

**Monitoring of Graduating Countries from
the Least Developed Country Category:**

Vanuatu¹

**Committee for Development Policy
UN Headquarters, New York
23 – 27 March 2015**

I. Background

Equatorial Guinea and Vanuatu are earmarked for graduation, following the

Table 1. Time line for monitoring reports: Equatorial Guinea and Vanuatu

Date	Equatorial Guinea	Vanuatu	Relevant GA resolution
December 2012	Current reporting system introduced	Current reporting system introduced	67/221 adopted
March 2014	CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	E/RES/2013/20
December 2014	Country report to be submitted to CDP (as a graduating country)	Country report to be submitted to CDP (as a graduating country)	67/221
March 2015	CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	E/RES/2013/20
December 2015	Country report to be submitted to CDP (as a graduating country)	Country report to be submitted to CDP (as a graduating country)	67/221
March 2016	CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	E/RES/2013/20
December 2016	Country report to be submitted to CDP (as a graduating country)	Country report to be submitted to CDP (as a graduating country)	67/221
March 2017	CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	E/RES/2013/20
<i>June 2017</i>	<i>Equatorial Guinea graduates</i>		<i>68/18</i>
<i>December 2017</i>		<i>Vanuatu graduates</i>	<i>68/18</i>
December 2017	Country report to be submitted to CDP (as a graduated country, #1)	Country report to be submitted to CDP (as a graduating country) ^A	67/221
March 2018	CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	67/221
December 2018	Country report to be submitted to CDP (as a graduated country, #2)	Country report to be submitted to CDP (as a graduated country, #1)	67/221
March 2019	CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	67/221
December 2019	Country report to be submitted to CDP (as a graduated country, #3)	Country report to be submitted to CDP (as a graduated country, #2)	67/221
March 2020	CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	67/221
December 2020	Country report to be submitted to CDP	Country report to be submitted to CDP (as a graduated country, #3)	67/221
March 2021	Report to be submitted as a complement to triennial review to ECOSOC	CDP annual monitoring report to ECOSOC	67/221
December 2023	Country report to be submitted to CDP	Country report to be submitted to CDP	67/221
March 2024	Report to be submitted as a complement to triennial review to ECOSOC	Report to be submitted as a complement to triennial review to ECOSOC	67/221
December 2026		Country report to be submitted to CDP	67/221
December 2027		Report to be submitted as a complement to triennial review to ECOSOC	67/221

Source: CDP Secretariat.

^A Vanuatu reports as a graduating country, covering the year 2017 for most of which it is still a graduating country. See the case of Samoa (CDP/2014/PLEN/7).

II. Recent macroeconomic developments of Vanuatu

Balance on income	-22.1	-17.7	-18.5	-44.5	-11.4
Balance on current transfers	24.8	22.3	12.5	16.8	18.5
Capital Account	30.4	20.7	24.0	22.6	21.0
Financial Account	-20.2	-21.6	-47.6	-25.4	6.0

gross secondary enrolment ratio have improved. On the other hand, the percentage of population undernourished worsened, but this is largely due to data revisions introduced by FAO, the source of data used for this indicator.

EVI continues to be above the graduation threshold of 32 and worsened marginally since 2012. The worsening is largely due to the increased share of agricultural production in GDP

announced that it “would reduce planned growth of the aid program and refocus it on the Indo-Pacific region” because of updating the Partnership for Development⁵ in light of progress against the objectives and the changing context. The Government of Australia would expect that this leads to a reduction in planned expenditure earmarked for Vanuatu during the financial year 2014-2015.⁶ While the Australian Government said that there would be an opportunity in coming months to “recalibrate the partnership in line with both governments priorities”, the Government of Vanuatu would be required to adjust its short- and medium-term budget plans for current and capital expenditure.

V. Concluding remarks (Vanuatu)

The economy of Vanuatu has been experiencing steady growth over several years, due to growth of visitor arrivals from Australia and New Zealand, increased agricultural production and the implementation of various infrastructure projects. Recent declines in visitor arrivals and the expected reduction in ODA from Australia could decelerate growth, but positive rate of growth will be maintained, with the various infrastructure projects being under way. HAI continues to be well above the graduation threshold, but the country remain highly vulnerable to economic and natural shocks as indicated by its EVI score.

As its largest donor, Australia, is changing aid allocation among countries in the Indo-Pacific region, it is an opportune time for Vanuatu to initiate a smooth transition strategy with cooperation of Australia and its other major trading and development partners. With a well-planned smooth transition strategy at hand, the country will be able to minimize potential adverse impacts of graduation when it leaves from the LDC category in December 2017, and maintain sustainable development.

⁵ Partnership for Development between Australia and its counterpart country is a document that establishes their shared visions to work together to meet their common challenges and to achieve improved development outcomes.

⁶ See Department of Foreign Affairs and Trade, Australian Government (2014). *Aid Program Performance Report 2013 14: Vanuatu* (September).

