

# Managing Remittances Training Samoa



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## **Acronyms**

|      |  |
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| FDC  | The Foundation for Development Cooperation |
| SPBD | The South Pacific Business Development     |
| TOP  | Training of Participants                   |
| TOT  | Training of Trainers                       |

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# **1. Introduction**

## **1.1 Background**

The Foundation for Development Cooperation (FDC) is an independent, not-for-profit international development organisation. Established in Brisbane, Australia, in 1990, the mandate of FDC calls for it to conduct policy-oriented research, foster public awareness, mobilise broader Australian and overseas development cooperation, and support non-governmental development efforts. Through partnerships and alliances, FDC undertakes a range of initiatives which seek to improve the lives of poor people in developing countries, foster innovative approaches to development, and connect policy work to self-help efforts at the grass roots level. FDC's work includes economic development and assessment, policy analysis, grass-roots community-based initiatives, strategic research, partnerships and leverage, advocacy, consulting and advisory services, project design and implementation, secretariat and network management, and training and capacity building. FDC's headquarters is in Brisbane, Australia. FDC has an Asia regional office in Singapore and a Pacific regional office in Fiji.

Remittances to developing countries were estimated at US\$300 billion dollars in 2007 and have become the largest source of external finance for developing countries, exceeding foreign direct investment and official development assistance. Because of their scale, frequently counter-cyclical nature and independence from macro-economic shocks in the home economy, remittances are now recognized as an important source of development financing.

As a share of GDP, the significance of remittances is highest in low-income, island, enclave or small economies such as Lesotho, Tonga, Kiribati, Haiti and Cape Verde. The contribution of remittances to the national economy of some Pacific Island countries is considerable. For instance, in Samoa, Tonga, Fiji and Timor-Leste, inward remittances equate to approximately 26%, 42%, 7% and 1.4% of GDP, respectively. Moreover, and importantly, remittances also flow directly to poor households in these countries and have proven to help with poverty reduction and improved livelihoods. Based on recent FDC research, it was evident that many poor remittance-receiving households lacked access to financial information. In particular, information that would help such poor households to optimise the use of their remittance funds for both consumptive and productive purposes such as savings, insurance and investment in microenterprise development.

In response during 2008 FDC, with support from Western Union Foundation and in consultation with the United Nations Development Programme Pacific Centre started work on producing this base financial literacy training manual targeted at poor remittance receiving households in the Pacific with a focus on Fiji, Timor Leste, Samoa and Tonga.

While these materials are aimed primarily at remittance receiving households in the Pacific Island countries of Fiji, Timor Leste, Samoa and Tonga, those from other Pacific Islands and stakeholders

involved in the provision of financial literacy services to migrant workers in receiving countries, will also find these materials a good place to start.

While much can be learned from the huge body of work currently available on financial literacy, it is hoped that the Pacific focus of the learning materials will help those in the field deal with the unique challenges that they face every day. Through partnerships and alliances it is hoped that the materials will be continually developed and disseminated in the future to a wide range of households in the Pacific, where the training will provide an ongoing positive impact in their lives.

## **1.2 Scope and Methodology**

The Managing Remittances Training included the following main activities:

- Reviewing and printing a set of TOT materials, entitled Managing Remittances Training;
- Piloting the materials with 10 selected participants, with the intention of them becoming Community Trainers in Samoa; and

The assignment was conducted as follows:

1. Printing and conduct the Managing Remittances TOT in Samoa
  - Identify and select 10 Community Trainers
  - Organise the logistics of the TOT
  - Conducting the TOT in Samoa
  - Record all the suggestions by trainers to improve the material and how to rollout training in the communities
2. Prepare a final report with recommendations about Managing Remittances Training in Samoa.

## **1.3 Final Report Content**

This final report for phase one is organised as follows:

- Section two is an overview of the TOT materials.
- Section three is a quick review of the TOT conducted in Samoa, between September 30<sup>th</sup> – and October 1<sup>st</sup>, 2010.
- Section four presents the main recommendations to Western Union, from the TOT. The recommendations range from efficient continuation of the financial literacy project to integrating remittances related activities into a broader community development program.
- Section five sets out the conclusion and the recommended next steps for phase two of the financial literacy project.

## 2. The Training of Trainers Materials

The TOT materials, including a Participant Workbook and a Training Manual, were developed around the following five modules (a snapshot of the materials is provided in appendix 1):

- Module 1 – Remittance Receiving Household Workshop Introduction
- Module 2 - Budgeting for Remittance Receiving Households
- Module 3 - Savings for Remittance Receiving Households
- Module 4 - Use of Credit in Remittance Receiving Households

While the materials were developed in the attempt to be fully suitable to the Pacific context, the trainer, Luse Kinivuwai (FDC) noted, during the TOT, any inconsistencies, mistakes or areas that could further improve the materials. The following suggestions were made:

- Translation of material in Samoan and use Samoan names and examples.
- Have a lot more illustrations and pictures.
- More emphasis on education of children as an investment for the future of Samoans. There are too many cases of uneducated children in Samoa. This training can be used to advocate for that.
- Add some case studies to be more relevant to the Samoan.
- Add in games, motivational exercises and success stories in Samoa.
- Interested in some business aspects to the training.
- Have a local co-trainer who can speak the local language and could share their own experience.
- Posters to be also included in the training manual.

## 3. Training of Trainers

The TOT was held at the Central Bank of Samoa board room from September 30<sup>th</sup> – October 1<sup>st</sup>. From 15 preselected participants, 10 attended the event. Many expressed inability to lose two days of work to attend this training.

The criteria for selection were:

- Be a resident of the Samoa
- Part of an organisation that involved itself with training, dealt with community organisations or groups, part of financial institutions or microfinance institutions
- Can speak and read English

**Participants** - Total of 10

### **Breakdown of occupations**

Microfinance institution officers and community trainers - 5, each monitors about 400 clients

Community Media personnel

- 1, access to over whole of Samoan population

Community Women's Leader and Business Women

- 4 all are part of business women associations and community leaders

### **Impact**

The trainees collective impact will be realised particularly with the microfinance institution leaders and community leaders. They already in their occupation conduct community meeting sand training and will be able to impart some of this training to the community at large.

All the trainees fully appreciated the training and expressed the need to have this modules taught in all levels of society. One thing they did ask for is translated material. The level of English in Samoa is not high and it needs to be translated for more effective impact.

### **Outcomes of the Training**

The trainer was satisfied with the overall outcomes of the TOT and had the following specific comments in relation to the TOT:

- **Trainers for roll-out:**

- At least 7 of the 10 participants from the group expressed the desire to go out and train with the materials that they had immediately.
- All participants expressed applying the training to their own lives.
- Translation of the material is necessary b however for it to have any impact
- They requested if some funding will be available for this

- **Evaluation**

The evaluation of the training can be summarised as follows:

- All of the participants (100%) rated the quality of the workshop as useful and relevant
- The content of the material was rated as very good by the majority (80%) but expressed the need for translation
- About 80% felt the trainer was prepared but would have appreciated a trainer with also ability to speak Samoan.
- 100% of the participants found the content easy to understand and clear
- Most participants (80%) found the time allocation and management the TOT satisfactory however 20% mentioned they would have liked it to be longer.
- 70% of the participants mentioned that they had learnt new things, which would be useful to them in their personal lives, the clients that they serve and the community
- The overall logistic arrangements was very highly rated (i.e. room, venue, travel, meals)

- 50% of the participants mentioned that they would have appreciated some explanation on business creation and business management to improve the training

## 4. Recommendations

The main recommendations that came out of the project include:

### A. Development for the Managing Remittances Training materials

The following work needs to be done to improve the present training materials:

- Translation of material in Samoan and use Samoan names and examples.
- Have a lot more illustrations and pictures.
- Emphasize education of children as an investment for the future of Samoans. There are too many cases of uneducated children in Samoa. This training can be used to advocate for that.
- Add some case studies to be more relevant to the Samoan.
- Add in games, motivational exercises and success stories in Samoa.
- Posters to be also included in the training manual not just participant manual.

### B. Managing Remittances Training Programme

- **Possible roll out of training**

If assistance is provided for the trainers to roll out this training to communities and groups or schools, the following is recommended:

- Make amendments to the training materials and translate to Samoan
- Provide assistance for training roll out to microfinance institutions as they already cover the majority of the villages in Samoa
- Have a built in monitoring mechanism to deliver on the impact.
- **Another TOT training** would be very welcome in Samoa. Target teachers and other training institutions that were not able to attend this training could be invited to have a greater pool of trainers for roll-out.

### C. Develop and implement complementary training

- **Business Development** training course: It may be beneficial to the Samoan public to add a business training introductory module to be done together with this training. Perhaps on business identification, preparation and key business management areas.



## **5. Conclusion**

While I felt this training went very well and the participants appreciated the training, they did mention there were similar training that had been offered by UNDP, by small business support organisations, MFIs and banks. It may be a good idea to encourage the key stakeholders to take an inventory of training available and what was being offered and needed to be improved.

Overall this was a really good training nevertheless, it could be improved further with the recommendations provided in this report.