

Graduation out of LDC status – the process

1. Samoa became a LDC in 1971
2. First review in 2003 - met GNI/capita and HAI criteria.
3. UNCTAD assisted in preparation Vulnerability profile
4. Second review in 2006 – again met GNI/capita and HAI criteria
5. CDP recommended graduation in 2010. Endorsed by ECOSOC
6. In 2010 Samoa successfully requested a deferral following the 2009 tsunami
7. Between 2010 and 2013, started dialogue with DPs on transition strategy

The process

1. A number of impact assessments were carried out including one by DESA in 2011.
2. Samoa became a member of WTO in 2011.
3. IF/EIF funds secured in 2011-12 includes 3 years transition to complete projects
4. Climate change funds under LDCF secured in 2013- approval for implementation of project beyond graduation given

Since 2010, Samoa has been in dialogue with DPs and developed a transition strategy

Benefits associated with LDC status

Categories:

1. Preferential trade access
2. Special treatment with regards WTO obligations
3. Development financing and ODA on concessional terms
4. TA priority for IF/EIF facilities
5. Sponsored conference participation

Assessments for impacts of graduation

1. In between reviews a number of studies were carried out to determine what would be lost post graduation
 - Subsidised conference participation
 - No access to LDC specific climate finance
 - Some loss of preferential market access under DFQF arrangements
 - Shortened timetables for tariff reduction

Transition strategy

Macroeconomic stability

Involves planning and implementation of policies to sustain economic growth and human capital development besides prevention of disruption to trade and development financing

- Narrow levels of fiscal deficits
- Secure grant financing before resorting to concessional financing
- Reprioritise capital investment
- Reduce debt levels – commitment to MTDS and Debt reforms
- Implement MTFF that takes into account risk of debt distress and slow growth in medium term

Transition strategy

Formulation coherent development strategy

SDS 2012-2016 with emphasis on sector policies e and with the theme “boosting productivity towards SD”

Priority areas (3 pillars SD)

- Revitalised agriculture – increased value adding exports
- infrastructure development (prioritised)
- Enhanced quality services in social sectors
- Sustainable environment practices
- Integrated climate change and DRR
- Inclusive and meaningful engagement of stakeholders

Address institutional capacity constraints

Outsource functions that are better done by private sector including civil society

All development programs have inbuilt capacity building components

Focus on improving rate of implementation to ensure smooth flow of funds if externally funded

Significant investments in capacity building including provisions for 'must attend' meetings

Benefits of graduation

It is a clear different call for doing things differently and a start on a pathway towards self reliance to the extent possible

Manifestation of real ownership and clear leadership for government as well as opportunity for efficient and effective management of available resources

Improve aid coordination- management

Implementation of Aid Policy

Agreed to engagement using Joint Policy Matrix by all DPs including incentivised reforms

Strengthened partnerships across all 15 sectors – no orphan sector

Implementation of principles effective development coordination

Use of country systems - budget support

Look at ways by which ODA could be leveraged to promote sustainable development

Create enabling environment private sector - FDI

Focus on improving business environment through fiscal and monetary policies geared toward macroeconomic stability, sound infrastructure, efficient public service, trade policy that focuses on competition

Increased Investments in growth sectors

Continuation of privatisation program

Trade: retained preferential market access under regional trade agreements

GSPs will expire but China has extended zero tariff for noni juice. US will grant duty free for fish. Japan only will increase tariffs post graduation

Mainstream post disaster rehabilitation

Following tsunami 2009 and 2012 cyclone mainstreaming of rehabilitation helped speed up recovery program.

NAPA program almost complete – NAMA in progress

Upscaled assistance to communities to enhance resilience

Consolidate institutional framework for coordination of CC/DRR and integration at sector level

Maintain credibility for international support

Fair recognition of SIDS specific issues through active engagement at international dialogue processes such as SIDS 2014 in Apia adds to credibility with DPs

2014 is significant for Samoa – year of SIDS, graduation year and hosting of 3rd SIDS conference. Samoa will use opportunity to demonstrate partnerships post graduation

What is lost as LDC could be retained as SIDS – the recognition of SIDS offers policy space for graduating countries like Samoa.