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Press Release

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Government sets record straight on Tsunami Funds allegations

It is not normal for government to respond to a particular news story broadcast by foreign media but for the sake of clarity – especially to our development partners and all those who kindly donated money and kind to the devastating tsunami of last year in addition to allaying western stereotypes that can be borne from misinformed public – government has taken it upon itself to set the record straight.

In regards to alleged finance discrepancies raised by Mr John Campbell of (New Zealand) TV3, particularly **ANNEX 6** of the Tsunami Report which he quotes with such religiosity.

It is titled (in bold-type English, not Samoan) **POST TSUNAMI RECOVERY PLAN 2010 – 2013** and on the right corner of the very first bar it states (also in bold-type) ‘**Amount (\$tala) Year 1**’. That is - if Mr Campbell and his editor did not understand - are budgeted items for **Year 1** of a four-year recovery plan. We find it astounding given Mr Campbell’s professed years of experience in journalism and the number of awards he boasts to have won, that he missed it. Any youngster with a grasp of English and can count years would have understood immediately upon reading. Or perhaps it was an inconvenient fact - to what has become obvious - a predetermined news angle (to bump up viewership ratings) hacked out in the Campbell Live studios in Auckland before they boarded the plane to Samoa.

Annex 6, therefore, of the Tsunami Report only reports progress of the first year of the tsunami recovery plan, the resourcing of which is based on the First Supplementary Budget 2009/10 and the main budget 2010-2011.

It is also fitting to note here that in the wake of Hurricane Katrina in 2005, the U.S government reportedly put in place a five-year recovery and reconstruction plan.

In fact - over five years later - many in New Orleans also reportedly are still without permanent homes as rebuilding continues there.

A categorical sector-by-sector distribution can be found in the Budget Estimates 2010-2011 Report available on the Ministry of Finance website since July.

The Tsunami Recovery Plan, based on the Early Recovery Framework and Post-Tsunami Needs Assessment by the World Bank, ADB and United Nations as approved by Cabinet is to be implemented in the four years at an estimated budget of **SAT\$271.350 million**.

The total expenditure appropriated for the first year of the tsunami recovery plan totaled **SAT\$68.73 million** (comprising operational costs of relief mobilization of **SAT6.93 million** and the **SAT\$61.8 million** of the first year implementation of Tsunami Recovery Programme). With the current financing gap of **SAT33.63 million**, government will utilize its resources – meaning Samoan taxpayers’ funds – and loan proceeds from multilateral financial institutions, until pledged resources become available and allocated to the remaining years.

As highlighted in the Tsunami Report **Table 2** (page 24) , the total financial donations **pledged** for the four-year Recovery Plan by development partners, organizations, groups and individuals amounted to **SAT\$168million** as at the end of August 2010. However, there are qualifications to be made with regard to the sourcing and delivery modality of such financial assistance as follows which if understood would dispel the notion that there is a substantial balance of funds unaccounted for.

- As indicated in the same Table 2 alongside the pledged donations, some of those donations have yet to be received. Of the total donations pledged, only **SAT\$35.1 million** has been received into the Treasury Fund as of 26 August 2010 from the following donors;
 - Australia,
 - New Zealand,
 - United States,
 - Government Relief Fund (involving paid contributions from individuals and organizations both local and abroad and foreign governments as itemized in **Annex 4** of the Tsunami Report)

- The Government of the People’s Republic of China and the United Nations, though they have indicated support will deliver their assistance through tsunami recovery projects to be agreed between the government and them.
- Assistance from the European Union and the Japan Trust Fund though pledged and approved have not yet been received
- The World Bank and ADB loans (**SAT\$95.55 million**) though received by the government through budget support are for a duality purpose,
 - (i) Response to the impacts of the financial global crisis,
 - (ii) Tsunami reconstruction,

*The loans are not solely dedicated to tsunami activities. If Mr Campbell was intent on pursuing donor finance issues, then perhaps he should have spoken to the in-country mission representatives.

It is also important for the public to note that the public accounts will disclose tsunami related transactions once audited and passed by Parliament as required by law. Therefore, Government is accountable to the public through Parliament for all resources received and expended.

Allegations by Mr Campbell that a balance of **SAT\$100,000 million** is unaccounted for is therefore grossly misleading. Regrettably these allegations have led to conclusions by the public, our communities overseas and all those who contributed to tsunami relief and recovery that funds have been misappropriated. This is not true.

Natural disasters are not new to Samoa. For some years now, Samoa has had a comprehensive multi-agency multi-sectoral Disaster Management Plan - involving all government ministries (Finance is a key component and proper financial accounting is a key area), NGOs and state-based diplomatic missions - that is activated immediately when disasters of this magnitude occur. Samoa has a capable and competent public service dedicated to the common good. It is not the stereotypical uncaring rag-tag outfit Mr Campbell tried to convey.

We need not remind that immediately after the tsunami struck, emergency and relief work was already in full swing with search and rescue, treatment of the injured, the clearing of roads, feeding and clothing of the survivors. Power had already been restored to some of the hardest hit tsunami-struck areas before the sun had set that day.

The point? Government did not wait for international aid (though very much appreciated) to arrive.

But perhaps Mr Campbell's obvious failings can be owed to his lack of big disaster experience and knowledge of the inner-workings of governments in response to such ordeals.

Government notes that Mr Campbell's main source of local information is the Samoa Observer – which features prominently in his story. It is no big secret here that this particularly publication is not only clueless of how things work in Samoa, thrives on misinforming the public and makes its business from showing whatever government does in a bad light.

Therefore, we are not sure if it was really Campbell Live story or a Samoa Observer story.

In addition, Mr Campbell's response to Deputy Prime Minister Misa Telefoni is an incrimination of the news story and best illustrates why it was so skewed and limiting.

To quote his words, 'we visited the coast line – from Lepa to Satitooa..'. Perhaps, instead of asking where the money went, he should have asked where the people have gone.

Because much of the tsunami struck areas in Lepa, Saleapaga, Lalomanu to Satitooa remains deserted.

The populations have left the coast and moved inland where the bulk of government's infrastructural construction and reconstruction projects are taking place. The construction of roads, water pipes (from previously inaccessible Lake Lano), electricity, schools, etc. He will also note the presence of many of the 860 homes built or rebuilt by government there as well as the construction of churches the new communities have taken on.

If he did not see all of these developments in the four times he claims to have come to Samoa since the tsunami struck, then surely Mr Campbell, his editor and news team must be blind.

Government also takes exception to the condescending manner in which Mr Campbell describes Samoan traditional houses. Samoans have been living in traditional open fale since time immemorial because it suits the humid – but airy – climatic conditions here. The tsunami fale

was also of a standard design endorsed by Caritas, Habitat, our development partners and all the different organizations who contributed to tsunami housing construction and reconstruction.

It was obvious that Mr Campbell was playing up to an enclosed multi-bedroom dwelling New Zealand public oblivious to conditions in the islands.

If government was to construct the sort of bedroomed, kitchened and living-roomed home Mr Campbell wants, then the price tag would be in the billions of dollars. The sort of money Samoa does not have.

And that is apart from roading, seawalls and basic water and electricity access relocated people need in order to survive.

Again we take the example of Hurricane Katrina, when the resource-rich U.S Federal government appropriated US\$105 billion (SAT\$300 billion) towards recovery and reconstruction.

To conclude, we ask Mr Campbell to again watch his piece on the Samoa Tsunami recovery – this time with an open mind – and see it for what it is - unfair, unbalance, inaccurate and misleading..

In doing so, it belittles the hard work of many and the charity of many more who were and are a part of this massive tsunami recovery undertaking.