[redacted]

line for monitoring reports: Equatorial Guinea and Vanuatu

Equatorial Guinea	Vanuatu	Relevant GA resolution
Current reporting system introduced	Current reporting system introduced	67/221 adopted
CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	67/221
Country report to be submitted to CDP (as a graduating country)	Country report to be submitted to CDP (as a graduating country)	67/221
CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	2013/20[A]
Country report to be submitted to CDP (as a graduating country)	Country report to be submitted to CDP (as a graduating country)	67/221
CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	67/221
Country report to be submitted to CDP (as a graduating country)	Country report to be submitted to CDP (as a graduating country)	67/221
CDP annual monitoring report to ECOSOC	CDP annual monitoring report to ECOSOC	67/221
Equatorial Guinea graduates		*68/18*
	Vanuatu graduates	*68/18*
Country report to be submitted to CDP (as a graduated country, #1)	Country report to be submitted to	

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II. Monitoring development progress of Equatorial Guinea

Background

Equatorial Guinea was recommended for graduation by the Committee in 2009 in accordance with the "income only" rule, as its GNI per capita was several times above the income graduation threshold.[1] Responding to the findings by the Committee, the Government of Equatorial Guinea stated that despite rapid income growth, the economy remained extremely fragile due to its excessive dependence on the oil sector. In view of this observation, Equatorial Guinea requested a period of transition up to the year 2020—the year when the implementation of the national development strategy will be finalized—before it could be reclassified to a non-LDC.[2]

ECOSOC considered this matter and endorsed the recommendation for graduation by the Committee in 2009 (E/2009/35). General Assembly took note of the recommendation by the CDP in 2013 (A/68/18). The General Assembly also decided to provide Equatorial Guinea, on an exceptional basis, with an additional preparatory period of six months, before the start of the three-year preparatory period leading to graduation. Therefore, Equatorial Guinea is scheduled to graduate on 4 June 2017 (see table 1).

Recent macroeconomic developments

Equatorial Guinea has experienced an economic slowdown due to the falling price in the international oil market. In 2012, GNI per capita remained above $13,000 and the annual real GDP growth reached 5.3 per cent.[3] In 2013, as oil production fell and government spending on infrastructure projects decreased, GDP contracted by 1.5 per cent in real terms, and a mild contraction of the economy is expected to continue over the medium term.[4]

GDP), a substantial deficit in 2012 (10 per cent of GDP) and a modest deficit in 2013 (4.7 per cent in 2013). The fiscal deficit is expected to decrease over the medium term to 1-3 per cent of GDP, as the government expenditure on large-scale public investment projects is likely to be reduced.[7]

Equatorial Guinea is highly dependent on oil exports and its economic prospect is mainly affected by the forecasts on the international oil market. As oil fields are have limited reliance on bilateral official development flows – net ODA as a percentage of GNI is only 0.1 per cent in 2012.[13]

Yet, a smooth transition strategy should be prepared to engage the country's development partners in providing the necessary support to ensure that the country's development path is sustainable. As Equatorial Guinea's medium- to long-term development prospects depend to a large degree on future oil revenues, the country may wish to prepare, in collaboration with its partners, its transition strategy for successful implementation of economic policies to promote diversification, reducing excessive dependence on the hydrocarbons sector.

[13] OECD, Aid at a Glance: Equatorial Guinea. Available from http://www.oecd.org/dac/stats/documentupload/GNQ.JPG