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**Sixteenth Plenary Session of the Committee for Development Policy
New York, 24 – 28 March 2014**

**Note by the Secretariat on
Monitoring of Graduating Countries from the Category of Least Developed
Countries**

Samoa

I. Background

Economic and Social Council (ECOSOC) resolution E/RES/2013/20 requests the CDP to monitor recent socio-economic development progress of countries earmarked for graduation from the LDC category and to include its findings in its annual report to the ECOSOC. The main purpose of the monitoring is to assess any signs of deterioration in the development progress of the graduating country and bring it to the attention of the Council as early as possible.

In its resolution A/RES/67/221, General Assembly invited the Governments of countries that are graduating from the LDC category, with the support of the consultative mechanism, to report annually to the CDP on the preparation of the transition strategy and, after graduation becomes effective, to provide concise annual reports on the implementation of the smooth transition strategy for a period of three years, and triennially thereafter, as a complement to the two triennial reviews of the list of LDCs carried out by the CDP. The report by graduating countries is to be received before the end of each year prior to the publication of the CDP's annual report to the ECOSOC the following year (CDP report E/2013/33).

Monitoring timeline

In 2006, the CDP recommended to ECOSOC that Samoa be graduated from the LDC category on 1 January 2016. The CDP also recommended that Samoa be included in the list of countries to be monitored by the CDP from 2016 onwards.

In the current monitoring exercise, Samoa was invited by the CDP Secretariat to participate as a graduating country, not a graduated country, to cover the year of the CDP plenary meeting. Responding to the request², Samoa submitted to the CDP its report on the overview of the preparation of smooth transition strategy in December 2013.³ Table 1 presents the time line for monitoring reports on Samoa.

Table 1. Time line for monitoring reports: Samoa

Date	Event	Relevant GA resolution
December 2012	Current reporting system introduced	67/221 adopted
December 2013	Country report submitted to CDP (graduating country)	67/221
<i>January 2014</i>	<i>Country graduated</i>	<i>64/295</i>
March 2014	CDP annual monitoring report to ECOSOC	67/221

nominal GDP.⁵ The Government quickly organized reconstruction operations, resulting in a sharp increase of government expenditure in 2013. The international community also delivered immediate recovery assistance. For instance, Samoa received \$20 million of additional funding from the World Bank for reconstruction and recovery from the damages incurred by the cyclone.⁶

The International Monetary Fund (IMF) estimates that the annual GDP growth rate would rebound soon to around 2 per cent over the medium term, owing to quick recovery from the disaster impacts, as well as the growth in agriculture and services sector. Per capita income growth would be therefore modest, as Samoa's annual population growth is low at 0.6 per cent on average between 2001 and 2010, comparing to those for developing countries (1.4 per cent) or LDCs (2.4 per cent).⁷

Figure 1. Samoa: annual growth rate of real GDP, 2009-2018 (per cent)

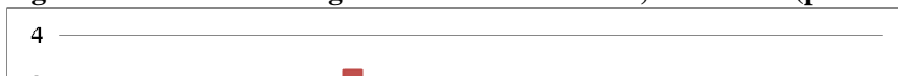


Table 2. Samoa: Selected indicators, 2009-2013

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.¹⁴

The Government has negotiated with some of its bilateral trading partners on the continuation of Duty Free Quota Free (DFQF) schemes beyond graduation. Samoa's main exports are fresh fish, noni juice, beer and coconut oil (see table 3). Japan and United States are the major markets for Samoa's fish export, accounting for about 70 per cent of Samoa's fish export.¹⁵ Fisheries exports, mainly tuna, to the United States will continue to benefit from the Generalized System of Preference (GSP) scheme after graduation as the fish exports by Samoa are GSP-eligible regardless of the country's LDC status. Discussions are under way with the Government of Japan on extending zero tariffs for fish exports, as well as for noni juice and organic products such as honey, vanilla and cocoa for which an increase in tariffs is expected after graduation. Japan, however, has not extended DFQF treatment to Maldives after graduation from the LDC category in 2011.

China accounts for less than 10 per cent of Samoa's total noni juice export, but the share is rising fast. China has agreed to extend zero tariff treatment on noni juice beyond graduation. Most of Samoa's coconut oil export is destined to the European Union, in particular U.K, and will not be affected by the graduation in the short run, as it currently benefits from the Everything-But-Arms initiative, with a transitional period of three years after graduation. After the transitional period is over, Samoa can accede to the EU's GSP scheme which has a preferential rate for crude coconut oil at zero percent. Samoa will continue to receive preferential market access to Australia and New Zealand, under the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA). The two countries account for about 15 per cent of Samoa's exports.

Table 3. Export by product, value and share, July/2012-July/2013

Products	Export value (thousand USD)	Share as a per cent of the total export
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services, as well as a substantial transfer inflow. It is possible that Samoa's recent accession to WTO will impact on the country's trade balances in view

basis, for example, Samoa's eligibility to submit new proposals for Enhanced Integrated Framework (EIF) funds and bilateral programs.

Additionally, according to General Assembly resolut

In order to avoid negative impacts of external shocks, protection mechanisms should be further explored at the regional level. Samoa joined in 2013 the Pacific Catastrophe Risk Insurance Pilot Program which is a regional insurance mechanism providing immediate funding if a major natural disaster occurs. The program was launched by the Government of Japan, the World Bank and the Secretariat of the Pacific Community (SPC) as a two-year pilot program with 5 participating countries.¹⁹ This type of regional mechanism needs to be scaled up and sustained.

Samoa has been proactive in preparing its smooth transition strategy. Consultation mechanisms have been built and operational at various levels, and negotiations regarding phasing-out LDC-specific support measures have been completed or ongoing. It is however difficult to distinguish the direct impacts of graduation from those of other factors, including Samoa's recent accession to WTO, and potential changes in aid flows due to donors' budgetary constraints. The Government continues to play an active role in determining the best possible actions to minimize the impacts of such budgetary cuts. Some of international support measures will continue to be provided to Samoa to address development challenges that Samoa is facing as a SIDS.

In September 2014, Samoa will host the Third SIDS Global Conference to address the sustainable development challenges facing SIDS in view of their unique and particular vulnerabilities.²⁰ Given that countries which recently graduated or are graduating from LDC category are SIDS²¹, strengthening international support for SIDS can contribute to supporting smooth transition for those countries. The Global Conference in Samoa has three objectives: (i) to assess the progress to date and the remaining gaps in the implementation of the Barbados Programme of Action for the Sustainable Development of SIDS and the Mauritius Strategy for Implementation; (ii) to identify new and emerging challenges and opportunities for the sustainable development of SIDS and means of addressing them through achievable, realistic, contextualized and innovative partnerships; (iii) to identify priorities for the sustainable development of SIDS to be considered in the elaboration of the post-2015 UN development agenda. In this regard, The Government continues to work closely with the Global partnership for effective Development Cooperation (Busan) in anticipation of the decision that this would provide a mechanism for the