

TUVALU



Mr. Chairman
Distinguished Members of the Expert Group of the
Committee for Development Policy
Ladies and Gentlemen

Introduction

I am deeply honoured and privileged to have this opportunity on behalf of the Government of Tuvalu (GOT) to make an oral presentation on Tuvalu's graduation from the LDC category.

Allow me first to convey our appreciation and gratitude to the Secretariat of the Committee for Development Policy (CDP) for the kind invitation extended to my Government to participate in this important meeting.

I also wish to acknowledge the responsibility of the Government of Tuvalu in the process of preparing for this meeting.

The low income criterion

Chairman, the low income criterion uses in determining the graduation of countries from LDC category paints a picture of a wealthy Tuvalu.

While we understand that Tuvalu's GNI was based on available information, we however think that the use of the GNI per capita measure does not reflect the real situation in Tuvalu.

It is important that this meeting appreciates the fact that when we use this measure, Tuvalu is rank alongside countries like China, Thailand, Peru and Columbia. However, these countries apparently have large, export-driven economies, militaries,

example, the portion of the Government budget covered from ODA is usually around 50 per cent.

Any decline in these inflows will result in less government expenditures. Given that the economy in Tuvalu is mostly driven by the public sector, declining government spending would also mean decreasing GDP and GNI .

Loss of LDC-specific supports

Chairman, our response to the 'Ex-ante impact assessment of likely consequences of graduation of Tuvalu from the LDC category - triennial review 2012' clearly detailed our views on the many losses such as EU 11th EDF support, travel funds to UN General Assemblies, and trade support measures that we envisaged would happen if Tuvalu graduates.

In addition, we see the loss of access to the LDC Fund under the UNFCCC at some point in time if Tuvalu graduate is catastrophic for Tuvalu who is extremely vulnerable to climate change impacts and also highly dependent on foreign assistance. While the Green Climate Fund (GCF) is a potential source of fund for our climate change adaptation needs, the fact that it may take years to materialize would put our adaptation needs into jeopardy.

Secondly, Tuvalu will also stand to lose benefits from the South-South Cooperation supports pledged by countries like India and Turkey under the Istanbul Programme of Action for the next decade, if it graduates.

Conclusion

Mr. Chairman, your distinguished colleagues, I hope I have provided you with a clear overall situation of Tuvalu. A situation that is clear to us that the three mechanical benchmarks established to determine countries' graduation from the LDC category, in certain cases, are not applicable and inappropriate to Tuvalu's case.

The GNI measure in particular misleadingly portrays a wealthy nation of Tuvalu

The likely loss of ODA support and LDC-specific supports would also have grave consequences for Tuvalu.

Naturally no one wishes to remain poor for the rest of his or her life. With the