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Monitoring of Graduated and Graduating Countries from the Least Developed Country Category:

Angola, Equatorial Guinea, Maldives, Samoa and Vanuatu

Contents

Summary and the monitoring timeline

Angola: Scheduled to graduate on 12 February 2021. Income has been sustained at a high level but lower oil production and tighter foreign exchange liquidity brings challenges on maintaining macroeconomic stability. Human assets are underdeveloped comparing to other countries with similar income levels. The preparation of the smooth transition strategy has been delayed by the recent political changes.

Equatorial Guinea: Graduated on 4 June 2017. The income level is still high, but the GDP is projected to continue to decline due to the production cap imposed by OPEC, depletion of the existing oil reservoirs, and limited new investment. Financial sustainability is questioned as foreign reserves are seriously low. HAI is very low, and there is no update on the data on some of the HAI indicators. After graduation became effective, the Government expressed interest on possible postponement of the graduation.

Maldives: Graduated on 1 January 2011. The continued increase in economic growth in recent years has been driven primarily by high-end tourism and construction. Current account and fiscal imbalances, relatively low international reserves and a rapid build-up in public debt, are the main challenges. There is no sign of regress in the HAI and EVI indicators. The graduation does not appear to have caused disruptions on Maldives' development trend.

Samoa: Graduated on 1 January 2014. The income growth is expected to be slow at 1.5 – 2 per cent in the next few years. There is no sign of progress or regress in the income, HAI and EVI indicators. Samoa reported that it has continued to make progress since graduation, despite the challenges it still faces as a developing country. Samoa presents its gratitude to the United Nations and the international community for the support and assistance while it was categorized as an LDC.

Vanuatu: Scheduled to graduate on 4 December 2020. The growth rate is projected to stay around 4 per cent, helped by recovery in the agricultural production, and a few infrastructure projects. The HAI and EVI indicators show no change in 2017-2018. Vanuatu had indicated that it was in the process of establishing the National LDC Coordinating Committee to prepare the smooth transition strategy, but a progress has not been reported.

Table 1 Timeline for graduation and monitoring reports

Date	Angola	Equatorial Guinea	Maldives	Samoa	Vanuatu
Jan 2011			***Graduation***		
Jan 2014				***Graduation***	
Jun 2017		***Graduation***			
Mar 2018	Graduating	Graduated #1	Review #2	Review #1	Graduating
Mar 2019	Graduating	Graduated #2			Graduating
Mar 2020	Graduating	Graduated #3			Graduating
Dec 2020					***Graduation***
Feb 2021	***Graduation***				
Mar 2021	Graduating	Review #1		Review #2	Graduating
Mar 2022	Graduated #1				Graduated #1
Mar 2023	Graduated #2				Graduated #2
Mar 2024	Graduated #3	Review #2			Graduated #3
Mar 2027	Review #1				Review #1
Mar 2030	Review #2				Review #2

Note: "Graduating" indicates monitoring as a graduating country; "Graduated #1" indicates monitoring for the first as a graduated country; "Review #1" indicates monitoring for the first time as a complement to the triennial review.

1. Angola

1.1. Development trend and forecast

Angola is highly dependent on the oil sector (55 per cent of GDP, 95 per cent of exports, and 70 per cent of fiscal revenue), and its economic growth has been strongly affected by the low oil prices in the world markets. Following the 0.7 percent contraction of GDP growth in 2016, the economy reached 1.9 per cent growth in 2017 (see Table 2). GDP is projected to grow at 2.7 percent in 2018-2019, driven mainly by energy and construction developments.[1]

Table 2 Angola: macroeconomic indicators, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017
GDP growth rate (per cent, constant price)	3.5	8.5	5.0	4.1	0.9	-0.7	1.9
Inflation rate (%)	13.5	10.3	8.8	7.3	12.1	41.2	28.0
Government revenue (billions of national currency)	4,776	5,054	4,849	4,403	3,367	2,910	3,526
Government expenditure (billions of national currency)	3,928	4,549	4,889	5,222	3,774	3,690	4,924
Government balance (billions of national currency)	849	505	-40	-819	-407	-780	-1,398
Government balance (per cent of GDP)	8.1	4.1	-0.3	-5.7	-2.9	-3.3	-4.3
Net ODA received (millions of US dollars)	193	244	286	235	380		
Balance of Payments (millions of US dollars)							
Current Account	13,085	13,853	8,348	-3,748	-10,273	-4,904	-5,922
Goods, Credit (Exports)	67,310	71,093	68,247	59,170	33,181	27,474	34,762
Goods, Debit (Imports)	20,228	23,717	26,344	28,580	20,693	14,179	17,686
Balance on Goods	47,082	47,376	41,903	30,590	12,489	13,296	17,076
Services, Credit (Exports)	732	780	1,316	1,681	1,256	1,155	1,122
Services, Debit (Imports)	23,670	22,119	22,846	24,958	17,276	13,879	15,770
Balance on services	-22,938	-21,339	-21,531	-23,276	-16,020	-12,723	-14,648
Balance on Goods and Services	24,144	26,037	20,372	7,313	-3,531	572	2,429
Balance on income	-9,697	-10,422	-9,900	-8,850	-5,908	-4,711	-7,349
Balance on current transfers	-1,362.2	-1,762.2	-2,123.4	-2,210.9	-833.8	-764.8	-1,002.4
Capital Account	2.3	3.9	0.6	1.6	6.3	0.6	
Financial Account	12,742	13,381	8,541	-3,444	-9,961	-4,904	-5,922
Direct investment (net)	5,116	9,639	13,164	2,331	-8,235	3,362	-727
Portfolio investment (net)	52	200	100	11	-1,512	-19	-19
Other investment (net)	-1,150	-953	-5,061	-1,855	2,846	-5,382	1,324
Change in reserves	8,724	4,495	338	-3,930	-3,059	-2,864	-6,500
Total Reserves (Millions of US dollars)	27,164	31,659	31,998	27,735	24,419	24,441	17,926
Reserves (months of imports)	7.4	8.3	7.8	6.6	8.4	11.3	7.6

Source: UN/DESA World Economic and Social Prospects (2018); IMF, International Financial Statistics, accessed 10 February 2018.

Lower oil production and tighter foreign exchange liquidity brings serious challenges to the macroeconomic stability. As per the Organization of Petroleum Exporting Countries (OPEC) agreement in 2017, Angola reduced its oil production level target by 4.5 per cent (78,000 barrels per day) in 2017. Inflation rates have been very high (41 per cent in 2016 and 28 per cent in 2017), and devaluation of the kwanza in early 2018, after the Central Bank ended the dollar peg, will keep inflation further elevated. The current account deficit and financial outflow lead to a significant decrease in the total reserves from

[1] UN/DESA (2018). World Economic Situation Prospects (WESP).

$24,441 million in 2016 to $17,926 million in 2017.[2] IMF's Article IV mission schedule in early 2018 is expected to include a discussion on a technical assistance programme.[3]

1.2. Development related to indicators in the LDC criteria

The GNI per capita of Angola is estimated as $4,477 in 2018, 3.6 times higher than the LDC graduation threshold established at the 2018 triennial review, $1,230 (see Table 3). Low economic growth, currency devaluation, and inflation may further reduce GNI per capita in next few years. Nevertheless, GNI per capita is expected to remain far above the graduation thresholds.

Table 3 Angola: LDC criteria indicators, 2011 - 2018

Index/Criteria	2011	2012	2013	2014	2015	2016	2017	2018
GNI per capita (USD, Atlas method)	2,826	3,069	3,206	3,556	4,093	4,613	4,750	4,477
Human assets index (HAI)	43.5	46.2	47.7	49.0	50.3	51.3	52.1	52.5
Maternal mortality rate (per 100,000 live births)	581.4	561.3	546.0	526.1	508.8	493.4	477.0	477.0
Under-five mortality rate (per 1,000 live births)	128.3	119.4	111.0	103.5	96.8	91.2	86.5	82.5
Percentage of population undernourished	21.3	19.4	17.9	16.7	15.3	14.4	14.0	14.0
Adult literacy rate (%)	66.6	66.5	66.3	66.2	66.1	66.0	66.0	66.0
Gross secondary enrolment ratio (%)	25.0	28.8	28.9	28.9	28.9	28.9	28.9	28.9
Economic vulnerability index (EVI)	33.8	34.3	34.6	37.4	36.3	37.0	37.1	36.8
Population (thousands)	22,550	23,369	24,219	25,096	25,998	26,920	27,859	28,813
Remoteness	58.6	58.7	58.9	59.1	59.2	59.3	59.5	59.8
Merchandise export concentration	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Share of agricultural, forestry and fisheries in GDP (%)	5.5	5.9	6.2	5.9	6.0	6.7	8.0	8.6
Share of population living in low elevated coastal areas (%)	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Instability of exports of goods and services	13.3	13.5	13.9	14.3	12.8	13.1	13.2	12.8
Instability of agricultural production	5.7	5.7	5.6	7.4	7.7	8.3	8.3	8.3
Victims of natural disasters (%)	0.2	0.3	0.3	0.7	0.7	0.7	0.7	0.7

Source: Committee for Development Policy Secretariat
Note: Indicators are generated based on the same data source and methodology used for the 2018 review using most recent available data. Therefore, the values in 2012 and 2015 may be different from the values included in the triennial reviews presented in the CDP reports to the ECOSOC in the respective year.

The income level and human development of Angola are unbalanced. While there is improvement in the HAI score in 2018, 52.5 is still a very low value compared to the HAI scores of countries with similar income levels (e.g., Paraguay 87.1, Belize 87.8, Algeria 88.3, Namibia 72.5). The HAI score is considerably higher than in the last monitoring report, mainly due to the incorporation of the 2015/16 Demographic Health Survey in the most recent child mortality estimates.

The EVI score is 36.8 in 2018 and remains above the graduation threshold established at the 2018 review of 32 or below. Vulnerability has increased over the past seven years, mainly driven by increased

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[2] UN/DESA (2018). WESP; Economic Intelligence Unit (EIU) (February 2018). Angola Country Report; African Development Bank (2018). African Economic Outlook (AEO).
[3] IMF (2017). Press Release No. 17/440. http://www.imf.org/en/News/Articles/2017/11/15/pr17440-imf-team-completes-staff-visit-to-angola

instability of agricultural production and increasing impacts of droughts. Overall, the LDC indicators do not suggest diversification of the economy or a reduction in vulnerability to outside shocks.

1.3. Smooth transition

Angola is scheduled to graduate on 12 February 2021 (A/RES/70/253). In 2017, the Government of Angola has initiated its work on finalizing its 10-step road map to prepare the smooth transition strategy.[4] Due to the recent political changes, the Government has yet to implement the initial steps in the preparation of the transition strategy.

2. Equatorial Guinea

2.1. Development trend and forecast

Equatorial Guinea is highly dependent on the oil sector (97 per cent of the export, and 90 per cent of fiscal revenue), and continues to face serious challenges due to the decline in hydrocarbon production compounded by low oil prices. Real GDP contracted by 9 per cent in 2015, 8.9 per cent in 2016 and 5.9 per cent in 2017 (see Table 4). Estimates vary depending on assumptions about international oil prices but real GDP is projected to further contract by 4-6 per cent annually in 2018-2019.[5]

Table 4 Equatorial Guinea: macroeconomic indicators, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017
GDP growth rate (per cent, constant price)	6.5	8.3	-4.1	0.4	-9.0	-8.9	-5.9
Inflation rate (%)	4.8	3.7	2.9	4.3	1.7	1.4	1.6
Government revenue (billions of national currency)	2,851	3,196	2,696	2,585	2,071	1,129	1,171
Government expenditure (billions of national currency)	2,767	4,023	3,329	3,353	2,975	1,719	1,560
Government balance (billions of national currency)	84	-827	-633	-767	-905	-590	-389
Government balance (per cent of GDP)	0.8	-7.2	-5.8	-7.2	-19.1	-14.9	-13.5
Net ODA received (millions of US dollars)	24.6	14.5	4.6	0.5	7.5		
Balance of Payments (millions of US dollars)							
Current Account	-1,210	-252	-547	-929	-2,150	-1,067	-806
Goods, Credit (Exports)	16,108	16,410	14,043	12,643	5,688	4,429	4,401
Goods, Debit (Imports)	5,831	5,774	5,758	5,487	3,525	2,183	1,831
Balance on Goods	10,277	10,636	8,285	7,156	2,163	2,246	2,570
Services, Credit (Exports)	162	225	198	168	277	300	324
Services, Debit (Imports)	3,417	3,478	3,443	3,554	2,310	1,512	1,522
Balance on services	-3,255	-3,254	-3,244	-3,387	-2,033	-1,212	-1,198
Balance on Goods and Services	7,022	7,382	5,041	3,769	131	1,034	1,372
Balance on income	-7,786	-7,072	-5,388	-4,163	-1,818	-1,618	-1,710
Balance on current transfers	-447.0	-561.9	-199.7	-535.1	-463.0	-483.7	-467.3
Capital Account	9.82	-0.09	0.04	0.04	0.04	0.04	0.04
Financial Account	4,068	3,931	1,326	-746	-1,263	-1,067	-805
Direct investment (net)	2,726.4	3,515.0	2,146.1	1,137.6	1,186.4	-58.1	87.4
Portfolio investment (net)	11.4	1.3	28.8	24.4	2.4		1.8

[4] Government of Angola (2017). First Annual Report on The Angola Graduation Process from LDC Category. https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-PL-2017-5a.pdf#page=6
[5] UN/DESA (2018). WESP.

Other investment (net)	492	-816	-809	-248	-751	208	-835
Change in reserves	838.2	1,230.9	-39.5	-1,659.7	-1,701.0	-1,216.6	-59.7
Total Reserves (Millions of US dollars)	3,054	4,397	4,567	2,907	1,205	62	7
Reserves (months of imports)	4.4	5.3	6.4	4.2	2.6	0.2	0.0

Source: UN/DESA World Economic and Social Prospects (2018); IMF, International Financial Statistics, accessed 10 February 2018.

Equatorial Guinea is the third-largest oil producer in sub-Saharan Africa, following Nigeria and Angola. However, crude oil production has been steadily declining since 2004, due to depletion of existing reservoirs and limited investment in new field discoveries. Equatorial Guinea produced 236,300 barrels per day in 2016, and since 2017, as the country joined the OPEC as the sixth African member, the oil production is capped at 128,000 barrels a day. In the longer term, oil output may fall by more than OPEC's cap due to depletion of oil reserves.[6]

Surplus in the balance on goods is to large extent cancelled by the deficit in the balance on services, mainly in the oil sector. Without the inflow of foreign capital, the total reserves dwindled down to only $7 million in 2017. The economy is expected to remain in recession in 2018 as oil production declines, public investment remains low and the non-oil economy stagnates.[7]

2.2. Development related to indicators in the LDC criteria

GNI per capita is estimated as $9,665 in 2018, about eight times higher than the graduation threshold, $1,230 (see Table 5). The projected continued contraction of real GDP in the next couple of years, due to low oil prices and declining oil production, may lead to a further reduction in the GNI per capita. However, the country is expected to remain an upper-middle income country.

Table 5 Equatorial Guinea: LDC criteria indicators, 2011 – 2018

Index/Criteria	2011	2012	2013	2014	2015	2016	2017	2018
GNI per capita (USD, Atlas method)	9,345	10,604	11,435	11,689	12,927	13,372	11,930	9,665
Human assets index (HAI)	54.4	55.1	55.9	56.4	57.0	57.5	58.1	58.4
Maternal mortality rate (per 100,000 live births)	391.0	378.8	364.5	361.4	355.6	351.1	341.6	341.6
Under-five mortality rate (per 1,000 live births)	114.4	110.6	107.0	103.7	100.4	97.1	94.0	90.9
Percentage of population undernourished	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Adult literacy rate (%)	92.4	92.9	93.4	93.8	94.3	94.7	95.2	95.2
Gross secondary enrolment ratio (%)	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4
Economic vulnerability index (EVI)	43.0	40.2	39.4	39.1	38.0	33.7	27.6	27.8
Population (thousands)	909	951	994	1,039	1,084	1,129	1,175	1,221
Remoteness	47.1	47.4	47.7	48.1	48.3	48.5	48.8	49.1
Merchandise export concentration	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Share of agricultural, forestry and fisheries in GDP (%)	1.1	1.0	1.1	1.0	1.1	1.2	1.5	1.9
Share of population living in low elevated coastal areas (%)	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Instability of exports of goods and services	28.4	27.3	26.6	26.4	25.3	20.3	13.1	13.3
Instability of agricultural production	4.1	1.8	1.6	1.5	1.5	1.5	1.5	1.5

[6] UN/DESA (2018). WESP; EIU (February 2018). Equatorial Guinea Country Report.
[7] EIU (February 2018). Equatorial Guinea Country Report; AfDB (2018). AEO.

Victims of natural disasters (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Committee for Development Policy Secretariat
Note: Indicators are generated based on the same data source and methodology used for the 2018 review using most recent available data. Therefore, the values in 2012 and 2015 may be different from the values included in the triennial reviews presented in the CDP reports to the ECOSOC in the respective year.

Progress in improving human assets is slow. There is no data update on the undernourishment or secondary school enrolment rate in 2010s. The HAI score reaches 58.4 in 2018, very low compared to the HAI scores of countries with similar income levels (e.g., Gabon 72.8, Maldives 89.3, Mexico 94.6, Brazil 96.1).

The EVI score fell below the graduation threshold of 32 in 2017 and 2018. The reduced EVI results from a reduction in export instability in 2016 and 2017; it is largely a statistical outcome rather than the result of a fundamental change in the economy's instability.[8]

2.3. Smooth transition

Equatorial Guinea graduated on 4 June 2017 (A/RES/68/18). Equatorial Guinea has not yet submitted a report on its preparation or implementation of the smooth transition strategy. In August 2017, the Government requested the High Representative of LDCs, Land Locked Developing Countries and Small Island Developing States for a memorandum to postpone the graduation to 2020, to coincide the National Economic Development Plan: Horizon 2020, and to assess the development progress again in 2020 (see Annex 1). The fact that the request was made after the country already graduated may underscore the limited awareness on the LDC category and graduation in the country.

3. Maldives

3.1. Development trend and forecast

The Maldives' real GDP growth rate was 4.5 per cent in 2017 (see Table 6), projected to stay around 4.5 - 4.6 in 2018 and 2019.[9] The continued increase in economic growth since 2015 has been driven primarily by high-end tourism and construction. The tourism sector accounts for about 30 per cent of the economy and about 60 per cent of foreign exchange receipts. Recently, public investments on large infrastructure projects have played a key role in supporting investment demand.

Table 6 Maldives: macroeconomic indicators, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017
GDP growth rate (per cent, constant price)	8.6	2.5	7.3	7.3	2.2	6.2	4.5
Inflation rate (%)	12.9	10.9	3.8	2.1	1.0	0.5	2.9
Government revenue (billions of national currency)	9.4	10.1	11.6	15.0	17.1	18.5	19.7
Government expenditure (billions of national currency)	12.1	13.2	15.0	19.4	21.8	24.9	25.3

[8] The no-growth period until 1995 is excluded from the calculation, and it leads to a lower value of the export instability. See the calculation methods in UN/CDP (2015). Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures.
[9] UN/DESA (2018). WESP 2018.

Government balance (billions of national currency)	-2.8	-3.1	-3.3	-4.4	-4.7	-6.4	-5.6
Government balance (per cent of GDP)	-7.7	-7.9	-7.8	-9.0	-8.8	-7.9	-10.0
Net ODA received (millions of US dollars)	54	57	22	23	27		
Balance of Payments (millions of US dollars)							
Current Account	-390	-192	-141	-118	-295	-831	-779
Goods, Credit (Exports)	346	314	331	301	240	256	285
Goods, Debit (Imports)	1,717	1,576	1,703	1,961	1,894	2,097	2,373
Balance on Goods	-1,370	-1,261	-1,372	-1,660	-1,655	-1,840	-2,088
Services, Credit (Exports)	2,098	2,172	2,577	2,998	2,905	3,110	3,315
Services, Debit (Imports)	581	571	697	793	875	1,101	1,220
Balance on services	1,517	1,601	1,880	2,205	2,031	2,009	2,095
Balance on Goods and Services	147	339	508	545	376	169	7
Balance on income	-295	-272	-364	-355	-326	-364	-404
Balance on current transfers	-241.8	-259.1	-286.0	-307.8	-345.2	-635.2	-382.1
Capital Account	28.5	17.4	7.9	6.6	9.5		
Financial Account	-432	-228	-70	-285	-541	-906	-779
Direct investment (net)	-424	-228	-361	-333	-308	-448	-452
Portfolio investment (net)	-0.1	-53.1	53.3	17.2	-122.9	5.1	3.8
Other investment (net)	7.1	83.4	173.6	-215.3	-59.3	-367.4	-426.9
Change in reserves	-15.3	-30.4	63.8	246.4	-50.7	-95.5	95.7
Total Reserves (Millions of US dollars)	335	305	368	615	564	468	564
Reserves (months of imports)	1.7	1.7	1.8	2.6	2.3	1.9	2.1

Source: UN/DESA World Economic and Social Prospects (2018); IMF, International Financial Statistics, accessed 10 February 2018.

On the other hand, the Maldives also displays some economic fragilities, such as current account and fiscal imbalances, relatively low international reserves and a rapid build-up in public debt in recent years. Public debt as a share of GDP rose by more than 10 per cent between 2014 and 2016, to about 66 per cent of GDP.[10] Also, increasing government spending has contributed to keeping the country in a budget deficit of almost 10 per cent of GDP.[11] These fragilities can affect the country's resilience to confront external and domestic shocks in the near term. Recent political changes add additional uncertainty to the country's development path.[12]

The Chinese-Maldives Free Trade Agreement signed on December 2017 is expected to boost the trade between the two countries, because the tariff rates imposed by China and the Maldives in 2016 was roughly 8 per cent and 11 per cent, respectively. But imports from China ($286 million in 2016) is currently much larger than exports to China (0.1 million), and thus it is unclear yet whether the free trade will contribute to reducing the current account deficit of Maldives.[13]

3.2. Development related to indicators in the LDC criteria

Maldives' GNI per capita is estimated as $9,200 in 2018, about 7.5 times higher than the graduation threshold, $1,230 (see Table 7). The projected continued real GDP growth in the next couple of years may lead to a further increase in the GNI per capita.

[10] IMF (2017). Article IV consultation.

[11] Asian Development Bank (ADB) (2017). Asian Development Outlook; Oxford Economics (2017). Country Economic Forecast: Maldives.

[12] UN/DESA (2018). WESP.

[13] Data based on the World Bank WITS and Oxford Country Economic Forecast.

Table 7 Maldives: LDC criteria indicators, 2011 – 2018

Index/Criteria	2011	2012	2013	2014	2015	2016	2017	2018
GNI per capita (USD, Atlas method)	5,920	6,456	6,917	7,397	7,793	8,185	8,674	9,200
Human assets index (HAI)	87.6	88.3	88.7	88.9	89.1	89.2	89.3	89.3
Maternal mortality rate (per 100,000 live births)	96.1	87.4	81.9	76.2	70.5	69.2	67.7	67.7
Under-five mortality rate (per 1,000 live births)	14.5	13.2	12.0	11.0	10.2	9.5	9.0	8.5
Percentage of population undernourished	11.5	10.0	9.3	9.1	9.0	8.9	8.5	8.5
Adult literacy rate (%)	98.5	98.5	98.5	98.6	98.6	98.6	98.6	98.6
Gross secondary enrolment ratio (%)	69.8	69.8	69.8	69.8	69.8	69.8	69.8	69.8
Economic vulnerability index (EVI)	52.3	51.0	49.1	49.2	49.8	49.8	50.3	50.9
Population (thousands)	355	365	375	386	397	408	418	428
Remoteness	55.9	55.1	54.3	53.5	53.0	52.8	52.9	53.1
Merchandise export concentration	0.7	0.6	0.6	0.7	0.8	0.8	0.8	0.8
Share of agricultural, forestry and fisheries in GDP (%)	6.8	6.5	6.0	5.9	5.9	5.9	6.2	6.4
Share of population living in low elevated coastal areas (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Instability of exports of goods and services	7.5	7.5	7.6	7.6	7.6	7.6	8.1	8.9
Instability of agricultural production	10.3	9.4	8.9	8.8	8.9	8.9	8.9	8.9
Victims of natural disasters (%)	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5

Source: Committee for Development Policy Secretariat

Note: Indicators are generated based on the same data source and methodology used for the 2018 review using most recent available data. Therefore, the values in 2012 and 2015 may be different from the values included in the triennial reviews presented in the CDP reports to the ECOSOC in the respective year.

The HAI has been maintained at a high level, around 89. There is no sign of regress in the health or education related indicators.

Maldives remains highly vulnerable - the EVI score is estimated as 50.9, ninth highest among 97 non-LDCs analysed in the 2018 Triennial Review. While there was slight increase in the recent years in the share of agricultural, forestry and fisheries in GDP, and the instability of exports, the overall EVI score is very stable over time, reflecting the structural nature such as the small size and the high exposure to sea-level rise and other climate change and other impacts associated with climate change.

3.3. Smooth transition

Maldives graduated on 1 January 2011 (A/RES/60/30). Maldives has not yet provided concise annual reports on the implementation of the smooth transition strategy as suggested by the GA resolution 67/221. Based on other sources, there are a few notable developments on international support measures after Maldives graduated.

In the area of trade, the EU, Sri Lanka, Thailand, and the United States have been the main destinations of the Maldives exports. Higher tariff rates were applied to fish exports (the main export product) to the EU starting in 2014 after Maldives lost access to EBA, but the export value did not decline much (see

Table 8 and the LDC portal[14]). The Maldives exports to Sri Lanka are covered by South Asian Free Trade Area (SAFTA), the regional trade agreement, which grants additional preference to its LDC members as well as Maldives as a former LDC. Therefore, there is no impact of graduation on the exports to Sri Lanka. Thailand's GSP for LDCs entered into force on April 2015, after Maldives graduated. Since the Maldives was never a beneficiary of Thailand's GSP, there was no impact of graduation. United States' MFN rate on fish exports from Maldives was zero or very low (0.33%), and thus the loss of access to GSP did not have a large impact, and in fact, the export value continued to grow since graduation.

Table 8 Maldives: Changes before and after graduation, 2009-2016, million $

		2009	2010	2011	2012	2013	2014	2015	2016
Tariffs on fish exports* (%)	EU	0	0	0	0	0	8.2	0.6	11.8
	US	0	0	0	0	0	0	0	0
Fish exports (value)	EU	56.8	39.0	92.3	102.7	85.2	72.9	85.8	
	US	1.3	1.4	3.4	18.4	26.8	32.9	33.5	31.1
DAC ODA	Total	33	112	54	57	22	23	27	
Non-DAC Grant	China	0.0	21.1	18.2	30.7	53.1	0.0	26.6	44.5
	India	0.0	0.0	0.0	6.7	0.0	1.2	6.4	0.0
	Saudi Arabia	3.1	1.8	12.5	10.0	2.5	1.7	0.1	4.8
Non-DAC Loan**	China	157.0	157.0	137.7	130.9	131.0	130.9	131.1	131.2
	India	3.5	7.7	14.0	0.0	0.0	0.1	1.1	12.4
	Saudi Arabia	0.0	0.0	20.1	2.4	1.1	1.6	0.0	0.2

Note: *HS code 03, Effectively applied tariff rates, simple average; ** expenditure on the major projects financed by foreign loans.
Source: World Bank WITS; UN Comtrade; Maldives National Bureau of Statistics, Statistical Yearbook; India Ministry of External Affairs;

The ODA flow from DAC countries decreased in 2013-2015, comparing to 2010-2012. However, non-DAC donors became much more important partners in recent years, illustrated by the grants and loans from China, India and Saudi Arabia (see Table 8). Access to financing sources to address climate change was not much affected by graduation. Three projects ($6.3 million) had been financed by LDCF before graduation. After graduation, one project ($4 million) has been financed by GEF Trust Fund[15], and the Green Climate Fund also supports Maldives with a $23.6 million grant.[16] Loss of other support measures to LDCs seems to have little impact. For instance, contribution of Maldives to UN budget increased about $20,000 per year, since 2016.

Overall, the graduation does not appear to have a large negative impact on Maldives. Maldives continued to make progress without abrupt disruptions caused by the support measures for LDCs.

4. Samoa

4.1. Development trend and forecast

[14] https://www.un.org/ldcportal/managing-graduation-from-the-ldc-category-the-case-of-the-maldives-fish-exports/
[15] GEF project database. https://www.thegef.org/projects?f[]=field_country:101
[16] Green Climate Fund project database. https://www.greenclimate.fund/-/support-of-vulnerable-communities-in-maldives-to-manage-climate-change-induced-water-shortages

After a brief expansion in 2016 helped by construction and hospitality industries as well as fisheries output, the real GDP growth rate was reduced to 2.9 per cent in 2017 (see Table 9). The growth is projected to be further slow down to 1.5 – 2 per cent in 2018 and 2019.[17] As the recovery efforts of the 2012 cyclone has been completed, the fiscal deficit has been substantially reduced in the past couple of years, from 4-7 per cent to less than 1 per cent of GDP.[18]

Table 9 Samoa: macroeconomic indicators, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017
GDP growth rate (per cent, constant price)	3.6	-2.3	0.5	1.9	2.9	5.8	2.9
Inflation rate (%)	5.2	2.0	0.6	-0.4	0.7	1.3	1.6
Government revenue (billions of national currency)	543	556	621	709	683	687	720
Government expenditure (billions of national currency)	636	688	691	809	759	695	760
Government balance (billions of national currency)	-93	-133	-70	-100	-75	-8	-40
Government balance (per cent of GDP)	-5.1	-7.2	-3.8	-5.2	-3.8	-0.4	-0.7
Net ODA received (millions of US dollars)	98	117	113	91	94		
Balance of Payments (millions of US dollars)							
Current Account	-32.2	-50.1	-3.2	-65.1	-24.3	-47.7	-48.4
Goods, Credit (Exports)	23.1	29.3	27.5	24.9	27.9	36.9	38.0
Goods, Debit (Imports)	280	336	309	335	323	307	322
Balance on Goods	-257	-307	-282	-310	-295	-270	-284
Services, Credit (Exports)	180	187	206	199	193	194	196
Services, Debit (Imports)	88	79	88	87	69	85	81
Balance on services	92	108	117	112	124	109	115
Balance on Goods and Services	-165	-199	-164	-198	-171	-161	-170
Balance on income	-27.9	-26.8	-27.5	-29.8	-16.0	-18.5	-17.2
Balance on current transfers	161.2	175.4	188.8	162.7	162.3	132.1	138.4
Capital Account	7.5	38.3	27.3	67.2	39.2	27.2	28.2
Financial Account	-38.4	-35.3	-17.3	-38.5	-2.7	-18.3	-20.2
Direct investment (net)	-7.8	-16.3	-11.7	-16.0	-27.2	-6.1	-6.4
Portfolio investment (net)	1.9	0.5	10.8	0.4	8.5	0.2	0.2
Other investment (net)	-11.3	-26.8	-1.6	-6.5	-9.5	4.3	-18.4
Change in reserves	-21.2	7.3	-14.9	-16.4	25.4	-16.7	4.3
Total Reserves (Millions of US dollars)	158.4	157.1	137.3	154.3	131.9	111.0	115.4
Reserves (months of imports)	4.5	4.4	3.8	4.2	3.7	3.1	3.1

Source: UN/DESA World Economic and Social Prospects (2018); IMF, International Financial Statistics, accessed 10 February 2018.

The balance of payments continues to show a deficit in the balance of goods and a surplus in the balance of services, as well as a substantial transfer inflow. Tourism earnings, accounting for about 17 per cent of the GDP, has been steady in recent years.[19] Samoa will host 2019 Pacific Games, which is expected to increase the infrastructure investment and tourism earning. Remittances also increased by 5 per cent (y-o-y) from 2016 to 2017, but fell by two per cent in the three year average.[20]

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[17] UN/DESA (2018). WESP.

[18] UN/DESA (2018). WESP.

[19] Central Bank of Samoa (August 2017). Visitor Arrivals Earnings Average Expenditure. https://www.cbs.gov.ws/index.php/statistics/tourism-earnings-and-remittance/

[20] Central Bank of Samoa (October 2017). Gross Private Remittances. https://www.cbs.gov.ws/index.php/statistics/tourism-earnings-and-remittance/

4.2. Development related to indicators in the LDC criteria

Income is likely to be sustained at the current level. GNI per capita is estimated at $4,124 in 2017, over three times higher than the graduation threshold, $1,230 (see Table 10).

Table 10 Samoa: LDC criteria indicators, 2011 - 2018

Index/Criteria	2011	2012	2013	2014	2015	2016	2017	2018
GNI per capita (USD, Atlas method)	3,022	3,250	3,434	3,627	3,831	3,992	4,084	4,124
Human assets index (HAI)	93.5	94.5	94.2	94.1	94.3	94.5	94.1	94.1
Maternal mortality rate (per 100,000 live births)	66.3	63.6	61.3	58.6	56.2	53.4	51.3	51.3
Under-five mortality rate (per 1,000 live births)	24.4	18.9	18.9	18.7	18.4	18.1	17.7	17.3
Percentage of population undernourished	3.5	3.4	3.3	3.1	3.0	3.0	3.2	3.2
Adult literacy rate (%)	98.9	98.9	99.0	99.0	99.0	99.0	99.0	99.0
Gross secondary enrolment ratio (%)	86.1	87.7	86.4	85.7	86.3	86.9	85.0	85.0
Economic vulnerability index (EVI)	51.0	48.4	42.2	43.8	42.8	39.7	39.6	39.7
Population (thousands)	184.8	186.2	187.7	189.2	190.8	192.3	193.8	195.1
Remoteness	84.1	83.4	82.5	81.8	81.5	81.4	81.3	81.2
Merchandise export concentration	0.6	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Share of agricultural, forestry and fisheries in GDP (%)	10.3	10.0	10.0	9.4	9.6	9.4	9.4	9.6
Share of population living in low elevated coastal areas (%)	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Instability of exports of goods and services	8.0	8.3	8.0	8.0	7.7	4.1	4.1	4.1
Instability of agricultural production	3.9	3.7	3.0	2.9	2.4	1.6	1.6	1.6
Victims of natural disasters (%)	8.8	2.8	0.2	0.5	0.5	0.5	0.5	0.5

Source: Committee for Development Policy Secretariat
Note: Indicators are generated based on the same data source and methodology used for the 2018 review using most recent available data. Therefore, the values in 2012 and 2015 may be different from the values included in the triennial reviews presented in the CDP reports to the ECOSOC in the respective year.

Samoa continued to maintain high levels of human capital as measured by the HAI: 94.4 in 2018. Samoa belongs to the group of countries with the highest HAI scores.

However, Samoa remains vulnerable. Despite the slight improvement, the EVI score remains at 39.7, well above the graduation threshold of 32 or lower established at the 2018 triennial review.

4.3. Smooth transition

Samoa graduated on 1 January 2014 (A/RES/64/295). In its report on the implementation of the smooth transition strategy submitted to the CDP, the Government of Samoa states that the smooth transition strategy has been implemented as an integral part of the *Strategy for the Development of Samoa 2016/17 - 2019/2020: Accelerating Sustainable Development and Broadening Opportunities for All* (see Annex 2). Furthermore, the smooth transition strategy has integrated into its efforts to achieve the Sustainable Development Goals, the SAMOA Pathway, the Paris Agreement, and Disaster Risk Reduction Framework.

Samoa reported noteworthy developments in the area of international supports after graduation:

- The transition period for EU's Everything But Arms arrangement will continue until 1 January 2019.[21] After that, the tariff on crude coconut oil, Samoa's main export product to EU, will remain at zero, as it is covered by EU's regular GSP. Samoa also has applied to be part of the Interim Economic Partnership Arrangement with the EU.

- In Australia and New Zealand, Samoa will continue to receive preferential market access based on regular GSPs, regional trade agreements and/or WTO arrangements. Samoa is also working on ratifying the PACER Plus Agreement with eleven Pacific countries, and exploring possible free trade agreements with some Asian countries.

- To reduce dependency on the foreign aid, Samoa has been implementing investment plans to promote private sector development and to attract foreign direct investment. The negative impact of the closure of the biggest manufacturer in September 2017 was not as big as anticipated, due to the inflow of medium scale enterprise from New Zealand, and the available temporary workers schemes in Australia and New Zealand.

- There has been an up-scaling of assistance to ensure enhanced resilience to climate change. In 2016, Samoa had its first major project in flood management control approved under the Green Climate Fund ($58 million grant).

In conclusion, Samoa reported that it has continued to make progress since graduation, despite the challenges it still faces as a developing country. Samoa presents its gratitude to the United Nations and the international community for the support and assistance while it was categorized as an LDC.

5. Vanuatu

5.1. Development trend and forecast

Recovering from a contraction caused by the adverse impact of the Cyclone Pam in 2015, the real GDP growth has been stabilized at 4 per cent in 2016-2017 (see Table 11). For 2018-2020, the growth rate is projected to stay around 3.5-3.8 per cent, helped by recovery in the agricultural production, and a few infrastructure projects.[22]

Table 11 Vanuatu: Macroeconomic indicators, 2011-2017

Indicator	2011	2012	2013	2014	2015	2016	2017
GDP growth rate (per cent, constant price)	1.2	1.8	2.0	2.3	1.6	4.0	4.2
Inflation rate (%)	0.9	1.4	1.4	0.8	2.5	0.9	2.6
Government revenue (billions of national currency)	15.8	15.8	16.2	18.6	25.2	24.6	23.3
Government expenditure (billions of national currency)	17.3	16.9	16.4	18.0	20.0	29.6	36.2

[21] Regulation (EU) 2015/1979 to remove a beneficiary country from the list of EBA beneficiary countries should apply following a transitional period of 3 years as from the date on which that Regulation enters into force (1 January 2016), and therefore Samoa will be removed from the list of beneficiaries on 1 January 2019. http://trade.ec.europa.eu/doclib/docs/2016/march/tradoc_154350.pdf
[22] UN/DESA (2018). WESP.

Government balance (billions of national currency)	-1.5	-1.2	-0.2	0.6	5.1	-4.9	-12.9
Government balance (per cent of GDP)	-2.1	-1.6	-0.2	0.8	7.2	-8.5	-8.7
Net ODA received (millions of US dollars)	91	102	91	100	187		
Balance of Payments (millions of US dollars)							
Current Account	-63.8	-50.6	-26.4	-2.1	-82.1	-29.5	-120.1
Goods, Credit (Exports)	67	55	45	63	39	50	57
Goods, Debit (Imports)	260	253	268	260	308	314	360
Balance on Goods	-193	-198	-223	-197	-269	-264	-303
Services, Credit (Exports)	286	322	331	307	283	330	342
Services, Debit (Imports)	145	146	142	141	179	152	159
Balance on services	141	176	190	166	104	179	184
Balance on Goods and Services	-52	-23	-33	-31	-165	-86	-119
Balance on income	-24	-45	-11	4	7	9	-24
Balance on current transfers	12.4	16.9	18.3	25.5	76.1	46.5	23.6
Capital Account	23.8	22.6	21.0	31.8	83.9	48.0	47.1
Financial Account	-81	-16	-42	-27	53	-45	-73
Direct investment (net)	-59.1	-38.2	-33.3	-36.5	-29.5	-55.1	-37.9
Portfolio investment (net)	0.5	3.6	-6.7	9.3	-9.8	11.2	
Other investment (net)	-34.2	9.8	3.3	-6.0	4.4	-2.6	-26.9
Change in reserves	12.1	8.4	-5.0	6.4	87.5	1.0	-8.3
Total Reserves (Millions of US dollars)	175	184	179	184	269	267	259
Reserves (months of imports)	5.3	5.5	5.2	5.3	8.6	8.7	8.1

Source: UN/DESA World Economic and Social Prospects (2018); IMF, International Financial Statistics, accessed 10 February 2018.

Vanuatu's current account is characterized by a deficit in the balance of goods, and a surplus in the balance of service. Vanuatu's main export commodity is fish products, accounting for over 60 per cent of the total exports, and tourism accounts for about 77 per cent of the service exports. Remittances are also expected to rise, reflecting rising number of seasonal workers taking advantage of the expansion of temporary work schemes in Australia and New Zealand.[23]

The fiscal deficit reached 8.7 per cent of GDP in 2017, reflecting capital spending on infrastructure. The deficit is expected to gradually decrease over the next few years as those major infrastructure projects come to an end.[24]

5.2. Development related to indicators in the LDC criteria

Vanuatu's GNI per capita is estimated to be $3,014 in 2018, about 2.5 times higher than the graduation threshold established at the 2018 triennial review, $1,230 (see Table 12).

Table 12 Table 10: Vanuatu: LDC criteria indicators, 2011 - 2018

Index/Criteria	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
GNI per capita (USD, Atlas method)	2,408	2,600	2,722	2,869	3,011	3,092	3,070	3,014
Human assets index (HAI)	78.2	79.3	79.2	79.2	78.9	78.7	78.5	78.5
Maternal mortality rate (per 100,000 live births)	97.9	94.0	90.9	87.2	83.6	80.8	78.4	78.4
Under-five mortality rate (per 1,000 live births)	29.0	29.2	29.3	29.3	29.1	28.7	28.2	27.6

[23] EIU (February 2018). Vanuatu Country Report; ADB (2017). AEO.
[24] UN/DESA (2018). WESP.

Percentage of population undernourished	5.8	5.9	6.1	6.3	6.5	6.6	6.9	6.9
Adult literacy rate (%)	81.1	81.8	82.5	83.2	83.2	83.2	83.2	83.2
Gross secondary enrolment ratio (%)	56.7	59.5	58.6	57.6	56.7	55.8	54.8	54.8
Economic vulnerability index (EVI)	47.2	46.1	46.6	46.6	46.3	46.1	47.1	47.0
Population (thousands)	230.8	236.3	241.9	247.5	253.1	258.9	264.6	270.4
Remoteness	85.0	84.2	83.3	82.6	82.3	82.1	82.1	82.0
Merchandise export concentration	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5
Share of agricultural, forestry and fisheries in GDP (%)	22.1	21.9	22.6	24.3	25.9	26.7	27.0	27.0
Share of population living in low elevated coastal areas (%)	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Instability of exports of goods and services	9.1	7.9	8.0	8.0	7.9	7.7	7.9	7.6
Instability of agricultural production	6.9	7.3	7.1	7.1	7.2	7.4	7.4	7.4
Victims of natural disasters (%)	2.8	2.8	3.4	3.4	3.0	3.4	7.0	7.0

Source: Committee for Development Policy Secretariat
Note: Indicators are generated based on the same data source and methodology used for the 2018 review using most recent available data. Therefore, the values in 2012 and 2015 may be different from the values included in the triennial reviews presented in the CDP reports to the ECOSOC in the respective year.

The HAI score is 78.5 in 2018, slightly decreased but still constitutes a much higher value than the graduation threshold established at the 2018 review, 66 or higher.

The EVI score is 47 for 2018 and remains far above the graduation threshold established at the 2018 review of 32 or below. There is a slight increase in the EVI score between 2016 and 2017 which is caused by the sudden increase in the victims of natural disasters, reflecting the impact of the cyclone.

5.3. Smooth transition

Vanuatu is scheduled to graduate on 4 December 2020 (A/RES/70/78). Vanuatu has not submitted its report on the preparation of the smooth transition strategy. In its report in 2016, the Government indicated that it was in the process of establishing its National LDC Coordinating Committee to be comprised of various relevant stakeholders.[25] No information on the progress is available yet.

Vanuatu’s export is small and very volatile. The main export commodity is fish products, and the main destinations in 2015 were Japan (43 per cent), Thailand (13 per cent), and Turkey (12 per cent), based on UN Comtrade data. In earlier years, China, Republic of Korea, and South Africa were main destinations. All of above-mentioned countries, except South Africa, grant duty-free quota-free market access for LDCs, but none of them specifies a transition period of extending the preferential market access after a country graduates from the list of LDCs. In case it has not done so, Vanuatu would benefit from starting bilateral negotiations with its main trading partners.

[25] Government of Vanuatu (2016). Vanuatu’s Smooth Transition Strategy Report. https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/CDP-PL-2017-5d.pdf#page=6

Annex 1. Equatorial Guinea's letter to High Representative

Summary of the letter sent by the Minister of Economy, Planning and Public Investments of Equatorial Guinea to the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, August 29, 2017

In 2006, Equatorial Guinea became the first country the CDP recommended for graduation based on a single criterion (that of per capita income). In 2015, the country submitted to the CDP a report on the country's dependence on the oil sector and the difficulties it was having to implement the second phase of its National Economic and Social Development Plan, which focused on economic diversification, due to the decline in oil prices and ensuring contraction of economic activity.

The country's commitment to improving the social and economic conditions of its citizens is evident in its achievements under the MDGs and its commitments to the 2030 Agenda and the Paris Agreement. Equatorial Guinea needs to take advantage of the benefits of graduation in the medium and long run, but a study on the economy has revealed that it is strongly reliant on the oil sector, which accounts for over 60% of GDP, 90% of exports and 90% of public revenues, and that the decline in oil prices has generated large imbalances in public finances and therefore in the country's development initiatives. Since the beginning of the crisis in international oil prices in 2014, Equatorial Guinea's GDP has fallen approximately 50%. This is holding back the efforts under the aforementioned development plans.

Given this situation and the fact that the country continues to underperform in terms of the [HAI] and the EVI, the government requests another moratorium on graduation to 2020, which would coincide with the timing of the current National Development Plan and at which point a new assessment could be made of the economic and social situation of the country.

República de Guinea Ecuatorial
Ministerio de Economía, Planificación
E Inversiones Públicas.

MINISTRO

Núm. 017/12/17/136
Ref. ....
Secc. ....

A: ***Excma. Señora Fetikamoeloa KATOA UTOIKAMANU,***
Sub-Secretaria General de las Naciones Unidas
y Alto Representante para Países Menos Avanzados,
Países Enclavados y Pequeños Países Insulares.
Nueva York (EE. UU).

ASUNTO: Sobre la Graduación de la República de Guinea Ecuatorial de la categoría PMA.

Excma. Señora:

En 2006 Guinea Ecuatorial fue nominada a graduarse de la categoría de Países Menos Adelantados (PMA). Siendo el primer país, desde la existencia de esta categoría en el año 1971, que el Comité de Políticas de Desarrollo (CPD) propone para graduarse cumpliendo uno solo de los tres criterios fijados, el criterio del Ingreso Nacional Bruto (INB) per cápita.

En Diciembre de 2015, el Gobierno de la República de Guinea Ecuatorial remitió al CPD el informe "La dependencia del sector petrolero y la graduación de Guinea Ecuatorial", en el que señalamos las dificultades que está teniendo el País para implementar la Segunda Fase del Plan Nacional de Desarrollo Económico y Social "Horizonte 2020", la Fase de la Diversificación Económica, como consecuencia de una contracción de la actividad económica por la caída de los precios del petróleo en los mercados internacionales, resultado de la crisis económica financiera internacional iniciada en 2007. EB.

El Gobierno está firmemente comprometido con la mejora de las condiciones socioeconómicas de sus ciudadanos. Compromiso que ha evidenciado con los logros alcanzados en la ejecución de los Objetivos de Desarrollo del Milenio (ODM), tales como: la mejora de la condición de vida de la población con la reducción de la proporción de la misma que vive bajo el umbral de pobreza; la mejora en el acceso de los niños a la enseñanza; la reducción en un 81% de la mortalidad materna; la reducción en 38% de la mortalidad de los niños menores de 5 años, etc. Este compromiso también ha sido probado con la adopción y ratificación de la Agenda Mundial 2030 sobre los Objetivos de Desarrollo Sostenible (ODS) y el Acuerdo de París sobre el Cambio Climático.

Guinea Ecuatorial también tiene la necesidad de aprovechar eficazmente las ventajas que presenta la graduación a mediano y largo plazo. Sin embargo, el diagnóstico llevado a cabo sobre la economía revela de forma general lo siguiente:

i. La economía de Guinea Ecuatorial es mono-sectorial. Con una fuerte dependencia del Sector petrolero que genera más del 60% del Producto Interior Bruto.
ii. Las exportaciones de Guinea Ecuatorial son muy dependientes del sector petrolero, que representan más del 90% de las exportaciones.
iii. Los ingresos públicos son fuertemente dependientes de los ingresos petroleros en más de un 90%.
iv. La caída del precio del petróleo ha generado importantes desequilibrios en las finanzas públicas y, consecuentemente, en las iniciativas de desarrollo de nuestro país.

Estos cuatro puntos, demuestran la fuerte vulnerabilidad de la economía ecuatoguineana frente a las fluctuaciones internacionales del precio internacional del petróleo. Y, como prueba adicional, desde el inicio de la crisis del precio internacional del petróleo en 2014, el Producto Interior Bruto de Guinea Ecuatorial ha sufrido una severa caída de entorno al 50%.

La coyuntura macroeconómica actual, que coincide con la Fase de Diversificación Económica de nuestro Plan Nacional de Desarrollo Económico y Social "Horizonte 2020", está retardando la ejecución de algunas de las iniciativas del Gobierno para alcanzar nuestra meta de un bienestar social sostenible basado en una economía diversificada en el año 2020.

En virtud de todo lo anteriormente expuesto, y visto que, para los dos de los tres criterios necesarios para la graduación, el Índice de Vulnerabilidad Económica y el Índice de Vulnerabilidad Social, nuestro país sigue estando por debajo de los umbrales respectivos, el Gobierno de la República de Guinea Ecuatorial solicita, una vez más, una moratoria de la graduación de nuestro país al año 2020, coincidiendo con el horizonte temporal establecido en el Plan Nacional de Desarrollo vigente. A partir del cual podría hacerse una evaluación de la situación económica y social de nuestro País.

En la espera de verse aceptadas nuestras inquietudes, dígnese aceptar Vuestra Excelencia, el sentimiento de la consideración más distinguida del Pueblo de la República de Guinea Ecuatorial.

Malabo, a 29 de agosto de 2017

POR UNA GUINEA MEJOR.

EL MINISTRO

-Eucario BAKALE ANGÜE OYANA-

Annex 2. Report of Samoa on the implementation of the smooth transition strategy

SAMOA'S SMOOTH TRANSITION STRATEGY REPORT

31 DECEMBER 2017

FINAL REPORT ON SMOOTH TRANSITION STRATEGY, SAMOA 2017

Samoa graduated out of LDC status on 1st January 2014. The Government decided that the best transition strategy following graduation would be to ensure that it was able to fully implement its national development strategy namely the Strategy for the Development of Samoa through the sector programming framework with subsequent sectoral resource allocation.

Samoa's smooth transition strategy is in the form of its national development strategy known as the Strategy for the development of Samoa (SDS 2016-2020), a four yearly development framework which implementation is at sector level. The issue of graduation has been integrated into the current development strategy as well as other international protocols such as the SDGs. The SDS at national level and sector developments have interlinked monitoring and evaluation frameworks as well as medium term expenditure frameworks.

A smooth transition strategy should aim to consolidate the gains already made through this support, which have been taken into consideration in Samoa's dialogue with its development partners toward smooth transition modalities. The following are lines of action that call for external support Samoa might continue to be in need of.

Designing an economic stabilization framework

In the last 4 years, the most immediate challenge for Samoa is to deal with its fiscal situation given rising levels of fiscal deficits due to financial commitments towards the 2012 post cyclone recovery efforts which are now completed. Given the high level of public debt, the government was able to secure 100% grant financing for the reconstruction phase and did not need to resort to concessional loans and domestic borrowing. Capital investment in the pipeline before the 2012 cyclone was reviewed and reprioritized to make more resources available for reconstruction. As of current, the budget deficit has been greatly reduced to a more sustainable level over time. This fiscal consolidation as been guided by a medium-term fiscal framework and a reviewed Medium Term Debt Strategy the implementation of which has resulted in a much improved GDP: Debt ratio of 47% from 52% (2015) and is on track towards the threshold level of 40%. No new loans have been approved in the last 3 years.

Considerable efforts have gone into investing in more efficient revenue collection through addressing capacity gaps. Revenue collection has improved by 3.7%. The VAGST tax has been broadened to cover ministers of the clergy this year without too much opposition by the public. These priority actions are being addressed under the Finance sector plan and supported by the development partners through the Joint Policy Action platform

Develop and formulate a coherent national development strategy

The smooth transition strategy naturally converge with the overall national development strategy of the country SDS 2016-2020 launched in early 2016, with particular reference to sector-specific policies and will have a mid-term review mid 2018. The SDS was developed through a wide consultative process with the public and covering the whole country. It highlights 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. Furthermore the current SDS has integrated into it the Sustainable Development Goals, the SAMOA pathway, the Paris Agreement and Disaster Risk Reduction frameworks.

Government's action plan places priority 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 multi-donor infrastructure facility that is also supported by the Pacific Regional Infrastructural Facility. Ways to improve and strengthen the policy and regulatory institutions have been made possible through this facility.

The SDS also emphasizes the importance of prudent management of natural resources and addressing the impacts of climate change and natural disasters at sector level in terms of both adaptation and mitigation.

Addressing institutional capacity constraints

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. These key services across all sectors are outsourced and this has ensured improved rates of implementation and enhanced absorptive capacity. All development cooperation programs have components for capacity building through a number of different modalities including institutional building, training and experience and knowledge sharing through south-south cooperation arrangements.

Targeted scholarships programs by sector supported by bilateral partners to address capacity gaps in the key social sectors are in their final year of piloting and will be reviewed in early 2018. With an upsurge in infrastructural projects there is already a request for more scholarship awards in engineering fields to meet the demand in technical expertise.

Strengthening capacity of the Samoa Research institute including recognition as an accredited professional research/testing entity is a priority to encourage and promote investment in research products developed such as gluten free breadfruit flour, avocado oil and essential oils.

Improving aid coordination and management

The Government continues to strengthen coordination of external resources with a view to making aid flows more predictable and program management more effective. A revised Aid Policy was recently launched which focuses on Planning, securing, utilizing and monitoring external resource flows through a single, competent coordinating entity namely the Aid Coordination Debt Management Division of the Ministry of Finance; such an arrangement contributes to further encouraging partnerships. The commitment of the Government towards the implementation of the principles of effective development cooperation has changed the relationships with its development partners and enhanced donor confidence in the use of country systems as evident through increasing use of budget support.
Samoa has signed 9 partnership arrangements with its key development partners and has a formalized consultative mechanism with them through quarterly development partner meetings aside from the biennial policy dialogues.

Under the Finance sector there is a plan to establish a core project management unit for all government led initiatives to assist the capacity gaps in the private sector which cannot meet the demand arising from government contracts.

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. It has lost preferential market access under the Quota Free/Duty Free arrangements after negotiated extensions of such schemes beyond graduation were approved.

Under Everything But Arms the transitional period of 3 years allowed after graduation for access of Samoa's coconut oil to the EU market will end in early 2019. 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 has applied to be part of the Interim Economic Partnership Arrangement (iEPA) with the EU of which only Fiji and PNG are members. Support has already been forthcoming from the EU in this regard for the preparation of Samoa's market access offer.

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.

Eleven Pacific countries signed the PACER Plus Agreement in June 2017 and Samoa is working towards ratification as soon as it is possible in order to avail itself of the assistance facility available from both NZ and Australia.

To assist the development of niche products for overseas markets there is current exploration of possible free trade agreements with some of the countries in Asia.

Creating an enabling environment for foreign direct investment and private sector development

Achieving further structural progress in the context of graduation implies creating an enabling environment for sound foreign direct investment (FDI) and private sector development. Given the fiscal constraint and the relatively low level of domestic savings, promoting the necessary knowledge and technology transfers requires attracting FDI, a strategically important source of financing. All the key elements of an enabling business climate are in place namely (i) a fiscal and monetary policy geared toward macroeconomic stability; (ii) sound infrastructure and relevant public utilities; (iii) an efficient public administration; and (iv) a trade policy involving concessions that are commensurate with the constraints faced by the economy, and a key policy towards achieving competitiveness. The Trade policy is up for review in 2019. Public-private partnership is already encouraged in Samoa's development strategy. Also important is the recognition of the benefits private investment outside the tourism sector could bring to the nation in terms of employment generation. Special incentive schemes to attract investment in the tourism sector have been necessary in order to further widen economic benefits. The new foreign investment policy and the strategy to continue on a privatization program of identified State-owned enterprises are conducive to further economic progress in Samoa's situation.

This year Samoa faced the challenge of the biggest manufacturer YAZAKI Samoa closing its doors in September; however a number of medium scale enterprises from New Zealand have entered to help fill the gaps in generating employment in a similar wiring initiative, mattress factory and call centres utilizing the factory premises which the Government had invested in. The rest of the trained employees from the Yazaki factory have been absorbed into the labor market as well as the available temporary workers schemes in both New Zealand and Australia.

Mobilising domestic resources

More and more of the financially successful corporations are encouraged to contribute to the national development framework through investments in the relevant sectors. The financial inclusion programs initiated by the UNDP in collaboration with the Central Bank and IT service providers will be a vehicle for informing the public of investment options for the remittances received from families abroad.

Mainstreaming post-disaster rehabilitation agenda

Post-disaster rehabilitation is complete. The speed of recovery from the 2009 tsunami, cyclone of 2012 and the impacts of the global financial crisis has been significant. Samoa has successfully implemented its NAPA in response to the emerging impacts of climate change and is looking at progressing its Mitigation Plan of Action. There has also been an up-scaling of assistance to communities to ensure enhanced resilience. At the end of 2016, Samoa had its first major project in flood management control approved under climate financing through the Green Climate Fund. Disbursements have begun and emphasis is on strengthening institutions for management of the project.

Maintaining credibility for international support

As a small island developing State (SIDS) and facing severe, permanent economic and environmental challenges is as consequential, for a SIDS, as graduating from LDC status. Samoa's active engagement in the quest for a fair recognition of SIDS-specific issues at recent global dialogue processes including the Third International SIDS Conference held in Apia 2014, the Green Climate Fund Board meeting in Apia 2016, the UN Oceans Conference in New York 2016, the 2017 Pacific Islands Forum Leaders meeting in Apia and the 2017 CoP 23 Bonn; contribute to the country's credibility in its dialogue with development partners.

Conclusion:

Samoa has continued to make progress since graduation in 2014 as well as meet the challenges it continues to face as a developing country. The continuing stability and the political leadership have been the key drivers in moving forward and guiding development towards Samoa’s long term vision of ensuring a quality of life for all. A well educated and relatively healthy population have contributed to the country’s development. An inclusive approach to meeting its development goals has ensured that Samoa is capturing the contributions of its citizenry to development. Village governance will continue to safeguard the interests of all communities and ensuring that government initiatives are fit for purpose at village level. There is also the recognition that development includes efficient, effective and regenerative natural resource management. Samoa is very much aware of the impacts of climate change and natural disaster and ensures that any planning now and forward looking must be made in alignment with its domestic resource base and that it should only turn to its development partners as a means of last resort.

As this is the final report for Samoa, the opportunity to thank the United Nations and the international community for the support and assistance in all the years that Samoa was categorized as a Least developed Country is registered here as part of the same.