assessment (TRA).</li> </ul>
	(4) Investigative Services: Investigate allegations of financial misconduct or non-violent criminal acts involving CBS's resources. This includes addressing matters brought to IA's attention through its Fraud & Irregularity reporting process.	<ul style="list-style-type: none"> <li>i. Maintain the CBS Incident &amp; Irregularity register.</li> <li>ii. Develop audit activity to monitor any re-occurrences and close internal control gaps.</li> </ul>
	(5) Focal point for IMF	<ul style="list-style-type: none"> <li>i. Ensure IMF Safeguards and Risk Assessment recommendations are implemented.</li> </ul>

#### **Legal (and Publications) Department**

<b>Strategic Objective</b>	<b>Strategy</b>	<b>Activities / Actions</b>
(h) Risk Management.	(1) Refine the practicality of our laws.	<ul style="list-style-type: none"> <li>i. Work to progress and finalize current legislation (priority to certain legislation).</li> </ul>
	(2) Continuous improvement of legal advice and contracts / tender documents.	<ul style="list-style-type: none"> <li>i. Maintain and improve the timely delivery of legal advice or opinion.</li> <li>ii. Assist Property &amp; Procurement Department in updating procurement documents for tenders, etc.</li> </ul>
	(3) Publications used effectively for awareness purposes.	<ul style="list-style-type: none"> <li>i. Increase the use of media release for awareness programs.</li> </ul>
	(4) Improve legal matters pertaining to staff exiting the Central Bank of Samoa	<ul style="list-style-type: none"> <li>i. Matters pertaining to staff exiting the Central Bank of Samoa are dealt with in an efficient and conclusive manner.</li> </ul>