



United Nations
CDP
Committee for
Development Policy



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

Samoa

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February 2017

Summary and monitoring timeline

Angola: Sustained high income despite low international oil prices. High inflation. Human assets are improving but are still at very low levels. The government initiated the preparation of the smooth transition strategy.

Equatorial Guinea: Sustained high income despite low international oil prices. Limited diversification and slow improvement in human assets.

Samoa: Slowing growth and high vulnerability. Receiving smooth transition support on trade (Everything But Arms (EBA) and Enhanced Integrated Framework (EIF)) and development financing (Least Developed Countries Fund (LDCF)).

Vanuatu: Income growth is recovering from impact of the cyclone, but economic vulnerability remains high. The government needs to start negotiation with trading partners on preferential market access.

Table 1. Timeline for graduation and monitoring reports

Date	Angola	Equatorial Guinea	Samoa***	Vanuatu
Dec 2016	Country report (graduating)	Country report (graduating)	Country report (graduated #3)	Country report (graduating)
Mar 2017	CDP monitoring	CDP monitoring	CDP monitoring	CDP monitoring
Jun 2017		Graduation**		
Dec 2017	Country report (graduating)	Country report (graduated #1)	Country report (triennial review #1)	Country report (graduating)
Mar 2018	CDP monitoring	CDP monitoring	CDP monitoring	CDP monitoring
Dec 2018	Country report (graduating)	Country report (graduated #2)		Country report (graduating)
Mar 2019	CDP monitoring	CDP monitoring		CDP monitoring
Dec 2019	Country report (graduating)	Country report (graduated #3)		Country report (graduating)
Mar 2020	CDP monitoring	CDP monitoring		CDP monitoring
Dec 2020				Graduation****
Dec 2020	Country report (graduating)	Country report (triennial review #1)	Country report (triennial review #2)	Country report (graduating)
Feb 2021	Graduation*			
Mar 2021	CDP monitoring	CDP monitoring	CDP monitoring	CDP monitoring
Dec 2021	Country report (graduated #1)			Country report (graduated #1)
Mar 2022	CDP monitoring			CDP monitoring
Dec 2022	Country report (graduated #2)			Country report (graduated #2)
Mar 2023	CDP monitoring			CDP monitoring
Dec 2023	Country report (graduated #3)	Country report (triennial review #2)		Country report (graduated #3)
Mar 2024	CDP monitoring	CDP monitoring		CDP monitoring
Dec 2026	Country report (triennial review #1)			Country report (triennial review #1)
Mar 2027	CDP monitoring			CDP monitoring

Dec 2029	Country report (triennial review #2)			Country report (triennial review #2)
Mar 2030	CDP monitoring			CDP monitoring

Note: * Angola graduates on 12 Feb 2021 (A/RES/70/253); ** Equatorial Guinea graduates on 4 June 2017 (A/RES/68/18); *** Samoa graduated on 1 January 2014 (A/RES/64/295); **** Vanuatu graduates on 4 Dec 2020 (A/RES/70/78).

1. Samoa

1.1. Development trend and forecast

Table 1: Samoa: Socio-economic indicators, 2011-2018

Indicator	2011	2012	2013	2014	2015	2016	2017	2018
GDP growth rate (per cent, constant price)	3.6	-2.3	0.5	1.9	2.8	2.8	1.2	1.8
Inflation rate (per cent)	5.2	2.0	0.6	-0.4	0.7	0.8	1.5	2.0
Government revenue (Samoa tala, million)	270.8	227.1	287.6	263.4	273.3	254.8	250.4	
Government expenditure (Samoa tala, million)	364.0	359.0	357.1	362.2	337.9	340.1	336.8	
Government balance (Samoa tala, million)	-93.2	-131.9	-69.6	-98.7	-64.6	-85.3	-86.5	
Government balance as per cent of GDP	-5.1	-7.2	-3.7	-5.1	-3.2	-4.1	-4.1	
Net ODA received (US dollars, million)	98	117	113	91	94			
Balance of Payments (US dollars, million)								
Current Account	-83.6	0.8	-44.7	-47.6	-43.6			
Goods, Credit (Exports)	24.6	32.2	23.9	27.5	33.8			
Goods, Debit (Imports)	347.2	308.4	325.4	341.3	297.8			
Balance on goods	-322.5	-277.3	-301.4	-313.8	-264.0			
Services, Credit (Exports)	181.3	199.9	206.2	197.3	181.9			
Services, Debit (Imports)	78.8	89.6	89.0	74.8	73.8			
Balance on services	102.5	110.2	117.2	122.4	108.1			
Balance on goods and services	-220.0	-167.1	-184.2	-191.4	-155.9			
Balance on income	-31.7	-18.7	-38.3	-21.0	-30.1			
Balance on current transfers	168.1	186.6	177.8	164.8	142.5			
Capital Account	54.6	15.4	43.0	44.7	44.1			
Financial Account	-22.6	9.5	-19.1	-23.5	-22.6			
Direct investment (net)	-8.4	-3.9	-13.7	-18.5	-37.6			
Portfolio investment (net)	5.0	3.7			
Other investment (net)	-14.6	3.5	-7.1	-10.0	11.4			
Reserves (US dollars, billion)	166.8	168.7	170.7	140.7	139.4	...		
Reserves (months of imports)	4.3	4.8	4.4	3.7		

Source(s): IMF, World Economic Outlook Database, October 2016; OECD, Table 25: ODA Receipts and Selected Indicators for Developing Countries and Territories; IMF, Balance of Payments Database, September 2016; World Bank, World Development Indicators Database, August 2016

Growth is projected to stagnate for several years to come, due to the slow growth in the global economy, uncertainty over the revival of agriculture, and diminished prospects for the manufacturing export sector.¹

The fiscal deficit is estimated to remain around 4 per cent of GDP in 2016 and 2017.

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 and visitor arrivals steadily increased in 2014 and 2015.² Remittances also increased by 3.7 per cent (y-o-y) in 2015, according to the Central Bank of Samoa, but fell in the first three quarters of 2016 by 4.7 per cent, mainly due to a decline in inflows from Australia and New Zealand and also reflecting exchange rate movements.³

1.2. Development related to indicators in the LDC criteria

Table 3: Samoa: LDC criteria indicators, 2010 - 2017

Index/Criteria	2010	2011	2012	2013	2014	2015	2016	2017
GNI per capita (USD, Atlas method)	2,707	3,023	3,254	3,439	3,634	3,842	4,009	4,079
Human asset index (HAI)	94.1	93.6	94.9	94.6	94.4	94.6	94.8	94.4
Percentage of population undernourished	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Under-five mortality rate (per one thousand live births)	18.8	24.1	18.7	18.6	18.5	18.2	17.9	17.5
Gross secondary enrolment ratio (per cent)	85.9	86.1	87.7	86.4	85.7	86.3	86.8	85.0
Adult literacy rate (per cent)	98.8	98.8	98.9	99.0	99.0	99.0	99.0	99.0
Economic vulnerability index (EVI)	54.3	50.8	48.3	42.6	44.2	43.7	41.1	41.1
Population (thousands)	183	185	186	187	189	190	192	193
Remoteness	84.3	84.2	83.4	82.5	81.8	81.5	81.4	81.3
Merchandise export concentration	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3
Share of agricultural, forestry and fisheries in GDP (per cent)	10.6	10.3	10.0	10.0	9.4	9.6	9.4	9.4
Share of population living in low elevated coastal areas (per cent)	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Instability of exports of goods and services	11.1	8.0	8.3	8.0	8.0	7.7	4.1	4.1
Victims of natural disasters (per cent)	8.7	8.8	2.8	0.2	0.5	0.5	0.5	0.5
Instability of agricultural production	5.4	4.9	4.7	4.6	4.4	4.4	4.4	4.4

Source(s): Committee for Development Policy Secretariat

Note: Indicators are generated based on the same data source and methodology used for the 2015 review using most recent available data. The values in 2012 and 2015 may be different from the ones presented in the CDP reports to the ECOSOC.

Income is likely to be sustained at the current level. GNI per capita is estimated at \$4,079 in 2017, over three times higher than the graduation threshold, \$1,242, established at the 2015 triennial review.

¹ IMF, World Economic Outlook Database, October 2015; IMF, 2015 Article IV Consultation, July 2015.

² Central Bank of Samoa, Visitor earnings and remittances, October 2015; Samoa Bureau of Statistics, International Arrival Statistics, January 2017.

³ Asian Development Bank, Pacific Economic Monitor, July 2016

Samoa continued to maintain high levels of human capital as measured by the HAI: 94.4 in 2017. Samoa belongs to the group of countries with the highest HAI scores.

However Samoa remains vulnerable: the EVI score stayed at the same level of 41.1 in 2017, well above the graduation threshold of 32 or lower established at the 2015 triennial review.

1.3. Smooth transition

In its report on the implementation of the smooth transition strategy submitted to the CDP (see Annex 2), the Government of Samoa states that it continues to engage with its trading and development partners to minimize possible negative impacts of graduation. The smooth transition strategy will be 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*.⁴

Regarding duty-free treatment, China has granted a transition period of three years since Samoa's graduation from LDC status on 1st January 2014. The extension has ended⁵, but the Government reported that there are discussions under way towards a free trade agreement with China.

Samoa has been granted a transition period for EU's DFQF Everything But Arms arrangement until 1 January 2019 after which normal tariffs will apply.⁶ Samoa is currently negotiating with the EU a comprehensive Economic Partnership Agreement for Pacific Countries.

Samoa continues to benefit from the EIF, particularly for trade facilitation and implementation of institutional reforms for the trade commerce and manufacturing sector. The Trade Sector Support Programme was approved in April 2014, and the DTIS update project started in September 2015.⁷

ODA levels have slightly increased in 2016, but the Government reported that there is evidence of risk aversion with some of the development partners opting to channel their aid through multilateral institutions, in particular the financial institutions.

Samoa gained access to the UNFCCC LDCF after graduation. A climate change adaption and disaster risk reduction project (\$12 million grant) was approved under LDCF in October 2014.⁸ A flood management project was approved under the Green Climate Fund in December 2016 (\$58 million grant). The Green Climate Fund became operational in 2015, aiming for 50:50 balance between mitigation and adaptation investments. At least 50 per cent of adaptation funding goes to the most vulnerable countries, including LDCs, SIDS, and African States.

⁴ http://www.mof.gov.ws/Portals/195/Services/Economy/SDS%201617-1920_Eng.pdf

⁵ China's duty-free quota-free programme for LDCs, communication from China, November 2016.

http://docsonline.wto.org/imrd/gen_redirectsearchdirect.asp?RN=0&searchtype=browse&query=@meta_Symbol%22WT/COMTD/N/39/Add.2%22&language=1&ct=DDFEnglish

⁶ 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

⁷ <http://www.enhancedif.org/en/country-profile/samoa>

⁸ <https://www.thegef.org/project/economy-wide-integration-climate-change-adaptation-and-drmdrr-reduce-climate-vulnerability>

Annex 2 Samoa's smooth transition strategy report



**SAMOA'S
SMOOTH TRANSITION
STRATEGY REPORT**

31 DECEMBER 2016

OVERALL ASSESSMENT OF THE TRANSITION PROCESS

Background:

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.

2016 is the final year of the current Strategy for the Development of Samoa (2012-2016).

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 as outlined as follows:

Develop and formulate a coherent national development strategy – the new national development strategy for 2016-2020 is under preparation – public consultations began in January 2016 and was launched in November 2016.

The National development strategy is the basis for shifting to sustainable development. The SDS identifies the priority outcomes we think are right for the next four years and outlines the programs and actions we will implement to achieve those priority outcomes. We have aligned the direction of the strategy with the globally agreed Sustainable Development Goals and Small Island Developing States Accelerated Modality of Action (SAMOA) Pathway adopted in Samoa in 2014 by the Small Island Developing States (SIDS) and supported by the United Nations.

In shaping the SDS and determining the priority outcomes that are right for Samoa over the next four years, Government has consulted widely with community and industry groups. The SDS is a partnership between Government and all Samoans. The stronger this partnership, the more we will accomplish.

The over-riding vision of the last SDS was "An Improved Quality of Life for All". This vision continues to be a very clear and relevant statement of what we are all seeking and we have kept it as the vision for next four years. We are committed to doing everything we can to ensure strong economic growth and

development that generates employment and opportunities for our citizens to achieve an “improved quality of life”. We also want to do everything we can to ensure this will be “for all”. We do not want anyone left behind as we progress and we need to ensure vulnerable groups can equally share in our progress. Accordingly we have added to our vision, the theme for the next four years “***Accelerating Sustainable Development and Broadening Opportunities for All***”.

The SDS is not just an economic development strategy. It is a strategy by which we will strive to achieve economic, social and environmental progress. It is underpinned by sound economic management which will provide the foundations for growth, including, importantly, employment growth through a strong private sector. The Government is committed to sound financial management and to improving the environment in which the private sector can grow. The strategy also sets out how sound economic and financial management will enable us to share the benefits of economic growth as a community through a continuous focus on improving quality education and health outcomes, improving access to essential infrastructure and services for people regardless of where they live and through protecting our precious environment and strengthening capacity to deal with adverse climatic changes and natural disasters. The SDS outcomes are as follows and reflect a continuing consolidation and building on previous outcomes.

Priority Area 1: Economic

Key Outcome 1: Macroeconomic Resilience Increased and Sustained Key Outcome 2: Agriculture and Fisheries Productivity Increased

Key Outcome 3: Export Products Increased

Key Outcome 4: Tourism Development and Performance Improved

Key Outcome 5: Participation of Private Sector Development Enhanced

Priority Area 2: Social

Key Outcome 6: A Healthy Samoa and Well Being Promoted

Key Outcome 7: Quality Education and Training Improved

Key Outcome 8: Social Institutions Strengthened

Priority Area 3: Infrastructure

Key Outcome 9: Access to Clean Water and Sanitation Sustained

Key Outcome 10: Transport Systems and Networks Improved

Key Outcome 11: Improved and Affordable Country Wide ICT Connectivity

Key Outcome 12: Quality Energy Supply

Priority Area 4: Environment

Key Outcome 13: Environmental Resilience Improved

Key Outcome 14: Climate and Disaster Resilience Increased

Mid term review

The mid term review was completed in 2016 prior to the development of the new SDS 2016-2020 and demonstrated the following results:

Key Outcome 1: Macroeconomic Stability

Economic growth slowed down (0.4% in 2012/13 and 1.9% in 2013/14) as the effects of Cyclone Evan and other global factors impacted. Samoa graduated out of Least Developed Country status on 1 January 2014. The transition strategy developed following graduation ensured that Samoa was able to fully

implement the 2012 – 2016 SDS through a sector framework with consequential sectoral resource allocation. Under bilateral agreements with trading partners such as China and Japan, Samoa requested a transitional period to continue receiving preferential treatment when exporting products to these countries. By 2015/16 growth was at 3.4% particularly around construction, tourism and fisheries. In 2016 an announcement was made of the closure of the largest manufacturing plant of automotive wire harnessing Yazaki due to closure of markets in Australia. As well more job losses are expected with the imminent closure of tuna canneries in neighbouring American Samoa. Job creation will be the biggest challenge to be faced in the next few years.

Key Outcome 2: A Re-invigorated Agriculture

Agriculture and fisheries contributed around 9.7% to GDP in 2012/13 and 9.4% in 2013/14. A Government stimulus package and recovery programs provided impetus and financial support for farmers to recover from the impacts of Cyclone Evan. Taro production was supported for example to meet an increase in market demand.

The development of organic products and an “Organic Samoa” brand allowed Women in Business and Development Incorporated to undertake a Farm to Table project with 48 organically certified farmers, providing weekly fruit and vegetables supplies to café and restaurants. The Samoa Agribusiness Project funded by the ADB was launched in May 2015 provided financial support for agribusinesses development. The agriculture sector is now more focused on value adding for both the export and domestic market and building skills and capacity for sustaining agricultural developments. Specifically for Agriculture, there is a need to identify the percent of arable land available for the development of the sector to ensure there is food security and income generation.

Key Outcome 3: Revitalized Exports

There has been an increase in merchandise exports as well as range of processed export products over the SDS period. Agricultural export increases for several products has occurred and momentum has been built for further increases in volume and diversity of products such as taro, coconut oil and products. Samoa has implemented its National Export Strategy.

Key Outcome 4: Sustainable Tourism

The growth of tourism arrivals has fluctuated, arrival numbers registered an increase of 14.1%(2013/14) over the period, an improvement relative to the baseline of 6.1% in 2010/11. The Samoa Tourism Authority continues to provide strategic marketing advice for new and existing products to meet changing market requirements and marketing distribution channels to ensure effective positioning. The Samoa Accommodation Standards Committee has continued to develop, review and monitor accommodation standards.

Fifty (50) scholarships were offered to Tourism and Hospitality students at the National University of Samoa. Major infrastructure investments that support tourism are progressing including the expansion of the Apia Ports Development and the upgrading of the Faleolo International airport to ensure improved safety and security of travellers. The accommodation „bed“ occupancy rate in calendar year 2014 stood at 47.8% which was a significant improvement from the 42.9% occupancy rate of 2013.

The majority of tourist operations in Samoa are located in coastal areas where they are exposed and hence vulnerable to climate change impacts. The shortage and inconsistency of supply as one of the issues faced by some of the tourism developments.

Key Outcome 5: Enabling Environment for Business Development

A new Companies Act removed the minimum capital requirement and simplified other various processes as part of strengthening and supporting a “One Stop Shop” business development approach to supporting business growth in Samoa. The number of initiatives issued Foreign Investment Certificates has fluctuated and the financial year 2013/14 recorded the highest level of capital investment in Samoa with the establishment of bigger investments such as the Taumeasina – Lamana Development, the Sheraton Aggies resorts and major renewable energy projects. The National Broadband Highway was launched in 2014 and a submarine cable project has begun that will enhance international connectivity.

PRIORITY AREA 2: Social Policies

Key Outcome 6: A Healthy Samoa

A sound policy framework now exists for the health sector with key legislation passed during the SDS period and the consolidation of all policies developed providing for a more effective primary health care focus. Infrastructure has improved with the establishment of the new TTM hospital and upgraded health facilities in rural areas, and the completed construction of a pharmaceutical warehouse, orthotics workshop a national primary health care centre and a new national hospital. Static clinics for dental services have been established in 3 locations in urban Apia. Human resources and health workforce capacity has been raised and comprehensive primary health care and health promotion measures have improved.

There is now an ongoing program for strengthening professional health service standards supported by the launching of clinical guidelines; the review of safe motherhood protocols; emergency and obstetric care guidelines; and School Nutrition Food Standards. There has been an increase in births attended by trained health personnel, as well as an increase in immunization rates throughout Samoa through the expanded immunization program. NCDs and related risk factors present a major threat to the health and wellbeing of the people of Samoa and are a priority for action.

Ensuring that rural mothers have access to the same family planning healthcare as available to urban mothers is an opportunity to be taken up. This also relates to other health areas in rural areas.

Key Outcome 7: Improved Focus on Access to Education, Training and Learning Outcome

Increased access to education was supported by the introduction of the Samoa School Fee Grants scheme for both the primary level in 2009 and the secondary level (Yrs 9-11 only) in 2012. By 2016 both schemes are now fully funded by the Government, which had both received significant inputs from the development partners initially. A majority of achievements implemented in quality teaching and learning are being sustained with increases in certified education providers and accredited programs that are recognized nationally and internationally.

The increase in number of graduates entering the education system has improved together with a commitment to provide support through scholarships. Setting minimum service standards and verification process to ensure that education providers comply with standards has improved. Inclusive education and disability programs have been implemented and new curricula for primary levels was developed and rolled out to all schools. Training in the teaching of the new curricula subjects including utilizing e-learning materials is ongoing. The secondary curriculum was also revised.

There is a need to enforce the law for children to attend school. PSET providers have insufficient organizational capacity to achieve required quality standards because of inadequate knowledge and skills of lecturers/trainers and the quality of school leavers entering the FOE at NUS.

Key Outcome 8: Social Cohesion

8.1: A Safe and Stable Samoa Community awareness programs such as the Neighbourhood Watch Program have resulted in increases in reporting of criminal activities. The Leadership Samoa Rehabilitation Program for Juveniles at Oloamanu was completed in October 2013 and assisted in reducing the number of child and youth reoffending. Access to justice, law and legal services has been improved through initiatives such as the Personalised Support for Victims at Court Project and the Government Legal Aid Programme on a pro bono basis.

The National Human Rights Institute, which runs out of the Office of the Ombudsman, was launched in December 2013. It is an independent establishment that promotes integrity and good governance across all arms of the government and initiatives such as the Review of the Village Fono Act 1990 and the establishment of Village Bylaws improved harmonisation of village and formal justice systems. The Community sector has been working closely with Law and Justice Sector through implementing agencies to ensure that customary based justice is promoted in formal justice system processes.

The centralized crime statistics system is now in place and fortifying the updating of the data and ensuring that data are relevant to the assessing achievement of outcomes desired in the sector and at SDS level needs attention. Samoa also presented its second universal periodic review report to the Human Rights Council in May and September 2016.

8.2 Community Development

The Village Fono Act has been reviewed to ensure village Bylaws are consistent with the constitution and the issue of human rights awareness and observance is being addressed. Since 2012, out of the 202 villages, fifteen have completed Bylaws with a target of eight Village Bylaw developments to be established per year. Capacity building programmes on Village Governance targeting Village Representatives (Sui o Nu'u) and Village Women Representatives (Sui Tamaitai o Nu'u) have focused on the areas of health, environment, agriculture, water, finance, education, transport, and electricity. 42 sustainable village development plans are in place having been integrated with coastal infrastructure management plans and disaster management plans.

Community development initiatives have made progress on the development of further livelihood options such as vegetable gardens, root crops, reviving traditional fine mats/handicrafts and coconuts based products. Initiatives on strengthening safety nets and social protection measures for vulnerable groups has been an ongoing exercise. Educational and awareness programs have been delivered on violence in families. Rights based Educational programmes have been delivered, for example –on the Convention of the Right of the Child and Gender based violence.

PRIORITY AREA 3: Infrastructure

Samoa continues to be supported by its development partners through investments in particular the infrastructure sector particularly in the transport sector. New activities include the construction of an upgraded airport terminal building including runway, taxiway and apron and equipment; the construction of more resilient road networks and bridges rehabilitation in addition to recently completed roads built as part of the Cyclone Evan Recovery program.

Key Outcome 9: Sustainable Access to Safe Drinking Water and Basic Sanitation

There have been improvements in customer satisfaction with the quality and reliability of water and sanitation services. Increases in households' access to water supplies were achieved with almost 90% of

the total coverage areas having access to treated water supplies and basic sanitation services. Conservation of water catchment areas has progressed with increased community commitment to implement approved watershed management plans. The water storage and harvesting program has enabled the construction of water tanks for households, with priority given to the most vulnerable households.

Water Quality Results for the Independent Water Schemes in particular and SWA boreholes remain at a low level due to untreated or disinfected water supply. Water safety plans will continue to be enforced to ensure water quality risks are identified and managed appropriately. Many major improvements have been made under the aegis of the Samoa Water Authority and examples include, the completion of water Treatment Plants in Aleisa and Vaitele; construction of Falelauniu Phase 1 water network system; and extending of the Neiafu and Falealupo supply network to Falelima and Tufutafoe.

Key Outcome 10: Efficient, Safe and Sustainable Transport System and Networks

The Second Infrastructure Asset Management Project was completed in December 2016 and involved the construction and widening of the Vaitele Street from Malifa to the industrial zone at Vaitele inclusive of bridges development at Vaimoso and Togafuafoa. The enforcement of roads construction standards is on track based on Australian and New Zealand road construction guidelines. The Samoa Enhanced Road Access Project commenced in October 2013 and completed in 2016, in order to restore key road sector assets including bridges damaged by cyclone Evan. The longstanding Leone bridge connecting the east to the west of Upolu where the capital is located has now begun with the resolution of design difficulties.

Work on upgrading and rehabilitating of the Faleolo International Airport started in 2014 with the construction of the VIP house and new parking system. The Samoa Aviation Investment Project approved in March 2014 and will be implemented in an integrated manner with the Faleolo Terminal Upgrade Project. Phase 1 of the terminal building component was completed in 2016. Cabinet has approved the Safety and Security Levy which in part will defray the costs of using the services of Pacific Aviation Security Organisation. The Exchange of Notes for the Apia Ports Development Project was executed in 2015 between the Governments of Samoa and Japan following the design study. The Government has approved the transfer of ownership of Mulifanua/Salelologa Port from Samoa Ports Authority to Samoa Shipping Corporation (SCC) to improve efficiency in service provision.

An improved assets management strategy and plan is to be established as part of the Infrastructure Sector strategy. Procurement standards and processing are to be improved. Upgraded databases and registry will improve monitoring of the road assets and will ensure a more informed approach to policy and investment developments.

Key Outcome 11: Universal Access to Reliable and Affordable ICT Services

The National Broadband Highway Project was completed in 2014. Financing and contractual arrangements for the second communications submarine cable is in progress. Deregulation and reform through appropriate legislation, institutional changes, modern infrastructure and improved policies have provided an enhanced environment for the burgeoning growth in mobile telephony, especially internet access. These developments through competition have driven the cost down for mobile phone usage domestically and internationally.

An e-waste policy has been integrated into the Samoa national hazard and chemical management policy. The Office of the Regulator (OOTR) has commenced a formal process for the definition and scope of the Broadband internet access market.

Key Outcome 12: Sustainability Energy Supply

Structural reforms included the establishment of the Energy Division within the Ministry of Finance whose focus is on the coordination of the implementation of the energy sector plan. There is a growing number of renewable energy projects approved to be undertaken under the auspices of Government with development partners cooperation as well as investments by the private sector through Power Purchasing Agreements. The number of renewable energy technologies used has increased with multiple solar panel plants in place, including Vaitele, Tanugamanono, Tuanaimato and Salelologa Apolima Tai Solar and JICA solar in Savaii. Other solar panels are currently under construction. In addition, there are 5 existing hydro electric plants owned and operated by EPC with 4 new hydro projects expected to begin operations in 2017-2019. The Land Transport Authority as one of the key agencies contributes through regulations and enforcement ensuring that all vehicles are registered according to engine sizes and costs linked to energy efficiency. New legislation passed in 2016 prohibits the importation of used vehicles that are over 8 years old.

Heating and cooking energy consumption and policy development needs attention.

PRIORITY AREA 4: Environment Sector

Key Outcome 13: Environment Sustainability

There has been a decrease of 1.7% in forest cover as a result of Cyclone Evan, forest fires, agricultural developments and expansion of residential/industrial areas. Approximately 58.3% of Samoa's land area is covered by "forest", but this does not include small woodlots, small reserves, small patches of mangrove forests and seawall plantings. There are 8 Terrestrial Key Biodiversity Areas in place that cover an area of 940km² or 33% of Samoa's total land area and includes national parks and reserves (2 in Upolu and 3 in Savaii). There are 7 Key Biodiversity Areas covering marine areas, approximately 173km² or 23% of Samoa's total inshore reef area. Terrestrial and marine species such as whales, dolphins and turtles remain under threat.

The protection of critical eco-systems and species is an ongoing priority program. The National Invasive Species Animals Plants list (2008) identifies a total of 120 invasive species of plants and animals (including terrestrial, freshwater and marine species) found in Samoa. Approximately 10% of the hydro-metric map of all aquifers in Samoa is now monitored with boreholes. 19 Terrestrial Reserves (government land), 5 national Parks - (Le PupuPue NP, lake Lanoto'o NP, Mauga o Salafai NP, Asau-Falelima NP & Lata NP), 3 Marine Reserves – (1 Palolo Deep Reserves & 2 Marine Protected areas – Aleipata and Safata MPAs) and 3 Community Conservation areas have had conservation works undertaken.

Key Outcome 14: Climate and Disaster Resilience

Samoa signed and ratified the Paris Agreement in 2016. Climate and disaster risk reduction are closely linked. More extreme weather events in future are likely to increase the number and scale of disasters and existing methods and tools of disaster risk reduction provide options for adaptation to climate change. Vulnerable groups are central to the rapidly expanding climate change research and policy agenda. Disaster risk management programmes at national, agency and village levels are in progress using the Hyogo Framework for Action on Disaster Risk Reduction's monitoring and evaluation framework.

Climate financing is supporting sustainable infrastructural developments and at the same time ensuring

that the assets are climate proofed. The new Pacific Resilience Programme will increase investments in disaster risk management. Villages have been identified as needing to complete the Community Disaster and Climate Risk Management Program introduced in 2012.

Designing an economic stabilization framework- ongoing and will be reviewed at every IMF Article IV consultation, the next one to be in 2016.

Growth is recovering gradually from natural disasters and inflation remains subdued with expected growth of 3.4% for 2015/16. The current account deficit has narrowed on lower international oil prices and a planned fiscal consolidation. The main external risk is the occurrence of another natural disaster in the presence of already high public debt and vulnerabilities in financial institutions. The main domestic risks center around a delay in rebuilding macroeconomic buffers, in particular through fiscal consolidation, reforms of public financial institutions and financial oversight. Improving financial resilience. The role of PFIs needs to be refocused to reduce contingent liabilities for public finances and to support the development of private financial markets. Regulation and supervision of financial institutions needs to be improved to reduce the risk of an adverse feedback loop from banks and PFIs to the public finances in case of another external shock. To rebuild macroeconomic buffers; a gradual fiscal consolidation is in place to reduce public debt to the target of 50 percent of GDP by 2020, mainly through improvements in revenue and a reduction in current expenditure. A stronger external position with higher reserves would provide greater resilience. To boost growth, ongoing structural reform initiatives emphasize a revitalization of agriculture and food processing, tourism, and an enabling environment for business. Reforms to SOE governance are beginning to bear fruit, and for now the course in planned privatizations and amendments to legislation to reduce the burden of state-owned enterprises (SOEs) on the public finances is on track. Improvements in financial infrastructure will improve the flow and allocation of credit.

Addressing institutional capacity constraints

This is being addressed at national level as well as at sector level through avenues such as targeted scholarships schemes for priority sectors, addressing thin capacities for implementation and reviewing options that would ensure building and retaining skills and capacities within agencies. the education and health sectors on top of the general scholarships program in order and experience and knowledge sharing through south-south cooperation arrangements.

The Public Service Commission has concluded an extensive public sector functional review which will result in a restructure of some of the ministries

Improving aid coordination and management- regular review of Effective Development cooperation policy and implementation of targets

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. Budget support is extended to Samoa upon demonstration of compliance with the Joint Policy Action Matrix.

There is evidence of risk aversion with some of the development partners opting to channel their aid through multilateral institutions in particular the financial institutions. What is being compromised also are the opportunities for capacity building and the fact that there is a need for greater transparency and accountability.

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

Foreign investments will continue to elude Samoa given the unique development challenges faced due to economic, geographic constraints similar to other small island developing states particularly those in the Pacific region.

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. Key elements of an enabling business climate achieved to date include

- (i) a fiscal and monetary policy geared toward macroeconomic stability; this is already in place as part of the government's fiscal consolidation plans
- (ii) (ii) the provision of sound infrastructure and relevant public utilities; electricity is considered costly. The many developments in renewables in order to meet the goal of 100% renewable by 2020 has helped to reduce electricity tariffs. Water quality standards have ensured that quality supplies are now reaching an increasing proportion of the population. In 2016, many roads projects were completed and bridges program begun. Phase 1 of a new terminal building was opened and the Apia Ports extension design has been completed with a contract to be let in early 2017. A new submarine cable system named Tui-Samoa Cable, which will span more than 1,470 km, providing an advanced broadband highway for inclusive social and economic growth and ensures connectivity with Fiji, Wallis and Futuna and the rest of the world.
- (iii) an efficient public administration that has been undergoing extensive reforms and
- (iv) a trade policy involving concessions that are commensurate with the constraints faced by the economy, and a newly instituted competitiveness policy. Under bilateral trade agreements with each of its partners, China has finally conferred a transition period of three (3) years since Samoa's graduation from LDC status on 1st January 2014. Within the transition period, Samoa will still be enjoying Duty-Free Treatment for products originating from itself into China which correspond to 95 percent of tariff lines. This will end in 2017 and already there are discussions under way towards a Free Trade agreement with China. Samoa has been granted a **3 year transition period** for Everything But Arms, this period is to end 1 January 2019 after which normal tariffs will apply. Samoa has already applied to be part of the interim EPA of which Fiji and Papua New Guinea are already members for its products to the EU of virgin coconut oil and nonu juice.

Despite having graduated in 2014, Samoa continues to benefit from the programs funded under the IF and EIF particularly those for trade facilitation and implementation of institutional reforms for the Trade Commerce and Manufacturing sector.

Mainstreaming post-disaster rehabilitation agenda

Post-disaster rehabilitation is part of the smooth transition strategy as much as it was, at an earlier stage, recognized by the UN as justifying a freeze in the graduation countdown following the tsunami of 2009. Mainstreaming is a key focus of two major projects on enhancing resilience.

In terms of climate change impacts, climate financing and environmental financing facilities Samoa has been able to access the highest levels of resources including through the GEF-LDCF among the Pacific countries. These resources have ensured the implementation of the National Adaptation Program of Action and mitigation strategies. Samoa continues to implement to completion an economy wide program to enhance community resilience funded under the LDCF.

As of December 2016, Samoa has for the first time had a Flood Management proposal approved under the Green Climate Fund during its December Board meeting held in Samoa. The proposal was a result of close inter-sectoral coordination efforts that clearly demonstrated the integration of climate change and disaster risk reduction into national and sector sustainable development planning.

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 all global dialogue processes it participated such as the HLPF National Voluntary reporting in July 2016, signing and ratification of the Paris Agreement in New York in April 2016 and COP 22 in Marrakech in December 2016 contributed to the country's credibility in its dialogue with development partners. By recognizing SIDS as well as LDCs, the United Nations offers policy space to countries that have graduated such as Samoa.

Unexpected changes of support:

There have been no unexpected changes of support from Samoa's development and trade partners. The changes in the means of implementation and/or the engagement framework have been discussed in policy level dialogues with the various development and trading partners.

ODA levels have slightly increased above 2015 levels. Partnerships are becoming the modus operandi of engagement and Samoa is prepared to meet its commitments as a partner such as co-financing parts of the development framework as the willingness to use country systems grows with evidence based outcomes of the extensive public finance management reforms the government has undergone. The advances made in reforms have made Samoa a centre for the execution of south-south cooperation. Two thirds of the Forum island countries have sent officials for attachments in Samoa particularly in the areas of budget and planning policy development and processes, aid management and effective development cooperation good practices. Samoa has also undertaken the majority of the 13 country peer reviews as well as development partners peer reviews (NZ and Australia).

The fact that Samoa is also a small islands developing state could mean that it will continue to be regarded as a country with special needs assistance; this is a significant consideration as it prepares to address the implementation of the SDGs and the SIDS Accelerated Modalities of Action (SAMOA) pathway using an integrated approach into the SDS framework (2016-2020)

As the chair of the 3rd SIDS international conference, Samoa has been part of the negotiations process involved in the finalisation of the 2030 Agenda and SDGs. There has also been advocacy for the inclusion of a SIDS component on the thematic reviews of all SDGs as there is clear correlation between the SAMOA pathway priorities and SDGs and targets.

Other possible impacts of graduation:

Given the international focus on countries with special needs, especially small island states, the multilateral financial institutions have adopted a Pacific Possible approach which proposes an alternative way to look at the challenges of Pacific small islands developing states. Pacific Possible will take a long term view of the development opportunities and challenges faced by Pacific island countries and focus on those that would have transformational impacts on the countries. They will also identify broad policy and institutional priorities and investments that would need to be developed in order to realize these opportunities. The approach will focus on 6 thematic areas:

- Harnessing the riches of the Pacific
- Islands in a sea of knowledge
- Host to the world
- Labour mobility
- Managing increasing stress on Pacific livelihoods
- Working together

The initiative by the World Bank Group is in line with the Pacific Framework for Regionalism, the SAMOA Pathway and will support the Pacific small islands developing states in their approach to addressing the SDGs implementation as well as the SAMOA Pathway. Samoa under the new SDS has already developed a roadmap for the implementation of the SDGs and SAMOA pathway as well as the indicators for monitoring. Samoa is also part of the working group to develop and finalise the Pacific roadmap as well as the Asia Pacific roadmap.
