

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

Samoa

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

I. Background

General Assembly resolution 67/221 of 21 December 2012 requests the Committee for Development Policy (CDP) to monitor the development progress of countries that graduated from least developed country (LDC) category. The monitoring is to be conducted, in consultation with the Governments of those countries, on a yearly basis for a period of three years after graduation becomes effective, and triennially thereafter, as a complement to two triennial reviews of the category of least developed countries. CDP has also been requested to include its findings in its annual report to the Economic and Social Council (ECOSOC). Resolution 67/221 strengthens a similar provision contained in resolution 59/209 of 20

Maldives graduated from the LDC category on 1 January 2011, on the basis of its high GNI per capita and human asset index (see the table 1).⁴ The first CDP monitoring report was prepared as a complement of the triennial review of the list of LDCs in 2012 and submitted to the ECOSOC in that year, in accordance to resolution 59/209. No monitoring report was submitted in 2013, as resolution 67/221 was adopted after the CDP plenary meeting in that year. The second monitoring report (corresponding to the last of the three “annual” reports under the resolution 67/221) was submitted to the Committee in 2014. The present report is the third in the monitoring exercise and the first to have been prepared as a complement to triennial review. The last report will be submitted to the CDP as a complement to the triennial review in 2018.

Services, Credit (Exports)	162.1	180.5	187.1	211.0	201.2	..
Services, Debit (Imports)	79.6	81.7	78.1	100.9	89.3	..
Balance on services	82.5	98.8	109.0	110.1	111.9	..
Balance on Goods and Services	-113.8	-158.1	-185.0	-167.2	-189.5	..
Balance on income	-24.6	-17.9	-31.6	-36.1	-30.4	..
Balance on current transfers	125.7	132.6	150.8	172.5	173.9	..
Capital Account	48.3	82.4	72.7	58.4	37.4	..
Financial Account	35.9	24.5	-20.3	33.6	8.5	..
Direct investment (net)	-8.9	-1.0	-14.6	-12.2	-24.1	..
Portfolio investment (net)	1.6	1.7	0.4	9.9	1.7	..
Other investment (net)	..	..	..	..	..	..
Memorandum item:						
Reserves (Millions of dollar)	165.8	209.4	166.8	168.7	170.9	..
Reserves (months of imports)	6.2	6.5	4.6	4.4	..	..

cyclone (see table 6). Visitor arrivals reached a pre-cyclone level in 2014, helped by reconstruction of some tourism facilities after the cyclone, rising incomes in Australia and New Zealand (two major countries of origin of tourists), and the weak currency.¹⁰

Table 6. Samoa: selected indicators on tourism, 2009-2013.

	2009	2010	2011	2012	2013	2014
Remittances (annual rate of growth)	9.6	2.2	14.0	13.4	0.2	..
Tourism earnings (annual rate of growth)	2.7	7.8	8.9	9.6	..	..
Visitor arrivals (thousands)	129	130	128	135	125	131

Source: World Bank, World Development Indicators, accessed 2 February 2015; Samoa Bureau of Statistics, International Arrival Statistics, December 2014

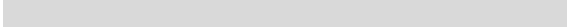
Developments related to indicators in the LDC criteria

Samoa achieved substantial income growth over the period of last three triennial reviews (see table 7). Preliminary estimates suggest that GNI per capita of Samoa in the 2015 review is \$3,319, almost three times higher than the graduation threshold established at the 2015 triennial review (\$1,242).¹¹ The income data in table 7 are not comparable because the data source changed from World Bank to United Nations in the 2015 review. Using only the United Nations data, the GNI per capita increased steadily from \$1,953 in 2004 to \$3,503 in 2013, by 6.8 per cent annually, on average (see figure 2). As mentioned above, over the medium-term, real GDP growth is forecast to be slow but positive, suggesting that the income is likely to be sustained at the current level.

¹⁰ Economic Intelligence Unit, Samoa: Country report, February 2015

¹¹ Committee for Development Policy Secretariat. The graduation threshold in 2015 triennial review was established based on 2011-2013 data.

Table 7. Samoa: LDC criteria indicators, 2009, 2012, and 2015 triennial reviews.



agricultural and fisheries exports were launched in 2014. Market opportunities for primary produce are explored, by making improvement in compliance to product requirements in importing countries. An agribusiness facility was also launched in 2014 to provide support for commercial agriculture as well as subsistence farmers.

In November 2014, Samoa became a signatory of the Tokelau Arrangement, along with Australia, New Zealand, Niue, the Cook Islands, Tokelau, Tonga, Tuvalu, and Vanuatu, which aims to set catch limits and develop sustainable commercial fisheries for tuna species in the exclusive economic zones of Pacific nations.¹³ Most of Samoa's tuna catch is exported and a large proportion of households rely on fisheries income to some degree. Under the Tuna Management and Development Plan 2011-15, the Government is attempting to boost exports by encouraging private-sector development and joint ventures with foreign firms in the fishing sector, looking to add value by promoting local processing. The Government also plans to improve the local regulatory regime to encourage sustainable tuna exports to the EU.¹⁴ In the long run, however, promoting fisheries sector heavily depends on the sustainability of fish stocks.

(ii) Trade related measures

The Government continues to engage in consultation with the private sector on the compliance obligations following WTO accession in 2012. The Diagnostic Trade Integration Study conducted in 2010 pointed out that there might be significant adjustment costs in agriculture, food-processing, and manufacturing sectors, related to issue of intellectual property rights, sanitary and phytosanitary systems, subsidies and countervailing measures, and technical barriers to trade.¹⁵ It is still not feasible to measure those impacts in the present report due to the lack of necessary data.

The Government has successfully negotiated with some of its export trading partners on the continuation of DFQF schemes beyond graduation. China has agreed to extend zero tariff treatment on noni juice and other agro-processing products until 2017. Discussions are still

¹³ The Pacific Islands Forum Fisheries Agency, Explanatory note on the Tokelau Arrangement, 2014. Available from https://www.ffa.int/system/files/WCPFC11-2014-DP05b%20Tokelau%20Arrangement%20Explanatory_Note.pdf

¹⁴ Economic Intelligence Unit, Samoa: Country report, February 2015

¹⁵ Government of Samoa, Diagnostic Trade Integration Study, 2010.

Noni Juice	2307	3919	12.2	23.2
Beer	3233	2993	17.2	17.7
Coconut oil	2325	2369	12.3	14.0
Taro	950	1461	5.0	8.6
Coconut	211	402	1.1	2.4
Spring water	407	351	2.2	2.1
Copra meal	382	269	2.0	1.6
Total	18837	16918	100	100

Source: Central Bank of Samoa, Foreign Trade Report, July 2014.

(iii) Financing for Development including ODA

In 2011, the majority of Samoa's development partners agreed to working with the Government on a Joint Policy matrix (JPM) which would be the basis for delivery of performance linked aid. Year 2014 was the third year of the JPM and the assistance provided has helped meet Samoa's budgetary deficits. The Government of Samoa reported that most of the financial support by multilateral financial institutions has been delivered in the form of grants in 2014. It is likely, though, further assistance in the future will be composed of grant and loan, due to the improved economic performance of the country.

There seems no significant impact of Samoa's graduation on aid programmes of major donors in 2014. Australia is Samoa's leading aid donor, accounting for 30 per cent of net ODA disbursement to Samoa in 2013, followed by New Zealand (19 per cent), Japan (6 per cent), and the EU (3 per cent).¹⁷

Australia's total official development assistance to Samoa was \$38.3 million in 2013-2014, including \$23.1 million in bilateral aid and \$15.2 million delivered through regional programs.¹⁸ Australia's 2014/15 aid budget for Samoa is estimated to remain at a similar level, \$37.6 million.

¹⁷ OECD, Aid at a glance: Samoa. Available from <http://www.oecd.org/dac/stats/documentupload/WSM.JPG>

¹⁸ Government of Australia, Department of Foreign Affairs and Trade, Overview of Australia's aid program to

Samoa managed to secure most of the aid flows in grant form in 2014, but the increasing loans from multilateral financial institutions and emerging bilateral donors raised concerns on the level of country's external debt. In this regard, international community should pay particular attention to the possible debt problems of Samoa, in order to support the country's smooth transition, as emphasized in the outcome document of third international SIDS Conference.²⁸

²⁸ Member States of General Assembly reaffirm the need for the smooth transition of SIDS that have recently graduated, and emphasize that a successful transition needs to be based on the national smooth transition strategy elaborated as a priority by each graduating country, which can, inter alia, mitigate the possible loss of concessionary financing and reduce the risks of falling heavily into debt. A/CONF.223/3.

ANNEX

Annex table 1. Selected data for graduated and graduating countries

Country	Status	Year of graduation	Indicator	LDC criteria		
				2012 review ^{a/b}	2012 review consistent ^c	2015 review ^a
			GNI per capita	6,513 (>1,190)	5,597	7,410 (>1,242)
Botswana	Graduated	1994	EVI	43.0 (<32.0)		