Background:

Samoa was first included on the list of Least Developed Countries in 1971. It was first identified for graduation in 1997 and subsequently in 2003, 2006, and 2010. Samoa graduated on 1st January 2014 after having met 2 of the three criteria for graduation in two consecutive rounds. These criteria included:

- GNI per capita: yes (2003, 2006, 2009)
- Human assets index: yes(2000, 2003, 2006, 2009)
- Economic vulnerability index: no

Samoa was scheduled to graduate from the list in December 2010 but the General Assembly extended the transition period by a period of three years, until 1 January 2014, due to the disruption caused to Samoa by the Pacific Ocean tsunami of 29 September 2009 (A/RES/64/295).

The country data Review for 2009 are as follows:

Economic Vulnerability Index	64.3
Human Assets Index	92.2
GNI per capita	2,240 now 3,400

What is a smooth transition?

The UN General Assembly, in resolution 59/209, reconfirmed that graduation from least developed country status should not result in any disruption to the graduating country of its development plans, programmes and projects, and reemphasized the importance of ensuring a "smooth transition" for graduating LDCs. The notion of smooth transition implies that the loss of international (bilateral and multilateral) support measures

- Trade related measures:

Samoa became a member of WTO in 2011 after 17 years of first application and was able to utilize the special provisions for LDCs and is currently in a transition period to implement compliance commitments.

Generalised system of preferences:

Graduation will result in the loss of preferential market access under the Duty Free Quota Free arrangements. Samoa has a limited range of products for export and as such its fisheries products to the USA will continue to benefit under the GSP scheme after graduation.

The Government has already 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 beyond until 2017. Discussion are under way with the Government of Japan on a similar arrangement for noni juice, fish exports and organic products such as honey, vanilla and cocoa which would see rise in tariffs on graduation.

Under Everything But Arms a transitional period of 3 years is allowed after graduation for access of Samoa's coconut oil to the EU market. The EU's GSP preferential rate for crude coconut oil is zero percent rating thus Samoa will as a developing country continue to benefit from this arrangement for its products.

Samoa will continue to receive preferential market access to Australia under the Australian system of Tariff Preferences as well as SPARTECA. For NZ Samoa will retain access under SPARTECA and WTO arrangements. Negotiations are ongoing on the FTAs in the Pacific region such as PICTA and PACER, PACER plus. Under the Pacific Island Countries Trade Agreement, a shorter time frame to set zero tariff rating applies than that applied for LDCs.

- Financing for Development:

Maturing partnerships between the Government of Samoa and its development partners and the demonstrable ownership and leadership of the development process has seen huge improvements in accountability, predictability, incentivized programs that are performance based and targeted programs that provide support towards 4(r)4(g)

MODALITIES FOR A SMOOTH TRANSITION STRATEGY

As determined by the various impact studies that have been conducted pre graduation, it is apparent that there would be minimal impact on the development of the country. Beside these minimal risks associated with the loss of LDC benefits, there are challenges inherent in the current circumstances of Samoa as a small island developing state that also need to be addressed and form part of the “smooth transition strategy”, and where perhaps the continued cooperation of development partners is necessary as the country aims towards greater self reliance. These challenges include the recent, lasting global economic crisis, notably with regard to fuel and food prices and shortfalls and the country’s vulnerability to natural disasters.

Samoa’s smooth transition strategy has involved the planning and implementation of policies to sustain economic growth and human capital development. Investments have been focused on infrastructural development namely transportation (land air and sea) securing cost effective renewable energy options in order to reach a target set of 100% renewable by 2017 and well as improved connectivity. As well focus is on the growth sectors namely tourism and agriculture/fisheries. Extensive programs to revitalize exports and agriculture and fisheries were launched in 2014. Market opportunities for primary produce have been revitalized and have been supported by improved compliance with quarantine conditions. An agribusiness facility was also launched in 2014 to provide support for commercial agriculture and complements the program established to provide support for subsistence farmers; the financing structure of both programs differing to suit the clients involved. Samoa’s transition strategy is very much country-owned and led, but s inhe(t)-4001 Tc -0.001 Tw [(c)4(o)-11.8Invp(a)10(n)-p(a)2(aˆ(Tc (

The following are lines of action that might require external support Samoa may continue to be in need of. Samoa's smooth transition strategy consolidates the gains already made through this support, and have been taken into consideration toward smooth transition modalities.

Develop and formulate a coherent national development strategy

The smooth transition strategy converges with the overall national development strategy of the country SDS 2012-2016 launched in early 2012, with particular reference to sector-specific policies and which mid-term review has begun at the end of 2014 as described above. The SDS was developed through a wide consultative process with the public and covering the whole country. It highlighted the importance of inclusive development and the importance of engagement of civil society, private sector and parliamentarians in the development process as well as the development partners.

Priority is placed on the infrastructure sector to improve transport, communications, and water supplies and expand initiatives to capture the most relevant and cost effective renewable energy options as well as continuing focus on health and education and renewed investment in the growth sectors of agriculture and fisheries and tourism. Consultations with the development partners on the importance of supporting the infrastructure sector has resulted in the establishment of a Samoa Economic infrastructure facility that is also supported by the Pacific Regional Infrastructural Facility.

The SDS also emphasizes the importance of prudent management of natural resources growth over the medium term. A Medium Term Debt Strategy (2012-2015) will have a final review in early 2015.

Considerable efforts have gone into investing in more efficient revenue collection through addressing capacity constraints. These priority actions are being addressed under the Finance sector plan and supported by the development partners.

Addressing institutional capacity constraints

A revised human resource development plan began implementation in 2014 with the implementation of a targeted scholarships program for the education and health sectors on top of the general scholarships program in order to address capacity gaps in these key social sectors thus assuring quality service delivery. Institutional constraints, including shortages of skills, continue to affect the management of the development process, and also encompass the management of projects financed by development partners. Th